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CCC INTERROGATORY #1

Reference:

A-03-01

Interrogatory:

Please file all materials provided to HON’s Board of Directors when seeking approval of this Application and the underlying budgets. Please provide a timeline regarding this approval process.

Response:

Refer to I-07-SEC-002 for materials provided to the Board of Directors when seeking approval of this Application and the underlying budgets.

Please refer to I-07-SEC-07 for a chronology of material events in Hydro One Transmission’s Investment and Business Planning processes.

1 **CCC INTERROGATORY #2**

2
3 **Reference:**

4 A-03-01

5
6 **Interrogatory:**

7 Please provide all documents (directives, memos etc.) provided to employees regarding
8 the development of the of this 3-year Custom IR application.

9 Please provide a timeline and description of the process used to develop the budgets and
10 evidence contained in this Application.

11
12 **Response:**

13 Please refer to I-07-SEC-007 for a chronology of all material events in Hydro One
14 Transmission's Investment and Business Planning processes.

15
16 Hydro One declines to provide documents given to employees for the development of
17 this Application, given that the Application itself has been put before the OEB. The
18 parameters considered by Hydro One and the process followed by Hydro One in
19 developing the Application are contained in the 2019-2024 Transmission Business Plan
20 at Exhibit A, Tab 3, Schedule 1, Attachment 1 and Section 2.1 of the TSP which
21 describes Hydro One's investment planning process.

1 **CCC INTERROGATORY #3**

2
3 **Reference:**

4 A-03-01

5
6 **Interrogatory:**

7 Please provide the most recent Organizational Chart for HON down to the director level –
8 including both the Transmission and Distribution business units.

9
10 **Response:**

11 Please see Attachment 1 to this Exhibit.

EXECUTIVE LEADERSHIP TEAM

President & CEO
 Mark Poweska

SVP, Innovation & Strategy
 Jane Allen

Chief Operating Officer
 Acting - Darlene Bradley

EVP & Chief Human Resources Officer
 Saylor Millittz-Lee

Chief Corp Affairs and Cust Care Officer
 Jason Fitzsimmons

Chief Legal Officer
 Vacant

Chief Financial Officer
 Chris Lopez

SVP, Technology & CIO
 Brad Bowness

VICE PRESIDENTS

Pres & CEO, Hydro One Telecom
 John Papadakis

VP, Distribution
 Lyla Garzouzi

VP, Transmission & Stations
 Andrew Spencer

Managing Director – Remotes
 Kraemer Coulter

VP, Total Rewards
 Vacant

VP, Customer Service
 Imran Merali

Corp Secretary & Corp Ethics
 Maureen Wareham

Senior Vice President, Pensions
 Robert Cultraro

Vice President - Corporate Tax
 Nancy Tran

Chief Security Officer
 Acting - Lincoln Frost-Hunt

VP, System Operations
 Martin Huang

VP, Shared Services
 Rob Berardi

VP, Planning
 Acting – Bruno Jesus

VP, Employee & Labour Relations
 Nadine O’Neil

VP, Indigenous Relations
 Derek Chum

VP & Treasurer, Treasury & Risk
 Ali Suleman

VP, Audit
 Kris Wentzel

VP, Health, Safety & Environment
 Lisa Williamson

VP, Talent Management
 Farah Alexis

Vice President - Investor Relations
 Omar Javed

VP, Corporate Development
 Annie Sismanian

VP, Change & Culture
 Greg Lane

VP, & Chief Risk Officer
 Frank D’Andrea

DIRECTORS

Director, Business Integration
 David Hutchinson

Dir, Transmission Asset Mgmt
 Donna Jablonsky

Dir, System Planning
 Robert Reinmuller

Dir, Supply Chain
 Susan Wylie

Director, Helicopter Services
 Walter Heneghan

Dir, Talent Management
 Natasha Bennett

Director, Large Customer
 Spencer Gill

Asst. General Counsel & CRO
 Adele Pantusa

Dir, Corporate Account & Reprt
 Samir Chhelavda

Dir, Technical Audits
 Jeff Schaller

Dir, IT Operations
 Andrew Whittington

Director, Telecom Operations
 Harrisankar Persaud

Director, Distribution Lines Work Mgmt
 Scott Vicary

Director, Station Services
 Chong Kiat Ng

Director, Facilities and Real Estate
 John Boldt

Director, Transmission Lines
 Arnold Parcels

Director, Strategic Change
 Kevin Conway

Dir, Market Solutions
 Whitney Brhelle

Assistant General Counsel
 Michael Engelberg

Director, Applications Delivery
 Kathleen Burke

Dir, Business Performance
 Jeffrey Smith

Dir, Enterprise IT
 Peter Ruppert

Dir, Public Sector Bus Dev
 David Hurst

Dir, Environmental Services
 Elise Croll

Director, Health & Safety
 Ryan Fabi

Dir - Distribution Asset Management
 Acting - Peter Faltaous

Dir, Transmission & Stations Engineering
 Ayesha Sabouba

Dir, Compensation & HR Analytics
 Sabrin Lila

Dir, Meter to Bill
 Danny Relich

Assistant General Counsel
 Cassidy McFarlane

Director, Treasury
 William Paolucci

Dir, Major Projects & Partnerships
 Joanne Richardson

Dir, Enterprise IT
 Acting - Raj Agnihotri

Director, Business Development
 Robert Agostino

Director, Construction Svcs Stations
 Brian Priestap

Dir, Distribution Lines
 Alexander Turpin

Dir, Emerg Preparedness & Restoration
 Derek Roles

Dir, Bus. Strategy & Program Mgmt
 Godfrey Holder

Dir, HR Service Centre
 Susan Sutton

Dir, External Relations
 Daniel Levitan

Principal Legal Counsel
 Ann Yu

Director, Environment H&S Audit
 Kevin Laframboise

Director, Pension Fund
 Carolyn Tsen

Project Director
 Kelly Kingsley

Director, Financial Services & Reg
 Mukul Sarin

Director, Business Services
 Mike Boland

Director, Forestry Services
 David Price

Director, Project Delivery
 Chris Cooper

Director, Project Delivery
 James Mardegan

Dir, Pension, Benefits & Wellness
 Susan Wabb

Director, Corporate Communications
 Jay Armitage

Director of Conservation
 Lisa(Seung-Yoon) Lee

Director, Data Governance
 Helen Poletes

Director - Pension Fund Investments
 Thavanesan Naidoo

Director, Strategy & Integrated Planning
 Acting - Hameet Panesar

Director, M&A Support
 Tammy O’Sullivan

Director, Fleet Services
 Chris Iveson

Director AMI Operations
 Peter Mitskos

Customer Care Director
 Robert Globocki

Director, Strategic Finance
 Joel Jodoin

Director, Development Strategy
 Colleen Lamont

Dir, Project Management
 Kathleen McCorrison

Director - Tx System Control and Outage
 Jason Boniface

Director, Special Projects
 Erin Kelly

Dir, Information Systems Audit
 Neil Power

Director - Outsourcing Services
 Anjum Khan

1 **CCC INTERROGATORY #4**

2
3 **Reference:**

4 A-03-01 p.1

5
6 **Interrogatory:**

7 The evidence states that, “A significant portion of Hydro One’s assets are reaching the
8 end of their useful life and have deteriorated to the point where investment is required to
9 maintain customer reliability and meet safety and environmental sustainability
10 requirements.” In the last proceeding (EB-2016-0160) the evidence stated that “based on
11 HON’s assessment of its transmission system, a significant portion of its assets have
12 deteriorated to the point where they pose a risk to its business objectives of maintaining
13 current levels of reliability and improving customer satisfaction” (EB-2016-0160 Ex.
14 A/T3/S1/p. 5)

- 15
16 a) Please describe what HON has done since the last proceeding to address the fact that
17 assets are reaching the end of their useful life and have deteriorated to the point where
18 investment is required;
- 19
20 b) What portion of the assets were reaching the end of their life at the time of the last
21 Application?
- 22
23 c) What portion of HON’s assets today have deteriorated to the point where they pose a
24 risk to its business objectives of maintaining current level of reliability and improving
25 customer satisfaction?

26
27 **Response:**

- 28 a) As described in TSP Section 3.1, Hydro One has continued to undertake System
29 Renewal investments to address deteriorated assets that have reached their end of
30 useful life since the last proceeding. Tables 3 and 4 in TSP Section 3.3 highlight
31 historical and forecast major asset replacements that maintain customer reliability and
32 meet safety and environmental sustainability requirements. Further details on the
33 investments Hydro One will undertake over the planning period are detailed in TSP
34 Section 3.0 and the Investment Summary Documents in TSP 3.3.8.

b) The following table outlines the portion of Hydro One's major assets that had a high or very high risk condition and were considered to be end of life at the time of filing Application EB-2016-0160.

Major Asset Condition Summary

Asset Type	% of Assets at High or Very High Risk	EB-2016-0160 Reference
Transformers	15%	Exhibit B1, Tab 2, Schedule 6, Figure 5
Circuit Breakers	11%	Exhibit B1, Tab 2, Schedule 6, Figure 11
Protection Systems	27%	Exhibit B1, Tab 2, Schedule 6, Figure 18
Conductors (km)	9%	Exhibit B1, Tab 2, Schedule 6, Figure 24
Wood Poles	3%	Exhibit B1, Tab 2, Schedule 6, Figure 30
Underground Cables (km)	4%	Exhibit B1, Tab 2, Schedule 6, Figure 48

c) The following table outlines the portion of Hydro One's major assets that have a high or very high risk condition and are considered to be at end of life.

Major Asset Condition Summary

Asset Type	% of Assets at High or Very High Risk	EB-2019-0082 Reference
Transformers	17%	Exhibit B, TSP Section 2.2, Table 1 Exhibit B, TSP Section 2.2, Figure 3
Circuit Breakers	9%	Exhibit B, TSP Section 2.2, Table 1, p 3 Exhibit B, TSP Section 2.2, Figure 8
Protection Systems	27%	Exhibit B, TSP Section 2.2, Table 1, p 3 Exhibit B, TSP Section 2.2, p 26
Conductors (km)	13%	Exhibit B, TSP Section 2.2, Table 1, p 3 Exhibit B, TSP Section 2.2, Figure 18
Wood Poles	13%	Exhibit B, TSP Section 2.2, Table 1, p 3 Exhibit B, TSP Section 2.2, Figure 27
Underground Cables (km)	3%	Exhibit B, TSP Section 2.2, Table 1, p 3 Exhibit B, TSP Section 2.2, Figure 21

1 **CCC INTERROGATORY #5**

2
3 **Reference:**

4 A-03-01 p.2

5
6 **Interrogatory:**

7 The evidence states that almost half of the proposed increase is attributable to load
8 decline due to government conservation initiatives and lower consumption. Please set
9 out specifically what the balance of the proposed increase is related to.

10
11 **Response:**

12 Please refer to Exhibit A, Tab 3, Schedule 1, pages 24 and 25 for an analysis and
13 description of the revenue requirement increases in this application.

CCC INTERROGATORY #6

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Reference:

A-03-01 p.3

Interrogatory:

The evidence states that, “Hydro Ones’s Transmission customers have told Hydro One that safety and reliability are the outcomes that they care most about. Please confirm that these customers are generators, distributors and directly connected customers.

Response:

Confirmed. The customers referred to are transmission connected Generators, LDCs, and End-Use consumers.

1 **CCC INTERROGATORY #7**

2
3 **Reference:**

4 A-03-01 p.3

5
6 **Interrogatory:**

7 The evidence states that HON has implemented improvements to its planning process to
8 ensure that it's spending is targeting to the assets that are most critical and where the
9 funding will have the greatest impact. Please describe, in detail, the improvements to the
10 planning process. Please provide all documentation and directives to employees
11 regarding this new planning process.

12
13 **Response:**

14 A detailed review of the Investment Planning Process is included in Exhibit B, Tab 1,
15 Schedule 1, Section 2.1, and key improvements are summarized on page 2 and expanded
16 throughout the exhibit.

17
18 Attachment 1 of this interrogatory response is the 2019-2024 Investment Planning Kick-
19 off process material. This process material encompasses the complete written guidance
20 provided to employees on the new planning process which underlies the application.

2019-2024 Investment Planning Kick-off Session

APRIL 20, 2018

hydroOne



Agenda and objectives for today's discussion

Agenda

- Process Overview
- Planning Framework and Strategic Considerations
- Allocations and Outcomes (Initial)
- Continuous Improvement Initiatives
- Productivity
- Stage 1 Outlook: Next Steps

Objectives for today

Review the approach for the 2019-24 Investment Planning Process:

- 1 Review the **guiding principles** of the investment planning process
- 2 Understand the **purpose of, and your role in,** each process stage
- 3 Discuss **expectations** and next steps for the planning process

Process Overview

Planning Framework and Strategic Considerations

Allocations and Outcomes

Continuous Improvement

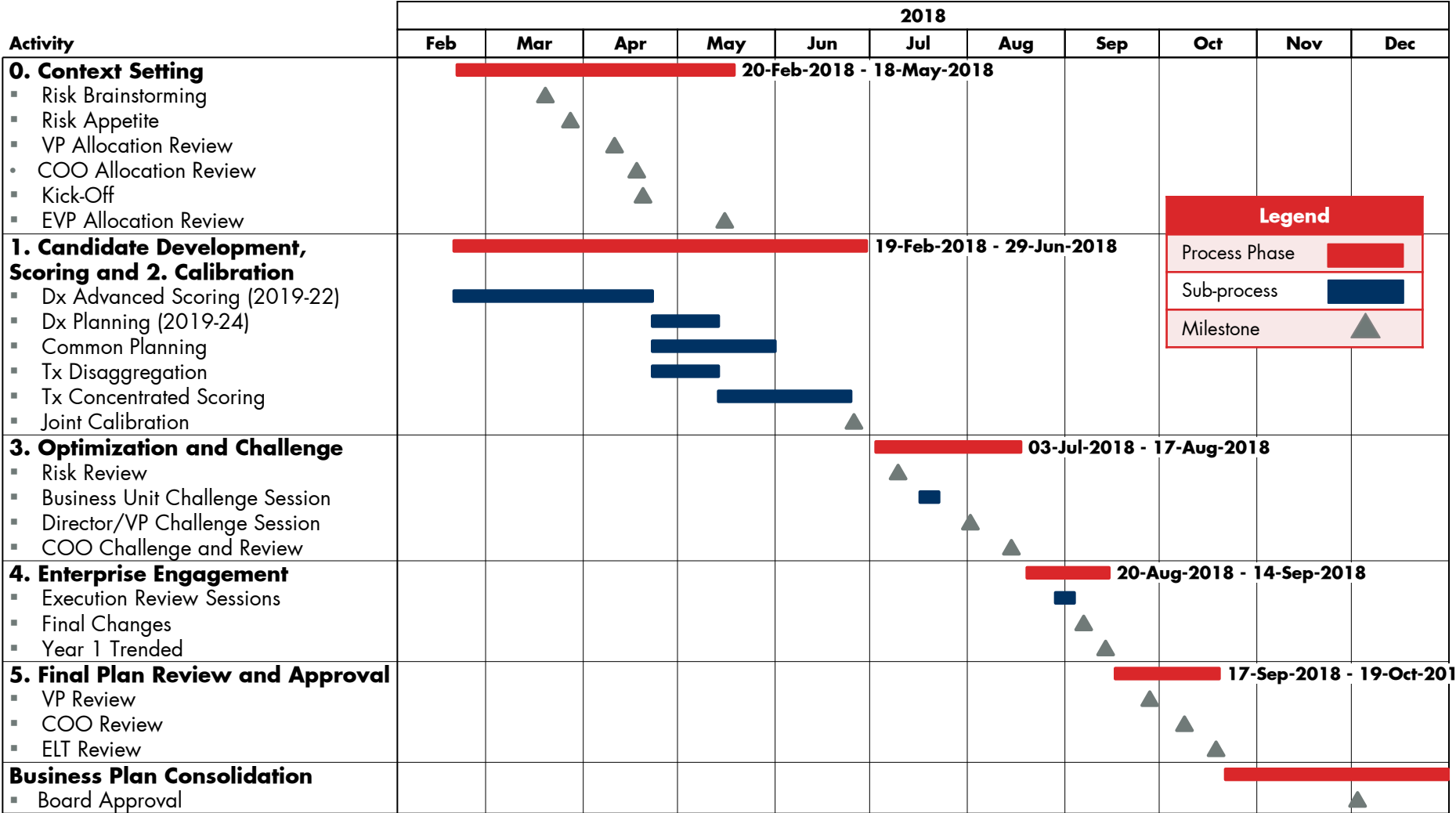
Productivity

The investment planning process is a multi-step, enterprise wide process culminating in a six-year investment plan



Stage	Description
0 Investment Planning Context	Translation of high-level strategic objectives into initial financial requirements and strategic outcomes/metrics.
1 Candidate Investment Development and Scoring	Develop investments to address strategic, customer or asset needs. Evaluating risk and flag considerations.
2 Calibration	Comprehensive alignment on risk, investment efficiency, critical investment plan considerations and process to address corporate priorities.
3 Optimization/ Challenge	Detailed review of the initial scenario results to prioritize investments in the investment plan based on risk scores and other considerations noting efficiencies, risks, asset need, and customer impacts. Align investment portfolio to multi-year envelope based on risk prioritization.
4 Enterprise Engagement	Ensure alignment between Planning and Execution on investment needs, resource capabilities, and identified opportunities for trade-off discussions.
5 Develop Final Plan	Final review and approval of the Investment Plan proposal to ensure alignment of plan with corporate priorities, including clarity on outcomes, risk, customer feedback and strategic direction.

The 2019-24 investment planning process will run from late February to early October¹



¹ - Schedule as of 4/10/2018

By the end of June, all investments will be identified, scored and calibrated within and across business units

	April		May				June				Who?	
	Week of:											
	23	30	7	14	21	28	4	11	18	25		
Dx Investment Development	<u>Scoring and Calibration</u> Complete scoring for 2023/24 ensuring productivity savings are embedded			<u>Data Migration</u> Migration of data to new version of Copperleaf								Dx Planning
Common Investment Development	<u>Scoring and Calibration</u> Investment Scoring, and on-going Calibration. Includes Productivity Review						<u>Data Migration</u> Migration of data to new version of Copperleaf					All other planning groups (Customer, Fleet, ISD, Facilities, etc.)
Tx Investment Development	<u>Disaggregation</u> Focus on opportunities to disaggregate Capital & OM&A investments for scoring purposes			<u>Scoring and Calibration</u> Investment Scoring, and on-going Calibration. Includes Productivity Review				<u>Data Migration</u>				Tx Planning
Review and Calibration							Ongoing review of risk scores & flags; identification of QA issues				★	Planning and Execution groups
Dx Oral Hearing												

★ - Calibration Showcase of Investments:
 Scoring methodology review; Review of investment efficiency, efficiency frontier, bubble charts, etc.
 Outcome: Cross-Functional Alignment on Risk, Critical Inputs.

Planning in parallel with active OEB applications requires a consistent approach to maintain regulatory consistency and credibility

Transmission

- Updated investment costs, schedule and risk assessments
- Total plan will be held consistent with annual capital/OM&A envelopes included in the *To Be Filed* application
- Additional guidance on category level (*System Access, System Renewal – Stations, etc.*) parameters to be communicated during Challenge
- Reprioritization and redirection of plans to incorporate updated assumptions to rebalance the plan within the OEB proposed envelope

OEB Status

- Evidence drafted
- Expected filing: July 2018, delayed from April

Distribution

- Implementation of new risk assessment methodology and scoring
- Updated investment costs, schedule and risk assessments
- Total plan will be held consistent with annual capital/OM&A envelopes included in the application currently in front of the OEB
- Additional guidance on category level (*System Service, System Renewal – Poles, etc.*) parameters to be communicated during Challenge
- Reprioritization and redirection of plans to incorporate updated assumptions to rebalance the plan within the OEB proposed envelope

OEB Status

- Application Filed: March 2017
- Oral Hearing: June 2018

Other regulated and unregulated requirements will identified in parallel with the legacy Networks planning process

	How is it tracked?	How is it planned?	Considerations
Acquired LDCs (Norfolk, Haldimand, Woodstock)	<ul style="list-style-type: none"> Separate Distribution Segment Costs rolled up to overall HONI Dx Operations to be fully integrated in 2021 	<ul style="list-style-type: none"> Budgeted amounts held separate, but integrated into existing work program structure Existing ARs Separate Templates 	<ul style="list-style-type: none"> Disclosed envelopes Synergies Productivity enhancements
B2M LP	<ul style="list-style-type: none"> Separate SAP Company Code Service Level Agreement Intercompany Transactions Operated as separate entity 	<ul style="list-style-type: none"> Gross Costs (Net 0) to be embedded within investment plan New Driver (<i>update to existing setup</i>) New ARs (<i>update to existing setup</i>) Separate Templates 	<ul style="list-style-type: none"> Approved application Regulatory Requirements
HOSSM	<ul style="list-style-type: none"> Separate SAP Company Code Service Level Agreement Intercompany Transactions Operated as separate entity 	<ul style="list-style-type: none"> Gross Costs (Net 0) to be embedded within investment plan New Driver New ARs Separate Templates 	<ul style="list-style-type: none"> Asset condition assessments Synergies
Unregulated Investments	<ul style="list-style-type: none"> Separate SAP Company Code 	<ul style="list-style-type: none"> Coordinated through business planning 	

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Process Overview

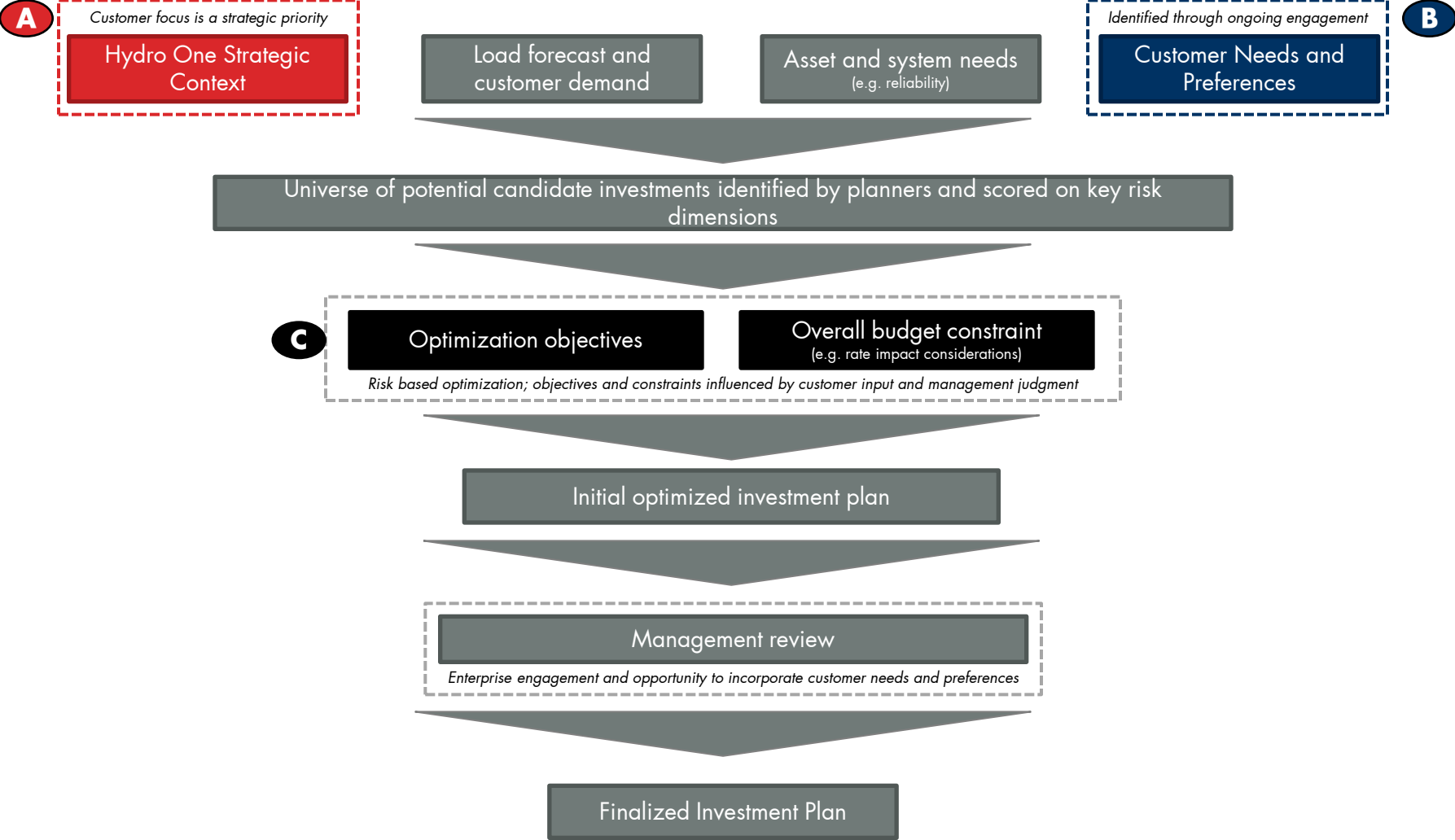
Planning Framework and Strategic Considerations

Allocations and Outcomes

Continuous Improvement

Productivity

Hydro One's investment planning process incorporates customer and stakeholder feedback



A Hydro One's 2018 strategy will guide the company in achieving its goal of becoming the leading utility in North America

Customer Focus

- The Hydro One of today aspires to be a more thoughtful, caring organization where the voices of our customers are heard and acted on.

Optimization and Innovation

- We are transforming to achieve our vision of becoming a best-in-class, customer-centric commercial entity, with a culture of operational excellence and continuous improvement. We will execute on our strategy to transmit and distribute electricity safely and reliably in a manner that produces the greatest value for customers.
- Through our strategy, innovation becomes a focus for the company and we plan to invest in innovation to modernize the transmission and distribution grids, improve reliability and efficiencies as well as build a platform for connecting distributed energy resources.

Diversification

- The electricity industry is transforming from a system based on large centralized generation, transmission and distribution, to small-scale, distributed generation, as a result of declining technology costs and customers' desire for choice in electricity supply.
- Hydro One's strategy is to adapt our grid investments to reflect this new reality and to provide the new energy services that customers are demanding. We will evaluate new businesses such as providing behind-the-meter products and services that meet requirements for resiliency, reliability, sustainability, quality and security more cost-effectively than grid-only supply. We will also seek to invest in emerging technology that focuses on innovation in the electricity sector, to identify technologies that could disrupt the company's business, or that can enhance our business.

Growth

- We pride ourselves in having a proven record of consolidating electricity utilities. Through growth, we turn the impossible, possible to reach our goal of becoming the leading North American utility that customers, shareholders and the public can count on.

B Expressed customer preferences should guide the development of the investment plan

Customer Engagement

- In support of recent and pending Rate Applications, customers were segmented and engaged through a variety of consultation methods
 - **Distribution** customers engaged in summer 2016 (EB-2017-0049)
 - **Transmission** customers engaged in winter 2016 (EB-2016-0160) and spring/summer 2017 (EB-2018-0130)
- It is assumed that the macro-level needs and preferences expressed by the respective customer segments have not materially changed since the initial consultation(s)
- Through ongoing customer contact, new individual customer needs and preferences may be identified, which should inform the identification and development of candidate investments

Transmission

- Customers' key preferences:
 - Top Priority expressed by customers was related to safety;
 - Next priority was reliability maintenance or improvement, particularly frequency of outages;
 - Customers indicated a willingness to accept modest, stable rate increases to achieve that outcome.

Distribution

- Customers' key preferences:
 - Customers consistently prioritized low rates as the top priority and wanted Hydro One to do its best to limit increases.
 - Reliability was the second most important factor, however there was a very low willingness to accept rate increases to attain better reliability.
 - Power quality was a significant factor for large customers.

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Productivity

Over the planning period, we will achieve our objectives through the implementation of several Strategic Initiatives

To meet customer needs, Hydro One will...

Customer Focus

Always there for our **Customers**. This includes being easy to do business with, advocating on behalf of customers, acting in a timely manner to respond to customer needs, and meeting customer commitments.

- *Improve customer satisfaction for residential and small business customers (**73%**), commercial and industrial customers (**72%**), and transmission customers (**86%**).*
- *Continue to enhance first call resolution, billing accuracy, and the company's overall brand.*
- *Connect new and upgrade existing customers and build **1,695MW** of new capacity to enable customer growth*

Optimize the Core

Be an industry leader in **Safety & Environment** for our employees, contractors, and the public. Achieve and maintain "World Class" safety performance.

- *Continue the "Journey to Zero" and achieving a recordable incident rate of less than **1.0***

Deliver improved **Reliability** to our customers, incorporating their input and priorities.

- *Improve Transmission outage duration (SAIDI-mc) by **31%** relative to the five year average¹*
- *Improve Distribution outage duration (SAIDI) by **43%** relative to the five year average²*

Provide **Cost Effective** service to our customers by improving our productivity and continue to meet our budgeted commitments.

- *Over **\$1,000M** of productivity savings embedded within 2019-24 envelope³*

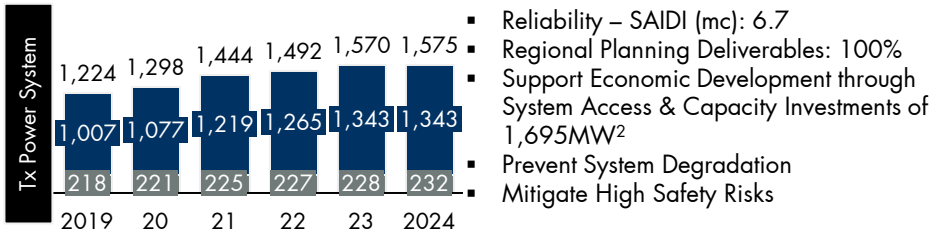
Bring Innovation to the Core

Pursue continuous **Innovation** in our work programs to maintain a reliable and affordable system. Pursue grid modernization opportunities provided by emerging technology to enhance system visibility and automation.

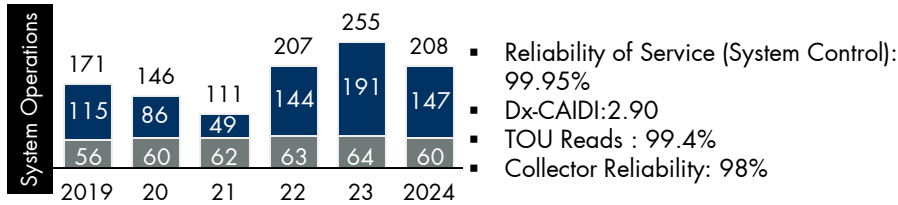
- *Deploy technology investments to enable productivity gains and improve customer interactions and insights*

Individual portfolios are targeting key outcomes over the plan period

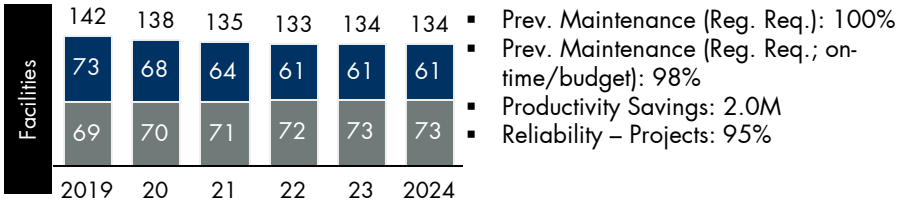
Annual Portfolios, \$ M Net



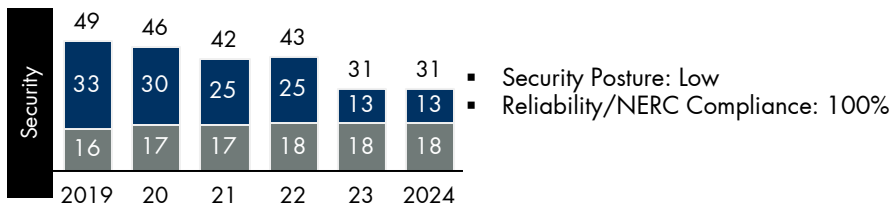
- Reliability – SAIDI (mc): 6.7
- Regional Planning Deliverables: 100%
- Support Economic Development through System Access & Capacity Investments of 1,695MW²
- Prevent System Degradation
- Mitigate High Safety Risks



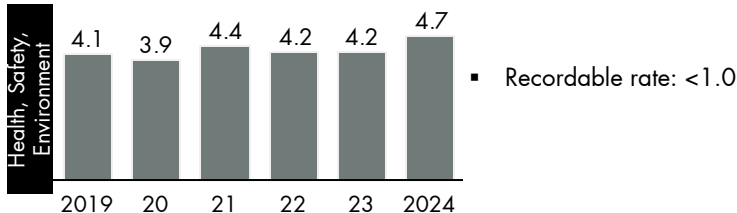
- Reliability of Service (System Control): 99.95%
- Dx-CAIDI: 2.90
- TOU Reads : 99.4%
- Collector Reliability: 98%



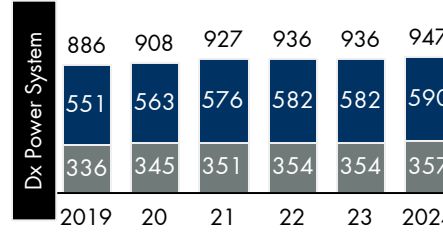
- Prev. Maintenance (Reg. Req.): 100%
- Prev. Maintenance (Reg. Req.; on-time/budget): 98%
- Productivity Savings: 2.0M
- Reliability – Projects: 95%



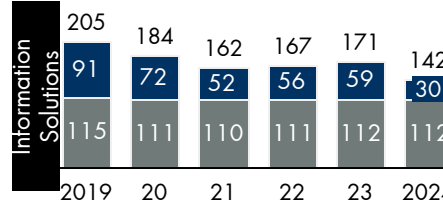
- Security Posture: Low
- Reliability/NERC Compliance: 100%



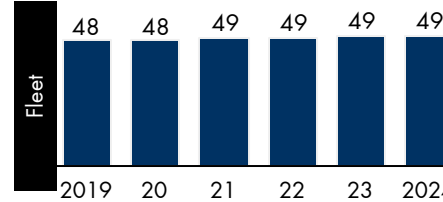
- Recordable rate: <1.0



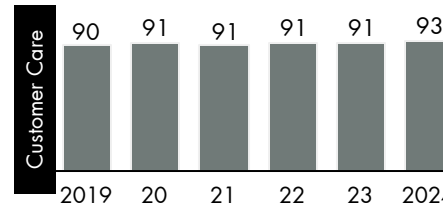
- Reliability – SAIDI: 4.26¹
- Reliability – SAIFI: 1.52¹
- Prevent System Degradation
- Mitigate High Safety Risks



- Cost of Service: 4.5%
- Quality of Service: 100%
- Reliability-Services: 99.53%
- Reliability – Project: 95%



- Fleet size: 7,200
- Annual utilization: 6M hours
- Weekly utilization (Heavy): TBD
- Weekly utilization (Light): TBD



- Residential and Small Business Customer Satisfaction: 73%
- Commercial and Industrial Customer Satisfaction: 72%
- Transmission Customer Satisfaction: 86%
- First Call Resolution: 85%
- Billing Accuracy: 99%

■ Capital ■ OMA

1 – DRAFT 10-Year Dx Strategy: 4.26 vs. 7.5 [2013-17A] = 43% Improvement
 2 – Cumulative incremental capacity, relative to 2017, i.e. total additions over 2018-24 period

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Planning Framework and Strategic Considerations

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Continuous Improvement

Productivity

Process enhancements and new requirements provide opportunities to address pain points and drive continuous improvement

Process and Tools

- Revised schedule which provides additional time for key process stages
- Introduction of a milestone based checklist to confirm prior stage prerequisites have been completed
- Additional examples to augment training for OM&A and Common Investments
- Improved tracking and increased visibility to action items

Context Setting

- Formalized process to identify high-level funding requirements and strategic outcomes at outset
- Director level workshop held to identify priority risks
- VP level workshop held to identify risk tolerance/appetite which guide subsequent optimization

Investment Development and Scoring

- Increased focus on investment disaggregation
- New tools and templates to score investments
- Proposed team based, concentrated scoring for Dx and Tx power system investments (“certified scorers”)
 - Increases scoring consistency reduces calibration burden.
 - Barriers identified immediately and addressed by leadership
- Calibration focused on small group reviews

Optimization and Challenge

- New version of Copperleaf (v 12.0)
- Introduction of a new workshop to review the draft plan against risk tolerances and status of priority risks
- Investment smoothing prior to Enterprise Engagement
- Cascading review meetings

Enterprise Engagement

- Execution will be required to provide a monthly Year 1 budget trend for expenditures, units and in-service additions
- Decision Support Program review

Enhancements to the risk assessment process will inform and be used as a validation of the initial prioritization

Priority Risks

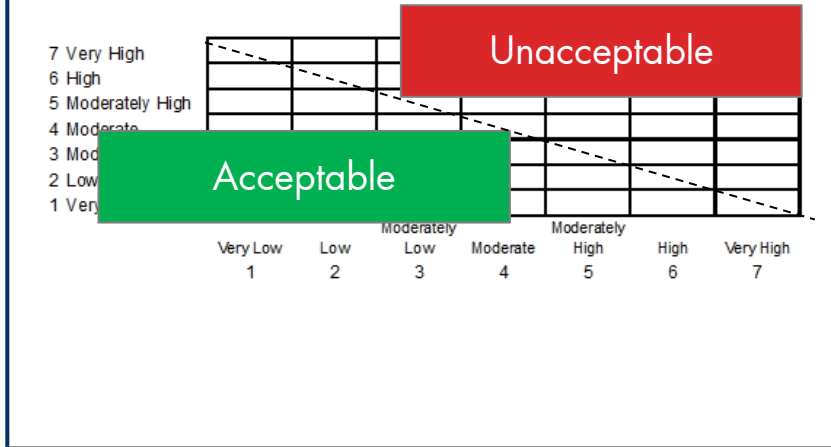
- Director level workshop to identify priority risks
- Risk owners will identify high-level strategies and investments to address these risks later in the process
- A follow-up workshop will be held in July to review the status of all initially identified risk

Risks Identified (Sample)

- Changing Resource Mix
- Bulk System Planning
- Asset Management and Maintenance
- System Control Modernization
- Increasing P&C Complexity
- Cyber Security Vulnerability
- Extreme Natural Events
- Environment Risk
- Missed Innovation
- Customer Engagement
- Outage Risk
- Execution Risk
- Data Risk

Risk Zones

- VP level workshop to improve alignment and transparency of trade-off decisions for investments "above" vs. "below" the line
- Specific zones for each risk factor (*Safety, Environment, Tx Reliability, Dx Reliability*)
- **Draft results are currently under review**



Illustrative Diagram

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Process Overview

Planning Framework and Strategic Considerations

Allocations and Outcomes

Continuous Improvement

Productivity

Productivity in current Plan

DX	\$M	2018	2019	2020	2021	2022	2023
Capital	Operations	\$ 36	\$ 34	\$ 37	\$ 37	\$ 39	\$ 38
	IT	\$ -	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Capital Total	\$ 36	\$ 34	\$ 38	\$ 37	\$ 39	\$ 39
OM&A	Customer	\$ 3	\$ 4	\$ 5	\$ 6	\$ 6	\$ 6
	Operations	\$ 17	\$ 20	\$ 23	\$ 24	\$ 26	\$ 27
	IT	\$ 9	\$ 10	\$ 13	\$ 13	\$ 13	\$ 13
OM&A Total	\$ 29	\$ 34	\$ 41	\$ 43	\$ 46	\$ 47	
Corporate Common	Operations	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
	People and Culture	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2
	Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
CCC Total	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	\$ 4	
Grand Total		\$ 70	\$ 72	\$ 83	\$ 84	\$ 89	\$ 89
TX	\$M	2018	2019	2020	2021	2022	2023
Capital	Operations	\$ 29	\$ 37.5	\$ 50.6	\$ 72.4	\$ 93.1	\$ 108.8
	IT	\$ -	\$ 0.3	\$ 0.3	\$ 0.2	\$ 0.2	\$ 0.2
	Capital Total	\$ 29	\$ 37.8	\$ 50.8	\$ 72.6	\$ 93.3	\$ 109.0
OM&A	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Operations	\$ 6	\$ 7.6	\$ 8.7	\$ 8.7	\$ 9.1	\$ 9.1
	IT	\$ 5	\$ 5.8	\$ 7.6	\$ 7.6	\$ 7.6	\$ 7.6
OM&A Total	\$ 11	\$ 13.4	\$ 16.3	\$ 16.3	\$ 16.7	\$ 16.8	
Corporate Common	Operations	\$ 3	\$ 3.3	\$ 3.3	\$ 3.3	\$ 3.3	\$ 3.3
	People and Culture	\$ 2	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8
	Finance	\$ 0	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
CCC Total	\$ 5	\$ 5.5	\$ 5.5	\$ 5.5	\$ 5.5	\$ 5.5	
Grand Total		\$ 45	\$ 57	\$ 73	\$ 94	\$ 115	\$ 131

Productivity Requirements



Detail in the Business Plan

Early Stakeholder engagement is required to embed and validate the savings at the unit level

Expectation that all committed savings are embedded in the Investment Plan from the 'Bottom Up'
- Adjust historical Assumptions to include expected Savings

Productivity targets are relative to 2015 baseline

- Build up of plan must consider baseline unit rates and show incremental benefit over historical years
- Productivity Unit Rates and Assumptions must be clearly documented and auditable

Expectation that initiative owners will work with planners and service providers to ensure incremental savings are embedded into the plan

- Unit Based Tracking methodology has been established for each initiative and will be shared with Planners

1 **CCC INTERROGATORY #8**

2
3 **Reference:**

4 A-03-01 p.3

5
6 **Interrogatory:**

7 Please explain how HON arrived at its goal of improving reliability performance by 13%.

8
9 **Response:**

10 Refer to OEB-183 a.

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CCC INTERROGATORY #9

Reference:

A-03-01 p.7

Interrogatory:

The customer satisfaction score for 2018 is 90%. Please confirm that this does not include residential customers, but rather those directly connected (generators, LDCs and Large Industrial). Please explain why, from HON’s perspective the score has increased.

Response:

Confirmed. This score does not include residential customers. The increase in the score is attributable to a renewed focus on customer service across the company. There were also a number of organizational changes to align the teams that directly serve these customer segments. Additionally the company is actively responding to customer feedback that is acquired through account executives and customer research.

1 **CCC INTERROGATORY #10**

2
3 **Reference:**

4 A-03-01 p.7

5
6 **Interrogatory:**

7 Hydro One has developed and implemented a governance framework for the internal
8 monitoring and reporting of performance measures within Hydro One. Please provide all
9 documentation related to that new framework. Please provide all correspondence and
10 directives provided to employees regarding this framework.

11
12 **Response:**

13 Please refer to Exhibit B, Tab 1, Schedule 1, Section 1.5, Attachment 1.

1 **CCC INTERROGATORY #11**

2
3 **Reference:**

4 A-03-01 p.8

5
6 **Interrogatory:**

7 HON expects to achieve \$370 million in productivity savings over the 3-year test period.
8 Please provide a detailed explanation as to how this amount was arrived at. HON
9 Transmission achieved \$95.9 million in savings in the 2016-2018 period. Please provide
10 a detailed explanation as to how this amount was arrived at.

11
12 **Response:**

13 Hydro One would like to correct the statement made in A-03-01 on page 8 as an incorrect
14 figure was used in the evidence. The corrected statement should read that “Transmission
15 achieved \$97.4 million in savings in the 2016-2018 period”.

16
17 Please see TSP Section 1.6 for details on Hydro One’s productivity program and process.

18
19 Please see Exhibit I, Tab 07, Schedule SEC-26 for a detailed view of initiatives and
20 historical savings.

1 **CCC INTERROGATORY #12**

2
3 **Reference:**

4 A-03-01 p.8

5
6 **Interrogatory:**

7 HON has provided an overview of its Transmission business. Please describe in detail
8 the following:

- 9
- 10 a) With respect to capital planning how does the Transmission business and the
11 Distribution business interact?
- 12
- 13 b) With respect to capital work execution how does the Transmission business and the
14 Distribution business interact?
- 15
- 16 c) If the OEB approves funding for Transmission or Distribution is that funding always
17 kept separate or does HON merge that funding?
- 18
- 19 d) What proportion of the overall HON FTEs are allocated to Transmission?
- 20
- 21 e) What proportion of the overall HON FTEs are allocated to Distribution?
- 22
- 23 f) What proportion of the overall HON FTEs work on both Transmission and
24 Distribution activities?

25
26 **Response:**

- 27 a) From a capital planning perspective, the Transmission and Distribution business
28 follow a consistent prioritization and optimization process. The two business will
29 collaborate as part of the Regional Planning Process, detailed in TSP Section 1.2, to
30 coordinate and optimize infrastructure investments. In circumstances where Hydro
31 One Distribution requires new or modified upstream facilities and is a customer of
32 Hydro One Transmission, the new facility connection/modification process is follow
33 and is consistent with that of other Transmission customers.
- 34
- 35 b) Hydro One has an integrated workforce which may work execute Transmission or
36 Distribution work; costs are directly attributable to a specific transmission or

Witness: Bruno Jesus, Sabrin Lila

1 distribution investment. There may be work execution coordination between
2 transmission and distribution investments, for example Transmission may construct a
3 new substation while Distribution constructs the downstream distribution feeders,
4 however, the costs are tracked separately.

5

6 c) The funding is always kept separate.

7

8 d)

	2018	2019	2020	2021	2022
TransmissionFTE	4247	4474	4691	4738	4613
Total FTE	8429	9216	9146	9183	9160
% of Total FTE	50.4%	48.6%	51.3%	51.6%	50.4%

9

10

11 e)

	2018	2019	2020	2021	2022
Distribution FTE	4182	4742	4455	4445	4547
Total FTE	8429	9216	9146	9183	9160
% of Total FTE	49.6%	51.4%	48.7%	48.4%	49.6%

12

13

14 f) In addition to the situations described in part b), Hydro One's Corporate groups work
15 on, and are allocated between both transmission and distribution activities. A detailed
16 summary on corporate cost allocation can be found in F-02-06 and F-02-06-01.

1 **CCC INTERROGATORY #13**

2
3 **Reference:**

4 A-03-01 p.9

5
6 **Interrogatory:**

7 HON has proposed a Custom Revenue Cap Index for the period 2020-2022. Please
8 describe the alternatives considered and why those alternatives were rejected.

9
10 **Response:**

11 Hydro One reviewed the rate-setting options available to transmitters under the RRF in
12 conjunction with other regulatory mechanisms such as the ACM/ICM and determined
13 that the Custom IR method was required to meet Hydro One's operational requirements.
14 The Custom IR option is only option which would recognize Hydro One's large recurring
15 variable investment requirements in each year of the plan term. As noted on page 3 of
16 Exhibit A, Tab 3, Schedule 2, Hydro One based its RCI on the methodology approved by
17 the OEB for Toronto Hydro-Electric System Limited in EB-2014-0116 and more recently
18 the approach approved for Hydro One Distribution EB-2017-0049.

19
20 Hydro One reviewed the Custom IR mechanisms that were approved by the OEB for
21 other Ontario utilities and determined that the OEB-approved methodology for Toronto
22 Hydro and Hydro One Distribution was most consistent with the guidance provided by
23 the OEB in its Handbook for Utility Rate Applications.

1 **CCC INTERROGATORY #14**

2
3 **Reference:**

4 A-03-01 p.10

5
6 **Interrogatory:**

7 With respect to an earnings sharing mechanism did HON consider alternative
8 approaches? If so, why were those rejected? Would HON be adverse to an approach that
9 shared earnings above the allowed return with its customers without a deadband? If so,
10 please explain why this approach is not acceptable to HON given its objective to
11 improving customer satisfaction. In any of its customer engagement activities has HON
12 provided its customers with information regarding its allowed and achieved ROEs? If
13 not, why not?

14
15 **Response:**

16 Page 27 of the OEB's *Handbook for Utility Rate Applications* states that "utilities that
17 achieve productivity improvements above what is expected are allowed to keep certain
18 savings above the approved ROE." Hydro One notes that this approach is consistent with
19 the 100 basis-point dead band for the earnings sharing mechanism that was approved by
20 the OEB in the proceeding for Toronto Hydro's Custom IR application (EB-2014-0116),
21 and Hydro One Networks Distribution 2018-2022 Custom IR application (EB-2017-
22 0049). As such, Hydro One would not be in support of an earnings sharing mechanism
23 without a dead band.

24
25 The customer engagement did not provide customers with information related to our
26 allowed and achieved ROEs. In recognition of the time and effort of our customers to
27 participate in the engagement process, there is a desire to keep the engagement focused
28 on areas that are of greatest importance to them.

CCC INTERROGATORY #15

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Reference:

A-03-01 p.11

Interrogatory:

Please indicate HON's proposed Z-factor materiality threshold for this Application.

Response:

Please refer to Exhibit I, Tab 05, Schedule CME-7.

1 **CCC INTERROGATORY #16**
2

3 **Reference:**

4 A-03-01 p.11
5

6 **Interrogatory:**

7 HON has provided its Transmission Business Plan for the period 2019-2024. Please set
8 out a specific timeline regarding the development of that Business Plan. Please provide
9 the Consolidated Business Plan for the 2019-2014 period.
10

11 **Response:**

12 Please see Exhibit I, Tab 07, Schedule SEC-7 for a timeline of the process.
13

14 Excerpts from Hydro One's consolidated business plan on strategy, customer, and
15 common corporate costs are attached.

2019-2024 Consolidated Business Plan

December 14, 2018



Strategy

Hydro One is a purpose-led and values-driven company. Hydro One's Strategy will undertake a refresh in 2019 following the appointment of a new CEO. However, the refresh will continue to reflect Hydro One's core values that are integral to the company and to its communities:

- Safety comes first;
- Stand for people;
- Empowered to act;
- Optimism charges us; and
- Win as one.

The following outlines Strategic Priorities which will be refined as part of the refresh process:

Government and Regulatory Relationships

- Maintain constructive, transparent relationships with governments and regulatory entities in all jurisdictions where Hydro One operates.
- Deliver on obligations mandated by government through legislation and regulatory requirements.

Customer Experience:

- Deliver industry-leading customer service, in response to identified customer preferences.
- Foster innovation in the business to adapt to changing customer requirements and market opportunities.
- Advance reconciliation and work proactively to build relationships with Indigenous peoples and communities based on understanding, respect and mutual trust.

Operational Effectiveness

- Invest in grid infrastructure and grid modernization to deliver a high level of reliability and quality to Hydro One customers.
- Focus on continuous improvement in productivity and operating efficiency to maintain lowest possible costs.

Employees

- Maintain a safe and inclusive workplace for all employees.
- Foster a high level of employee engagement throughout Hydro One.

Financial Metrics

- Maintain a strong balance sheet to support continuing investment in the business.
- Invest in assets to better serve customers.

Customer Focus

Customer Expectations

The Company is transforming into a world-class, customer-first company that delivers safe and reliable energy. This customer focus requires a strong understanding of customer's expectations. Customer Engagement is conducted via a three-pronged approach: formal customer engagement, stakeholder engagement, and other on-going forums. Customer engagement processes are intended to achieve three main objectives:

1. increase awareness of changes in customer needs and preferences;
2. enhance ability to provide services that meet these needs; and
3. use this information to achieve improvements in overall customer satisfaction levels.

The Company has a diverse set of customers within its Transmission and Distribution business. Since Transmission and Distribution customers have a diverse set of needs and preferences, the Company engages with customers consistently and proactively. These preferences have guided the development of the investment plan for each business, with attempts to balance the differing priorities among customer segments. The Transmission Plan focuses on investments that improve reliability and quality, whereas the Distribution Plan is designed to leverage productivity and keep rate impacts low while still seeking some improvements in reliability and customer service.

Corporate Costs

The Company's planned corporate costs for 2019-2024 are summarized below:

Corporate Costs¹ (\$mm)	2018F	2019	2020	2021	2022	2023	2024
Operations	121	104	103	106	108	110	112
Finance	46	44	46	46	48	48	49
Customer	38	35	35	36	36	37	37
Human Resources	21	24	24	25	25	26	26
Legal & Regulatory	38	33	34	35	37	37	38
Corp. Development	9	7	7	7	8	8	8
CEO ²	19	12	12	12	12	12	13
Other (LTD)	1	1	1	1	1	1	1
Total	\$293	\$260	\$263	\$268	\$275	\$280	\$284
<i>Prior Plan (2018-2023)</i>	<i>\$304</i>	<i>\$304</i>	<i>\$302</i>	<i>\$307</i>	<i>\$311</i>	<i>\$313</i>	<i>-</i>
<i>Change from Prior Plan</i>	<i>-11</i>	<i>-44</i>	<i>-39</i>	<i>-39</i>	<i>-36</i>	<i>-33</i>	<i>-</i>

	OM&A	Capital
Transmission Allocated	16.1%	29.3%
Distribution Allocated	22.8%	19.9%
Other Allocated	11.9%	

¹The corporate costs presented above exclude bad debt which is forecast as ~\$18 million per year

² Includes CEO, Chair, Ombudsman, Enterprise Program Management Office, and Board

Hydro One utilizes a centralized shared services model to deliver common services to its Transmission and Distribution businesses and to its affiliated companies. Each business and affiliate pays their share of these corporate costs based on the output of a cost allocation methodology developed by Black and Veatch Corporation. The cost allocation methodology is approved for use by the OEB.

The majority of Hydro One corporate costs (88.1%) are allocated to the Transmission and Distribution businesses. The cost allocation methodology allows for a portion of these costs to be capitalized based on the proportional spend of the Company's capital work program relative to OM&A. The remaining balance (11.9%) is allocated to affiliates including Telecom, Remotes and shareholders.

Hydro One leadership undertook a process to review corporate costs. The corporate costing review has resulted in a commitment to cumulatively reduce corporate costs by \$191 million when compared to the prior plan (2019-2023). The reductions were achieved primarily through the reduction of budgeted vacancies, limiting consulting/contracts to critical functions (e.g. those supporting rate filings) and the reduction of administrative costs.

1 **CCC INTERROGATORY #17**

2
3 **Reference:**

4 A-03-01 p.13

5
6 **Interrogatory:**

7 HON has revised and implemented an eight-step risk-based investment planning process.
8 Is the same process used for investment planning for the Distribution Business? If not,
9 why not?

10
11 **Response:**

12 Yes.

1 **CCC INTERROGATORY #18**

2
3 **Reference:**

4 A-03-01 p.20

5
6 **Interrogatory:**

7 Were the Boston Consulting Group and METSCO Energy Solutions Inc. engagements
8 subject to an RFP process? If not, why not? If so, please provide those RFPs. Please
9 provide the Terms of Reference for this work and the engagement letters.

10
11 **Response:**

12 **METSCO:**

13 No, Metsco Energy Solutions is a supplier of record with a contract to provide these
14 services to Hydro One. The study outlined in Exhibit B-1-1 TSP Section 1.4 is within the
15 scope of this contract. For terms of reference please refer to Interrogatory I-7-SEC-13.

16
17 **BCG:**

18 Please refer to Interrogatory I-7-SEC-16.

1 **CCC INTERROGATORY #19**

2
3 **Reference:**

4 A-03-01-01 p.21

5
6 **Interrogatory:**

7 What would be the impact on the Revenue Requirement in 2020 if HON’s Divisional
8 Court appeals regarding pension contributions and the deferred tax asset are successful?

9
10 **Response:**

11 The OEB has not indicated that its decision to limit Hydro One’s ability to recover the
12 distribution portion of its pension costs in EB-2017-0049 will have any impact on this
13 proceeding, nor has it indicated that Hydro One’s motion to review and vary findings
14 (EB-2019-0122) (and the subsequent appeal which is being held in abeyance) (the
15 “Pension Appeals”) will have any impact on this proceeding. As such, the outcome of the
16 Pension Appeals will have no impact on the 2020 transmission revenue requirement in
17 this proceeding. Further details in regards to Hydro One’s ability to take a pension
18 contribution holiday are discussed in Exhibit I, Tab 01, Schedule OEB-203 and OEB-
19 204.

20
21 If Hydro One is successful in its appeal before the Divisional Court in respect of the
22 deferred tax asset, then based on the calculation of Utility Income Tax in Exhibit F-07-
23 02-01, the revenue requirement would increase by \$32.8M in 2020. This amount would
24 be largely offset by the accelerated investment incentive (“Accelerated CCA”) which will
25 reduce revenue requirement by \$23.5 million in 2020, \$34.4 million in 2021 and \$27.1
26 million in 2022. Please see Exhibit I, Tab 1, Schedule OEB-208 for more detail in respect
27 of the Accelerated CCA.

28
29 It is unlikely that the Divisional Court will issue a decision prior to 2020, so it is unlikely
30 that a successful appeal would be reflected in Hydro One’s revenue requirement for 2020.

1 **CCC INTERROGATORY #20**

2
3 **Reference:**

4 A-04-01-01

5
6 **Interrogatory:**

7 Was the PSE work subject to an RFP process? If not, why not? Please provide the Terms
8 of Reference for the PSE work. What is the overall cost of the PSE work and how are
9 those costs to be recovered?

10
11 **Response:**

12 Hydro One conducted two separate RFP processes for the work that was conducted by
13 PSE. One process was conducted to seek a proponent to complete a total cost
14 benchmarking study and the other was conducted to seek a proponent to compete a total
15 factor productivity analysis for the electricity transmission sector. PSE was the selected
16 proponent in both RFP processes. The scope of work is provided in Attachment 1 to this
17 response.

18
19 Aggregate consultant costs are provided in Exhibit F, Tab 8, Schedule 1, Attachment 1.
20 As noted in Exhibit F, Tab 8, Schedule 1 of the application, Hydro One's regulatory costs
21 are recovered in the year in which they are incurred. The majority of the costs associated
22 with the completion of PSE's work were incurred prior to the test period of the
23 application and will not be sought for recovery in this application.

TERMS OF REFERENCE

1.0 Hydro One Transmission Cost Study

1.1 Transmission Total Cost Benchmarking Study Framework

The OEB currently conducts econometric total cost benchmarking for electricity distributors to generate efficiency rankings and assign the utility to one of five cohorts with a corresponding productivity stretch factor based on their total cost performance. The results of the benchmarking study also facilitate the OEB's assessment of a utility's cost trend performance with a directional indicator of efficiency. Hydro One is undertaking a transmission econometric total cost benchmarking study to recommend an appropriate custom stretch factor to apply to Hydro One Transmission's 2019-2023 Custom IR application and satisfy the OEB's benchmarking requirements as outlined in the *OEB's Filing Requirements For Electricity Transmission Applications, Chapter 2, Revenue Requirement Applications* and in the *OEB's Handbook for Utility Rate Applications*. The results of the study are to be submitted with Hydro One's next transmission rate application which will occur in the second quarter of 2018.

1.2 Deliverables

Hydro One is undertaking this Transmission Total Cost Benchmarking Study with the expectations that the awarded proponent will:

- Perform an econometric analysis to determine an appropriate stretch factor for Hydro One to use in the incentive rate-setting mechanism to be proposed in its next transmission rate application;
- Demonstrate expertise and capability by detailing the type of information to be gathered and the types of utilities that should be used for comparison purposes;
- Define potential comparator characteristics to ensure appropriate sample size;
- Select an appropriate group of businesses to use as comparators to Hydro One for total cost benchmarking such as other North American utilities including integrated utilities and other non-utility businesses where appropriate;
- Determine variables to be included - Outputs, input prices, business conditions;
- Specify the relevance, measure and parameters of variables on cost;
- Ensure a common understanding of the variables by defining the variables and parameters to be used;
- Quantify and evaluate costs of the benchmark group relative to the cost drivers;
- Measure and assess how reasonable Hydro One's costs are compared to the benchmarked costs;
- Determine appropriate level of confidence; and
- Advise how data is to be collected, appropriate number of years of data required for the study to be deemed meaningful, reliable and repeatable.

2.0 SCOPE OF WORK

2.1 Project Requirements

Part A

- Design an econometric total cost benchmarking study to satisfy the Hydro One expectations outlined in section 1.2 that can be readily repeatable;
- Present the proposed study design, cohort selection criteria and variables and parameters to be used to Hydro One
- Provide written interim progress reports and attend meetings as requested by Hydro One;
- Deliver a final report to Hydro One to be filed in the next transmission rate application expected to be submitted to the Ontario Energy Board in the second quarter of 2018;
- Present results of final report at stakeholder engagement session for their understanding;

Part B

- Participate fully, in cooperation with Hydro One, in the filing, discovery, hearing and argument phases of the Ontario Energy Board review of the Study.
- Defend the study plan, findings and conclusions in a regulatory proceeding in the normal phases of the regulatory application process as defined by the OEB. This includes the preparation of other related evidence as necessary to support methodology and measures applied, related assumptions on economic parameters, comparable companies, variables, etc.;

2.2 Consultant Requirements

The consultant required for this assignment must:

- Be able to provide all of the services outlined in Section 2.0;
- Have expertise and proven experience in preparing an econometric total cost benchmarking study and defending recommendations in a regulatory environment;
- Have in-depth knowledge and experience in applying general regulatory principles as they apply to the project scope;
- Have knowledge of specific practices and precedents within the regulated utility industry;
- Have significant experience as an expert witness at rate hearings in the subject areas covered by this work scope;
- Be able to demonstrate that they have successfully completed similar work for other large clients, on time and on budget;
- Comply with Hydro One's Code of Business Conduct; and

- Comply with Hydro One Commercial Terms and Conditions; Insurance and WSIB.

2.3 Schedule

The schedule for completion of the activities in Section 2.1 is driven by the regulatory requirements for a new rate application, tentatively assumed to be submitted in the second quarter of 2018. The consultant shall base their response to this RFP on meeting the following schedule of major milestones.

1. Deliver a draft proposal for the Study:	August 2017
2. Deliver the draft report and preliminary results	December 11, 2017
3. Delivery the Final Report	January 26, 2018
4. Stakeholder Engagement Presentation	February/March 2018
5. Fully participate in the regulatory proceedings	As required

Note: The number of milestones and dates are subject to change as Hydro One deems appropriate.

2.4 Pricing

For Part A

A fixed price is to be submitted for the delivery of project requirements as described in section 2.1, Part A. Pricing should be quoted in Canadian dollars.

For Part B

Provide individual hourly rates for individuals expected to perform the tasks described in section 2.1, Part B, in the defense of the Benchmarking Report in the OEB proceeding expected to occur in 2018. Pricing should be quoted in Canadian dollars.

Expected reimbursable expenses must be pre-approved and in accordance with the Ontario Public Service Travel, Meal & Hospitality Expense Directive. An invoice and receipts must be submitted for the reimbursement of all out-of-pocket expenses.

TERMS OF REFERENCE

1.0 Hydro One Transmission Total Factor Productivity (TFP) Study

1.1 Transmission TFP Study Framework

In the Ontario Energy Board (OEB) *Filing Requirements for Electricity Transmission Applications, Chapter 2, Revenue Requirement Applications* (dated February 11, 2016), one of the basic components of the Custom Incentive Rate-setting method is to demonstrate that the revenue requirement trend for the plan term to be determined by the OEB, was informed by:

- (1) the transmitter's forecasts (revenue and costs, inflation, productivity);
 - (2) the OEB's inflation analysis; and
 - (3) internal and external benchmarking to assess the reasonableness of the transmitter's forecasts.
- TFP trends allow a utility to demonstrate improvement in productivity to its customers and the OEB and combined with a utility's performance, can be used to measure the reasonableness and appropriateness of requested rate increases. Hydro One is therefore undertaking a transmission TFP study with the expectations to satisfy the OEB's requirements. The results are to be submitted with Hydro One's next Transmission rate application which will occur in the second quarter of 2018.

1.2 Deliverables

Hydro One is undertaking a Transmission TFP study with the expectations that the successful proponent will;

- Perform an analysis to determine an appropriate productivity factor for Hydro One to use in the incentive rate-setting mechanism to be proposed in its next transmission rate application. The analysis will evaluate:
 1. Productivity trends for the overall electricity transmission sector using an appropriate peer group; and
 2. Hydro One's internal historical productivity trends along with a forecast of expected productivity over the 2019-2023 period;
- Demonstrate expertise and knowledge of TFP Studies by recommending a methodology/framework that best suits Hydro One Transmission and considers business circumstances and other material factors;
- Explain why such methodology/framework is recommended over other possible alternatives;
- Recommend which cost drivers are relevant, measurable and will garner the appropriate reliable results through the Study;
- Identify and explain any normalization or other adjustments made to data used in the TFP calculations;

- Describe how the recommended model accounts for fluctuations in business circumstances such as load and demand, changes in external economic factors and amendments in industry policy/regulation over time;
- Illustrate how the recommended TFP methodology is consistent with the requirements of the OEB's Renewed Regulatory Framework;
- Make specific recommendations on how to improve Hydro One Transmission's TFP performance; and
- Clearly identify and explain the inputs and parameters used in the TFP study.

2.0 SCOPE OF WORK

2.1 Project Requirements

Part A

1. Design and complete a repeatable TFP study for Hydro One's Transmission business which contains the elements in section 1.2 above and includes:
 - A description of the methodology/framework to be used to complete the study to meet Hydro One's expectations;
 - Findings and conclusions of overall TFP trends for electricity transmitters;
 - Findings and conclusions on the reasonableness of Hydro One's TFP; and
 - A summary report on business performance and recommend measures that could be utilized by Hydro One.
2. Prepare a draft study proposal for review by Hydro One in August 2017.
3. Meet with Hydro One to review suggested changes resulting from the stakeholder engagement session.
4. Provide interim progress reports as requested by Hydro One.
5. Provide draft TFP study and preliminary study results by December 11, 2017.
6. Present a final TFP study to Hydro One by January 26, 2017 for filing to the Ontario Energy Board.

Part B

7. Participate fully, in cooperation with Hydro One, in the filing, discovery, hearing and argument phases of the Hydro One Transmission rate application process as they pertain to the TFP study.
8. Defend the TFP study framework, methodology, findings and conclusions in the Hydro One Transmission rates application proceeding in the normal phases of the regulatory application process as defined by the OEB. This includes the preparation of other related evidence as necessary to support the TFP study and expert witness testimony.

2.2 Consultant Requirements

The consultant required for this assignment must:

- Be able to provide all of the services outlined in Section 2.0;
- Have expertise and proven experience in preparing a TFP study and defending recommendations in a regulatory environment;
- Have in-depth knowledge and experience in applying general regulatory principles as they apply to the project scope;
- Have knowledge of specific practices and precedents within the regulated utility industry;
- Have significant experience in acting as an expert witness at rate hearings in the subject areas covered by this work scope;
- Be able to demonstrate that they have successfully completed similar work for other large clients, on time and on budget;
- Comply with Hydro One's Code of Business Conduct; and
- Comply with Hydro One Commercial Terms and Conditions; Insurance and WSIB.

2.3 Schedule

The schedule for completion of the activities in Section 2.1 is driven by the regulatory requirements for a new rate application, tentatively assumed to be submitted in the second quarter of 2018. The consultant shall base their response to this RFP on meeting the following schedule of major milestones.

1. Deliver a draft proposal for the Study	August 2017
2. Deliver the draft report and preliminary results	December 11, 2017
3. Delivery the Final Report	January 26, 2018
4. Stakeholder Engagement Presentation	February/March 2018
5. Fully participate in the regulatory proceedings	As required

Note: The number of milestones and dates are subject to change as Hydro One deems appropriate.

2.4 Pricing

For Part A

A fixed price is to be submitted for the delivery of project requirements as described in section 2.1, Part A. Pricing should be quoted in Canadian dollars.

For Part B

Provide individual hourly rates for individuals expected to perform the tasks described in section 2.1, Part B, in the defense of the Benchmarking Report in the OEB proceeding expected to occur in 2018. Pricing should be quoted in Canadian dollars.

Expected reimbursable expenses must be pre-approved and in accordance with the Ontario Public Service Travel, Meal & Hospitality Expense Directive. An invoice and receipts must be submitted for the reimbursement of all out-of-pocket expenses.

1 **CCC INTERROGATORY #21**

2
3 **Reference:**

4 A-06-02

5
6 **Interrogatory:**

7 For each year 2014-2018 please provide the approved and actual Transmission Return on
8 Equity.

9
10 **Response:**

11 Please refer to Exhibit I, Tab 02, Schedule Energy Probe-24.

1 **CCC INTERROGATORY #22**

2
3 **Reference:**

4 A-07-01 p.2

5
6 **Interrogatory:**

7 HON has set out all of its customer engagement initiatives that HON undertook to
8 develop an understanding of the specific needs and preferences of its customers to inform
9 its capital planning process. Please list each initiative and the associated costs related to
10 each activity.

11
12 **Response:**

13 Please see Exhibit A-7-1 Attachment 1.

14
15 Aggregate consultant costs are provided in Exhibit F, Tab 8, Schedule 1, Attachment 1.
16 As noted in Exhibit F, Tab 8, Schedule 1 of the application, Hydro One's regulatory costs
17 are recovered in the year in which they are incurred. The majority of the costs associated
18 with the completion of the customer engagement survey was incurred prior to the test
19 period of the application and will not be sought for recovery in this application. Other
20 activities associated with customer engagement have been completed by existing
21 Customer Care resources as their standard accountability. Their cost is included in exhibit
22 F-01-06 page 2, Table 1.

1 **CCC INTERROGATORY #23**
2

3 **Reference:**

4 TSP-01-06 p.2
5

6 **Interrogatory:**

7 HON has indicated that on a monthly basis productivity results are provided to senior
8 executives and the CEO. Please provide an example of these productivity reports.
9

10 **Response:**

11 Productivity is a component of the Team Scorecard, which is reported to senior
12 executives. Please see Exhibit F, Tab 4, Schedule 1 Attachment 4 for the 2019 Team
13 Scorecard. Please refer to Exhibit I, Tab 12, Schedule AMPCO-19 Attachment 1 for the
14 2018 Corporate Team Scorecard, as disclosed in Hydro One's most recent Management
15 Information Circular.

1 **CCC INTERROGATORY #24**

2
3 **Reference:**

4 TSP-01-06 p.7

5
6 **Interrogatory:**

7 Please explain how HON developed the numbers in Table 1 – Productivity Savings
8 Forecast Summary. Please provide a specific breakdown for each of the following
9 categories of savings and explain how they were derived:

- 10
11 1. Operations - \$259 million
12 2. Progressive Operations (Defined Capital) - \$49 million
13 3. Corporate - \$45 million
14 4. Operations - \$45 million
15 5. Information Technology - \$44 million
16 6. Corporate - \$25 million
17 7. Progressive Operations (Undefined Capital) - \$237 million

18
19 **Response:**

20 Please see Exhibit I, Tab 07, Schedule SEC-26.

CCC INTERROGATORY #25

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Reference:

TSP-01-06 p.10

Interrogatory:

The evidence states that HON forecasts over \$56 million in fleet savings over the 2020-2024 TSP period as the result of the use of telematics. The telematics project was rolled out at the end of 2016. How does the \$56 million represent incremental productivity savings if the project has already been put in place?

Response:

Telematics is a legacy productivity initiative which is measured against a 2015 baseline in order to ensure continuity and consistency between reporting and filing applications. Please see SEC-25 for more information on legacy initiative relative to 2015 baseline.

Since implementation of the Telematics initiative, significant incremental benefits in the form of capital reductions from fleet rationalization have been achieved and are expected over the TSP planning period relative to initial projections. These savings have been incorporated into Hydro One’s capital plan presented in this application, and are being passed on to ratepayers.

1 **CCC INTERROGATORY #26**

2
3 **Reference:**

4 TSP-01-07 p.7

5
6 **Interrogatory:**

7 HON has summarized the transmission system initiatives referred to in the 2017 Long
8 Term Energy Plan (LTEP) that form part of the 2020-2024 capital plans. Does HON
9 have any indication from either the Government of Ontario or the IESO that the LTEP
10 may change during the rate plan period? If so, please explain how this might impact
11 HON's capital plans.

12
13 **Response:**

14 No, Hydro One has no indication at this time from either the Government of Ontario or
15 the IESO of any changes in LTEP over the rate plan period.

1 **CCC INTERROGATORY #27**
2

3 **Reference:**

4 TSP-01-05 p.5
5

6 **Interrogatory:**

7 How did HON arrive at the target of 88% with respect to overall customer satisfaction?
8

9 **Response:**

10 When the target was determined, the most recent score that Hydro One had on hand was
11 the 2017 result of 88%. The score was significantly higher than historical results and
12 Hydro One determined that it would strive to maintain this high level of performance.

1 **CCC INTERROGATORY #28**
2

3 **Reference:**

4 TSP-01-05 p.8
5

6 **Interrogatory:**

7 HON has a scorecard measure entitled Capital Expenditures as a Percentage of Budget.
8 Does this simply measure what portion of the Capital Expenditure budget was spent?
9 HON also has a measure entitled OM&A Program Accomplishment. Does this simply
10 measure what portion of the OM&A budget was spent?
11

12 **Response:**

13 The measures are very similar but slightly different in terms of scope. Please see the
14 detailed descriptions below, as found in TSP Section 1.5, p.8:
15

16 **Capital Expenditures as a Percentage of Budget:**

17 The Company measures the progress of capital expenditures towards the approved plan
18 as the ratio of actual total capital expenditures to the total amount of planed capital
19 expenditures in the budget.
20

21 **OM&A Program Accomplishment:**

22 The Tx OM&A Program Accomplishment (composite index) measure compares the
23 weighted actual in-year accomplishment for significant Tx OM&A Programs against the
24 weighted budget. There are eight programs monitored for this measure including: 1)
25 Forestry Line Clearing; 2) Brush Control; 3) PCB Testing and Retrofill; and Station
26 Preventive Maintenance programs which includes 4) Power Equipment, 5) Ancillary
27 Equipment, 6) Protection and Control, 7) Telecom, and 8) Infrastructure.

1 **CCC INTERROGATORY #29**

2

3 **Reference:**

4 E-02-01 p.2

5

6 **Interrogatory:**

7 Please recast Table 1 – External Revenues to include Board approved amounts.

8

9 **Response:**

10 Please refer to interrogatory response I-10-VECC-017, Table 1 – Summary of External
11 Revenues.

1 **CCC INTERROGATORY #30**

2
3 **Reference:**

4 E-03-01

5
6 **Interrogatory:**

7 What would be the potential impact on HON's load forecast given the cancellation of the
8 Conservation First Framework and the Industrial Accelerator Program?

9
10 **Response:**

11 Please see the response to Exhibit I, Tab 10, Schedule VECC-34 part (b).

1 **CCC INTERROGATORY #31**

2
3 **Reference:**

4 F-01-01 Appendix 2-JC

5
6 **Interrogatory:**

7 Please provide a schedule in the same format as Appendix 2-JC that includes Board
8 approved amounts for 2015 and 2016, actual 2018 amounts and Board approved amounts
9 for 2019.

10
11 **Response:**

12 Please see Attachment 1 for an updated Appendix 2-JC. Please note that Board approved
13 amounts for 2019 are not available due to the nature of the 2019 inflationary filing.

Appendix 2-JC
 OM&A Programs Table

Programs	2015 Actuals	2015 Board-Approved	2016 Actuals	2016 Board-Approved	2017 Actual	2017 Board-Approved	2018 Actual	2018 Board-Approved	2019 Bridge Year	2020 Test Year	Variance (Test Year vs. 2018 Forecast)	Variance (Test Year vs. 2018 Board Approved)
	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP
Reporting Basis												
Sustainment												
Land Assessment and Remediation	3.6	3.1	2.9	2.9	1.8	2.2	1.3	1.2	1.0	1.4	0.1	0.2
Environment Management	9.8	14.9	9.3	16.0	16.7	18.4	13.9	18.0	14.8	22.1	8.2	4.1
Power Equipment	64.5	60.7	55.3	59.7	56.5	60.0	60.1	57.0	47.1	50.7	-9.4	-6.3
Ancillary System Maintenance	9.2	10.0	9.2	10.0	8.5	11.2	8.3	11.2	8.6	8.8	0.5	-2.4
Protection, Control, Monitoring, Metering and	63.9	51.7	60.0	53.7	56.5	60.9	55.1	62.0	54.3	51.0	-4.1	-11.0
Site Infrastructure Maintenance	24.0	28.5	22.6	29.3	22.6	25.7	22.7	25.3	19.9	21.3	-1.4	-4.0
Rights of Way	32.6	32.8	31.2	33.2	29.4	33.8	37.3	34.8	29.7	31.9	-5.4	-2.9
Overhead Lines	15.9	20.3	16.4	20.7	17.3	20.9	18.9	20.8	14.0	17.2	-1.7	-3.6
Underground Cables	4.1	4.8	3.8	4.9	4.8	5.1	7.6	5.2	4.1	4.4	-3.2	-0.8
Engineering & Environmental Support	6.0	11.9	4.4	10.8	4.0	2.9	4.1	2.9	7.2	5.3	1.2	2.4
Sub-Total	233.6	238.7	215.1	241.1	218.1	241.2	229.4	238.5	200.6	214.2	-15.2	-24.3
Development											0.0	0.0
Transmission Standards Program	2.8	5.6	2.3	6.0	1.6	2.5	2.8	2.6	3.4	3.7	1.0	1.1
Research Development and Demonstration	0.0	0.0	2.3	0.0	3.3	2.1	2.2	2.2	2.2	2.7	0.5	0.5
Customer Power Quality Program	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.5	0.5	0.2	0.3
Technology Program	3.0	3.7		3.8							0.0	0.0
Smart Grid-Studies	0.3	3.6		3.6							0.0	0.0
Sub-Total	6.1	12.9	4.6	13.4	5.1	4.8	5.2	5.0	6.0	6.9	1.7	1.9
Operating											0.0	0.0
Operations Contracts	22.4	22.9	23.2	23.1	21.0	23.6	19.5	24.3	20.2	22.8	3.2	-1.5
Environmental, Health and Safety	1.1	2.4	1.2	2.6	1.6	1.9	1.4	1.8	1.4	1.4	-0.1	-0.4
Operators	35.5	33.1	38.2	33.4	38.4	35.9	32.5	36.1	24.5	24.8	-7.7	-11.3
Sub-Total	59.0	58.5	62.5	59.1	61.1	61.3	53.4	62.1	46.1	48.9	-4.5	-13.2
Customer											0.0	0.0
Customer Service OM&A	5.1	5.5	4.5	5.5	8.5	4.0	11.0	3.9	7.3	7.5	-3.5	3.6
Sub-Total	5.1	5.5	4.5	5.5	8.5	4.0	11.0	3.9	7.3	7.5	-3.5	3.6
Common Functions and Services											0.0	0.0
Corporate Management	2.8	2.8	3.9	2.8	6.2	7.2	3.9	7.1	2.4	2.4	-1.5	-4.7
Finance	22.9	25.3	21.5	24.9	20.0	21.9	22.3	19.4	18.8	19.4	-2.9	-0.1
Human Resources	6.8	6.9	8.3	6.5	9.2	7.6	11.1	7.3	11.9	12.2	1.1	4.8
Corporate Affairs	7.7	5.9	7.6	5.9	4.1	8.7	4.6	9.9	5.3	5.3	0.7	-4.6
General Counsel and Secretariat	5.0	5.4	5.6	5.4	4.8	5.5	5.9	5.6	4.3	4.3	-1.6	-1.3
Regulatory Affairs	10.5	9.3	9.4	9.8	8.7	9.6	9.5	9.8	8.8	9.0	-0.5	-0.9
Security Management	2.0	2.2	2.2	2.1	2.4	2.2	2.9	2.3	2.4	2.5	-0.3	0.3
Internal Audit	2.6	2.4	2.7	2.4	3.7	3.3	3.2	3.4	3.0	3.1	0.0	-0.2
Real Estate and Facilities	35.5	36.6	31.7	36.6	31.2	32.2	32.7	32.7	31.1	34.6	1.9	1.9
Sub-Total	95.7	96.9	92.9	96.4	90.2	98.3	96.0	97.5	87.9	92.8	-3.2	-4.7
Asset Management (Planning)											0.0	0.0
System Investment	21.1	27.0	23.8	25.6	25.4	25.6	24.9	24.9	15.8	15.7	-9.3	-9.2
Asset Stewardship & Strategies	9.9	10.1	9.1	10.1	6.6	10.9	6.1	10.9	9.8	9.3	3.2	-1.6
Sub-Total	31.0	37.2	32.9	35.7	32.0	36.5	31.0	35.8	25.5	25.0	-6.0	-10.8
Information Technology (including Cornerstone)											0.0	0.0
Information Technology (including Cornerstone)	55.1	63.5	56.8	63.5	58.5	59.8	50.4	57.6	45.6	46.7	-3.8	-11.0
Sub-Total	55.1	63.5	56.8	63.5	58.5	59.8	50.4	57.6	45.6	46.7	-3.8	-11.0

Programs	2015 Actuals	2015 Board-Approved	2016 Actuals	2016 Board-Approved	2017 Actual	2017 Board-Approved	2018 Actual	2018 Board-Approved	2019 Bridge Year	2020 Test Year	Variance (Test Year vs. 2018 Forecast)	Variance (Test Year vs. 2018 Board Approved)
<i>Reporting Basis</i>	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP	USGAAP
Miscellaneous											0.0	0.0
Cost of Sales	8.8	6.7	4.8	6.8	3.6	5.0	8.4	5.0	3.9	3.9	-4.5	-1.1
Other Recovery	-116.8	-134.0	-127.3	-131.1	-142.8	-149.7	-130.9	-148.5	-133.6	-138.1	-7.2	10.3
Property Taxes & Rights Payments	63.9	66.3	61.3	67.0	50.7	63.6	65.3	64.3	67.2	68.1	3.4	3.8
EB-2016-0160 Decision Reduction						-15.0		-15.0				
Pension Adjustment						-11.4		-9.9				
Removal of B2M Expense		-0.9		-0.7		-0.8		-2.1				
Settlement		-20.0		-20.0								
Government Directive on Compensation									-0.1	-0.1		
Sub-Total	-44.1	-81.9	-61.2	-78.0	-88.5	-108.3	-57.3	-106.1	-62.6	-66.2	-8.9	39.9
Total	441.6	431.2	408.1	436.8	385.0	397.7	419.2	394.3	356.5	375.8	-43.3	-18.5

Notes:

- 1 Please provide a breakdown of the major components of each OM&A Program undertaken in each year. Please ensure that all Programs below the materiality threshold are included in the miscellaneous line. Add more Programs as required.
 - 2 The applicant should group projects appropriately and avoid presentations that result in classification of significant components of the OM&A budget in the miscellaneous category
- * Shift from Smart Grid Pilot to Smart Grid Sustainment

1 **CCC INTERROGATORY #32**

2
3 **Reference:**

4 F-01-01 p.3

5
6 **Interrogatory:**

7 With respect to Sustaining what was the Board approved amount for 2019? Please
8 provide a detailed explanation as to why the 2020 Sustainment OM&A is \$13.6 million
9 more than the 2019 Bridge Year.

10
11 **Response:**

12 Hydro One's 2019 revenue requirement (EB-2018-0130) was set by a one-year
13 mechanistic adjustment to the 2018 base revenue requirement, hence there is no OEB-
14 approved 2019 Sustainment OM&A amount. Please refer to Exhibit F-01-03 pages 5.

1 **CCC INTERROGATORY #33**
2

3 **Reference:**
4 F-01-03 p.7
5

6 **Interrogatory:**
7 Please explain why the Stations OM& A actual expenditures were consistently less than
8 the plan in each year 2015-2018. Please recast Table 2 – Stations Sustainment OM&A to
9 include Board approved amounts.
10

11 **Response:**
12 As stated in Exhibit F, Tab 1, Schedule 1, page 2, the historic plan values have not been
13 adjusted to reflect the OEB’s subsequent decisions for those applications, as those Board
14 decisions established reductions to the overall OM&A expenditure levels rather than to
15 particular OM&A categories. Once the OEB decisions were made, Hydro One
16 accordingly managed its OM&A and specifically the Station Sustainment work programs
17 as reflected in the actual costs provided at Exhibit F-01-03 page 7.

Table 2 – Stations Sustainment OM&A Including Planned Amounts

Description	Historical Years								Bridge Year	Test Year
	2015 Plan	2015 Actual	2016 Plan	2016 Actual	2017 Plan	2017 Actual	2018 Plan	2018 Actual	2019 Forecast	2020 Forecast
Land Assessment and Remediation	3.1	3.6	2.9	2.9	2.2	1.8	1.2	1.3	1.0	1.4
Environmental Management	14.9	9.8	16.0	9.3	18.4	16.7	18	13.9	14.8	22.1
Power Equipment Maintenance	60.7	64.5	59.7	55.3	60.0	56.5	57.0	60.1	47.1	50.7
Ancillary Systems Maintenance	10.0	9.2	10.0	9.2	11.2	8.5	11.2	8.3	8.6	8.8
Protection, Automation and Telecom Maintenance	34.5	42.7	36.5	40.8	44.8	41.6	45.6	40.6	39.0	35.4
Site Infrastructure Maintenance	28.5	24.0	29.3	22.6	25.7	22.6	25.3	22.7	19.9	21.3
Cyber Security Management	17.2	21.2	17.2	19.2	16	14.9	16.4	14.6	15.3	15.6
Total	169.0	175.0	171.6	159.3	178.5	162.7	174.8	161.4	145.7	155.4

1 **CCC INTERROGATORY #34**

2
3 **Reference:**

4 F-01-03 p.10

5
6 **Interrogatory:**

7 Please provide the annual budgets for the PCB retirement and Waste Management
8 program for the years 2020-2022.

9
10 **Response:**

11 Hydro One has provided the 2020 Test year forecast at Exhibit F-1-3 Table 3. As per the
12 Custom IR methodology proposed, Hydro One will manage within its approved OM&A
13 budget during the Test period to address planned PCB work.

CCC INTERROGATORY #35

Reference:

F-01-03 p.44

Interrogatory:

Please recast Table 11 – Lines Sustainment OM&A to include Board approved numbers. Why have the actual amounts for Line Sustainment been consistently below the Board approved levels?

Response:

Updated Table 1: Lines Sustainment OM&A (\$ Millions)

	Historical Years								Bridge Year	Test Year
	2015 Act	2015 Plan	2016 Act	2016 Plan	2017 Act	2017 Plan	2018 Act	2018 Plan	2019 Frcst	2020 Frcst
Vegetation Management	32.6	32.8	31.2	33.2	29.4	33.8	37.3	34.8	29.7	31.9
Overhead Lines Maintenance	15.9	20.3	16.4	20.7	17.3	20.9	18.9	20.8	14	17.2
Underground Cable Maintenance	4.1	4.8	3.8	4.9	4.8	5.1	7.6	5.2	4.1	4.4
Total	52.6	57.8	51.4	58.8	51.5	59.8	63.8	60.8	47.7	53.4

Actual costs for the Line Sustainment work programs vary when compared to planned levels due to the fact that planned costs reflect the funding levels proposed by Hydro One in its prior rate applications. As stated in Exhibit F, Tab 1, Schedule 1, page 2, historic plan values have not been adjusted to reflect the OEB’s subsequent decisions for those applications, as those OEB decisions established reductions to the overall OM&A expenditure levels rather than to particular OM&A categories. Once the OEB decisions were made, Hydro One accordingly managed its OM&A and specifically the Line Sustainment work programs as reflected in the actual costs provided at Exhibit F-1-3 Table 11.

Witness: Donna Jablonsky

1 **CCC INTERROGATORY #36**

2
3 **Reference:**

4 F-02-02 p.2

5
6 **Interrogatory:**

7 Please recast Table 1: Summary of Total Common Corporate Functions and Services
8 OM&A to include Board approved amounts for the years 2015-2018.

9
10 **Response:**

11 Board approved amounts for 2015-2018 for the Transmission business are presented in
12 Exhibit F, Tab 2, Schedule 2 in Table 2.

1 **CCC INTERROGATORY #37**

2
3 **Reference:**

4 F-02-06 p.3

5
6 **Interrogatory:**

7 Please explain why HON Transmission is allocated a larger portion of the overall Finance
8 OM&A Costs that Distribution.

9
10 **Response:**

11 The allocation of the overall Finance OM&A costs follows the Hydro One's corporate
12 cost allocation methodology which has been reviewed by Black and Veatch as part of this
13 application and approved by the OEB in previous applications. Activities performed by
14 each department and their costs are first identified. These costs are then directly assigned
15 to business units (Transmission/Distribution/etc.) where a direct relationship exists;
16 where a direct relationship does not exist, cost drivers that reflect cost causation are used
17 to assign the remaining costs. Many of the activities associated with the Finance function
18 use cost drivers that allocate a larger portion to Transmission. For example: Fixed Asset
19 Accounting activity is allocated on Gross Utility Plant, while Corporate Consolidation
20 and Reporting is allocated on Program & Project Costs.

21
22 Please refer to Exhibit F, Tab 2, Schedule 6 Attachment 1 *Review of Allocation Common*
23 *Corporate Costs (Transmission) – 2019* for a detailed description of Hydro One's
24 corporate cost allocation methodology.

1 **CCC INTERROGATORY #38**

2
3 **Reference:**

4 F-03-01 p.2

5
6 **Interrogatory:**

7 Please provide a copy of the newly renegotiated Inergi Agreement. What percentage of
8 HON Transmission's OM&A costs are paid to Inergi?

9
10 **Response:**

11 The requested document is being provided as Attachment 1 to this interrogatory response,
12 pursuant to the Board's Practice Direction on Confidential Filings, due to the
13 commercially sensitive nature and third party data being requested. Attachment 1 of this
14 interrogatory response provides the amendments related to the information technology
15 and supply chain services at the above Reference. The original Inergi Agreement was
16 filed under EB-2016-0160 (HONI Interrogatory response, I-2-11-1 Inergi Contract
17 Redacted 20160930)

18
19 In 2019, it is forecasted that 5.3% (\$18.85M/\$356.5M) of HON Transmission OM&A
20 costs will be paid to Inergi.

21
22 In 2020, it is planned that 5.0% (\$18.87M/\$375.8M) of HON Transmission OM&A costs
23 will be paid to Inergi.

MSA, Schedules and Attachments	Redactions
MSA and Common	
Amending_Agreement_Final	
Amending_Agreement2_Final	
Common Exhibit 1 – Definitions_Final	
Common Exhibit 4 – Invoicing Requirements_Final	
Common Exhibit 4 – Attachment A – Form of Invoice_Final	
Schedule 16.1 – Fee Methodology_Final	
Schedule 16.1 – Attachment I – Bundle Discount_Final	

ADM-IM-PPD	Redactions
ADM – IM- PPD	
ADM SOW – Services Statement of Work_Final	
IM SOW – Services Statement of Work_Final	
PPD SOW – Services Statement of Work_Final	
ADM SOW – Exhibit 1 – SOW Services Description_Final	
IM SOW – Exhibit 1 – Services Description_Final	
PPD SOW – Exhibit 1 – SOW Services Description_Final	
ADM-IM-SOW-Exhibit 1- Attachment A – Third Party Software Contracts_Final	
ADM-IM-SOW-Exhibit 1- Attachment B – Third Party Service Contracts_Final	
ADM-IM-SOW-Exhibit 1- Attachment C – Third Party Equipment Maintenance Contracts_Final	
ADM-IM-PPD SOW - Exhibit 1 – Attachment D – Sites_Final	Fully Redacted
ADM –IM-SOW - Exhibit 1 – Attachment E – Equipment Assets_Final	Pages 3-4
ADM –IM-SOW - Exhibit 1 – Attachment F – Third Party Acceptance Services_Final	
ADM- IM-PPD SOW Exhibit 1 – Attachment G – Application Portfolio_Final	Fully Redacted
ADM-IM-SOW Exhibit 1 – Attachment H – Support Levels_Final	
ADM-IM-SOW Exhibit 1- Attachment I – Types of Work_Final	
ADM-IM-SOW Exhibit 1- Attachment J – Priority Levels_Final	
ADM-IM-SOW Exhibit 1- Attachment K – Technical Architecture_Final	
ADM-IM-SOW Exhibit 1- Attachment L – Software Assets_Final	
ADM-IM-SOW Exhibit 1- Attachment M – Hours of Operation_Final	
ADM-IM-PPD SOW Exhibit 2 – Services Levels_Final	
ADM-IM-PPD SOW -Exhibit 3 – Pricing_Final	
ADM-IM-PPD SOW - Exhibit 3 – Attachment A – Pricing Form_Final	Pages 13-21 Pages 22 Page 23 Page 24
ADM SOW – Exhibit 3 – Attachment B – FRM_Final	
IM SOW - Exhibit 3 – Attachment B to Exhibit 3 – FRM_Final	
ADM-IM-SOW – Exhibit 3 – Attachment D – Volume Metrics and Baselines	
ADM-IM-PPD SOW Exhibit 4 – Service Reports_Draft	

S2P	Redactions
S2P	
S2P SOW – Services Statement of Work_Final	
S2P SOW – Exhibit 1 – SOW Services Description_Final	
S2P SOW-Exhibit 1- Attachment A – Third Party Software Contracts_Final	Page 3,4
S2P SOW-Exhibit 1- Attachment B – Third Party Service Contracts_Final	
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AMENDING AGREEMENT #1

This Amending Agreement #1 (“Amending Agreement”) is effective as of the 1st day of March, 2018 (“Amending Agreement Effective Date”).

BETWEEN:

Hydro One Networks Inc., a corporation having an office at 483 Bay Street, 8th Floor, South Tower, Toronto, Ontario, M5G 2P5 (“Client”)

– and –

Inergi LP, a limited partnership under the laws of the Province of Ontario, having an office at 200 University Avenue, Suite 1100, Toronto, Ontario, Canada (“Supplier”)

Recitals:

- A. Client and Supplier entered into a Master Services Agreement made as of the 28th day of November, 2014 (the “Original Agreement”).
- B. Client and Supplier wish to amend the Original Agreement as of the Amending Agreement Effective Date on and subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the promises and agreements set out in this Amending Agreement, the Fees payable by Client to Supplier in accordance with the Original Agreement and this Amending Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby irrevocably acknowledged by the Parties, Client and Supplier agree as follows:

- 1. Section 2.1 of the Original Agreement is deleted and replaced with the following:

“2.1 Initial Term

This Agreement is effective as of the Effective Date and, unless terminated earlier as provided herein, will expire on 12:01 a.m. EST on March 1, 2021.”

- 2. Section 7.1(a) of the Original Agreement is deleted and replaced with the following:

“(a) Supplier will not provide the Services from any service location other than the service locations that are either: (A) (i) in Ontario; and (ii) set out in the applicable Statement of Work; or (B) outside Ontario, with the actual address of the service location subject to review and prior written approval of Client and set out in the applicable Statement of Work; (collectively “Service Locations”). For clarity: (i) inclusion of a Service Location in an SOW signed by Client constitutes approval of Client; and, (ii) for Statements of Work # 1,3, and 8, except in the

case where the Services are being relocated to or from a Service Location which is also a Client Service Areas under such Statement of Work, where Client has approved more than one Service Location under such Statement of Work, Supplier shall not be required to seek Client's further approval to relocate the Services or any part thereof between or among such approved Service Locations of such Statement of Work if the nature of the Services being relocated remains the same, nor shall the same be considered a Change. In addition, the Parties agree that Supplier is prohibited from providing any Services from any Service Location in a country that the Government of Canada has imposed sanctions as identified on the Government of Canada Global Affairs website, or a country that the Government of the United States has imposed sanctions as identified on the U.S. Department of the Treasury - Office of Foreign Assets Control (OFAC) website."

3. Section 8.1(a)(ii) of the Original Agreement is deleted and replaced with the following:

"(ii) for Services performed under Statements of Work #2, 4, 5 and 6, are employed in Ontario, Canada to perform the Services, and are physically located in Ontario, Canada at the time Services are performed by such Supplier Personnel."

4. Each Party (the "Warrantor") represents and warrants to the other Party that the execution, delivery and performance of this Amending Agreement by such Warrantor does not and will not result in the violation of any Laws in force on the date hereof to which such Warrantor is subject, or conflict in any material respect with or constitute a material breach or material default under its organizational documents or under the terms and conditions of any documents, agreements, licenses or other writings to which it is a party.
5. In the event of a Change affecting Section 7.1 (a) or Section 8.1(a)(ii) of the Original Agreement, as amended by this Amending Agreement, either Party shall be entitled to propose and discuss a Change Order in accordance with the Change and New Service Procedure to address such Change provided that either Party shall, if the Parties are unable to agree on the contents of the Change Order, be entitled to refer the matter for resolution in accordance with Section 9.3 of the Original Agreement.
6. The Parties acknowledge and agree that the following Schedules to the Original Agreement are deleted in their entirety and replaced with the revised Schedules attached hereto:

- Schedule 16.1 - Fee Methodology (including Attachment 1) (attached as Exhibit A, hereto).

7. The Parties acknowledge and agree that the following Statements of Work to the Original Agreement are deleted in their entirety and replaced with the revised Statements of Work attached hereto:

- Statement of Work #1 - Application Development and Maintenance Statement of Work (Attached as Exhibit B, hereto)

- Statement of Work #3 - Infrastructure Management Services Statement of Work (Attached as Exhibit C, hereto)

8. The Parties acknowledge and agree that Section 1.3 of the Original Agreement is amended by the addition of the following Statement of Work attached hereto:

- Statement of Work #8 - Program and Project Delivery Statement of Work (Attached as Exhibit D, hereto)

9. Capitalized terms used in this Amending Agreement which are not otherwise defined in this Amending Agreement shall have the meaning given to those terms in the Original Agreement. Except as amended under this Amending Agreement, all terms and provision of the Original Agreement and all rights and obligations of the Parties shall remain in full force and effect. If any provision of this Amending Agreement is held to be invalid, illegal or unenforceable, all other provisions will nevertheless continue in full force and effect. Any terms and conditions of this Amending Agreement which by their nature extend beyond the term or expiry of the Original Agreement or this Amending Agreement shall survive the termination or expiry of the Original Agreement and this Amending Agreement. This Amending Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein. This Amending Agreement may be executed in counterparts, each of which is deemed to be an original and all of which together are deemed to be one and the same instrument. This Amending Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations and representations, whether written or oral, relating to the subject matter hereof. Notwithstanding Section 1.4 of the Original Agreement, the terms of this Amending Agreement shall take precedence and govern in the event of any conflict or inconsistency between this Amending Agreement and any other document (including the Original Agreement). In accordance with Section 1.3 of the Original Agreement, this Amending Agreement will be deemed to incorporate by reference the terms and conditions of the Original Agreement and Schedules except to the extent stated herein or amended hereby.

IN WITNESS WHEREOF the Parties hereto have executed this Amending Agreement effective as of the date and year first above written.

Hydro One Networks Inc.

**Inergi LP, by its general partner,
Inergi Inc.**

Per: _____
(Signature)

Per: _____
(Signature)

(James Scarlett)

(Tom Mosseau)

(EVP and Chief Legal Officer)

(Vice President)

(Date)

(Date)

AMENDING AGREEMENT #2

This Amending Agreement #2 (“Amending Agreement #2”) is effective as of the 1st day of November, 2018 (“Amending Agreement #2 Effective Date”).

BETWEEN:

Hydro One Networks Inc., a corporation having an office at 483 Bay Street, 8th Floor, South Tower, Toronto, Ontario, M5G 2P5 (“Client”)

– and –

Inergi LP, a limited partnership under the laws of the Province of Ontario, having an office at 200 University Avenue, Suite 1100, Toronto, Ontario, Canada (“Supplier”)

Recitals:

- A. Client and Supplier entered into a Master Services Agreement made as of the 28th day of November, 2014, which was amended by an Amending Agreement #1 effective March 1st, 2018 (collectively the “Original Agreement”).
- B. Client and Supplier wish to amend the Original Agreement as of the Amending Agreement #2 Effective Date on and subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the promises and agreements set out in this Amending Agreement #2, the Fees payable by Client to Supplier in accordance with the Original Agreement and this Amending Agreement #2, and other good and valuable consideration, the receipt and adequacy of which are hereby irrevocably acknowledged by the Parties, Client and Supplier agree as follows:

1. Section 2.1 of the Original Agreement is deleted and replaced with the following:

“2.1 Initial Term

This Agreement is effective as of the Effective Date and, unless terminated earlier as provided herein, will expire on 12:01 a.m. EST on November 1, 2021.”

2. Each Party (the “Warrantor”) represents and warrants to the other Party that the execution, delivery and performance of this Amending Agreement #2 by such Warrantor does not and will not result in the violation of any Laws in force on the date hereof to which such Warrantor is subject, or conflict in any material respect with or constitute a material breach or material default under its organizational documents or under the terms and conditions of any documents, agreements, licenses or other writings to which it is a party.

3. The Parties acknowledge and agree that the following Schedules to the Original Agreement are deleted in their entirety and replaced with the revised Schedules attached hereto:
 - Schedule 16.1 - Fee Methodology (including Attachment 1) (attached as Exhibit A, hereto).

4. The Parties acknowledge and agree that the following Statements of Work to the Original Agreement are deleted in their entirety and replaced with the revised Statements of Work attached hereto:
 - Statement of Work #5 - Source To Pay (S2P) Services Statement of Work (Attached as Exhibit B, hereto)

5. Capitalized terms used in this Amending Agreement #2 which are not otherwise defined in this Amending Agreement #2 shall have the meaning given to those terms in the Original Agreement. Except as amended under this Amending Agreement #2, all terms and provision of the Original Agreement and all rights and obligations of the Parties shall remain in full force and effect. If any provision of this Amending Agreement #2 is held to be invalid, illegal or unenforceable, all other provisions will nevertheless continue in full force and effect. Any terms and conditions of this Amending Agreement #2 which by their nature extend beyond the term or expiry of the Original Agreement or this Amending Agreement #2 shall survive the termination or expiry of the Original Agreement and this Amending Agreement #2. This Amending Agreement #2 is governed by the laws of the Province of Ontario and the laws of Canada applicable therein. This Amending Agreement #2 may be executed in counterparts, each of which is deemed to be an original and all of which together are deemed to be one and the same instrument. This Amending Agreement #2 constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior negotiations and representations, whether written or oral, relating to the subject matter hereof. Notwithstanding Section 1.4 of the Original Agreement, the terms of this Amending Agreement #2 shall take precedence and govern in the event of any conflict or inconsistency between this Amending Agreement #2 and any other document (including the Original Agreement). In accordance with Section 1.3 of the Original Agreement, this Amending Agreement #2 will be deemed to incorporate by reference the terms and conditions of the Original Agreement and Schedules except to the extent stated herein or amended hereby.

IN WITNESS WHEREOF the Parties hereto have executed this Amending Agreement #2 effective as of the date and year first above written.

Hydro One Networks Inc.

**Inergi LP, by its general partner,
Inergi Inc.**

Per: _____
(Signature)

Per: _____
(Signature)

(Name)

(Name)

(Title)

(Title)

(Date)

(Date)



HYDRO ONE

COMMON EXHIBIT 1

DEFINITIONS

1.0 INTRODUCTION

This Exhibit contains defined terms that are in addition to those set out in the Agreement and Schedules. To the extent of any inconsistency between the definitions in this Exhibit and the definitions in the Agreement, the definitions in the Agreement will prevail to the extent of the inconsistency.

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|--|
- 1) **"Access Management"** means the process responsible for allowing Authorized Users to make use of IT services, or data or other Assets.
 - 2) **"ACD"** means Automated Call Distributor which is a device or system that distributes incoming calls to a specific group of agents.
 - 3) **"ACD Menu"** means Automated Call Director Menu that manages a device or system that distributes incoming calls to a specific group of terminals that service Desk agents use.
 - 4) **"Actual Uptime"** means the measurement of time that a particular System, Application, Software, Hardware, Network, or any other part of the Services is actually available during the Measurement Period. Such measurement will be calculated by subtracting Downtime from the Scheduled Uptime.
 - 5) **"Additional Critical Deliverable Credit"** means the proportional amount of Critical Deliverable Credit that is due (as described in Exhibit 2 to the SOW) for any recurring delay/lateness in providing the Critical Deliverable on the original due date as described in Exhibit 2 to the SOW.
 - 6) **"AMIS"** means Availability Management Information System.
 - 7) **"AP1"** means application programming interface specifies how some software components should interact with each other.
 - 8) **"Applications"** means programs and other software (including the supporting documentation, media, on-line help facilities, and tutorials) that perform user-related or business-related information processing functions. Applications include database management Software.
 - 9) **"ARC"** means Additional Resource Charge and a charge added to the Base Charge for each Resource Unit utilized and authorized by Client above the Resource Baseline, for the applicable month.
 - 10) **"Architecture"** means the design, process, strategies, and specification of the overall structure, logical components, and the logical interrelationships of Equipment and Software, including System Software, a Network, or other reasonably related conception.
 - 11) **"Asset"** means any resource or capability that could contribute to the delivery of a service. Assets can be one of the following types: management, organization, process, knowledge, people, information, Applications, Infrastructure, and financial capital.
 - 12) **"Asset Management"** means the process responsible for tracking and reporting the value and ownership of Assets throughout their Lifecycle.
 - 13) **"At-Risk Amount"** means the At-Risk Percent multiplied by the At-Risk Fees.
 - 14) **"At-Risk Fees"** means the Monthly Invoice Amount (less Excludable Amounts) for the Measurement Period in which a Service Level Default occurred.
 - 15) **"At-Risk Percent"** means, for purposes of the SOW, 15% for Non-Volume Metric and Source to Pay (S2P) SOWs, 12% for ADM/IM SOWs and 10% for PPD SOW.

- 16) **"Authorized User(s)"** has the same meaning as Client Personnel as defined in the Agreement.
- 17) **"Availability"** means the ability of a Configuration Item or service to perform its agreed function when required. Availability is determined by reliability, maintainability, serviceability, performance, and Security. Availability is calculated as the Actual Uptime expressed as a percentage of the Scheduled Uptime for a particular System, Application, Software, Hardware, Network, or any other part of the Services (for example: $\text{Availability \%} = ((\text{Actual Uptime})/(\text{Scheduled Uptime})) \times 100\%$).
- 18) **"Balanced Scorecard"** means a management tool that enables a strategy to be broken down into Key Performance Indicators. Performance against the KPIs is used to demonstrate how well the strategy is being achieved. A Balanced Scorecard is the presentation of a mixture of financial and non-financial measures each compared to a 'target' value within a single concise report.
- 19) **"Band Councils"** means First Nation council.
- 20) **"Base Charges"** means the fees for services at the agreed upon resource baseline volumes.
- 21) **"BAU"** means business as usual.
- 22) **"BI/BW"** means Business Intelligence / Business Warehouse.
- 23) **"Billable Project"** means Client approved Supplier Charges billed to the Client in agreement with a Project Order.
- 24) **"Billable Hours"** means Client approved Supplier Hours billed to the Client in agreement with a Project Order or FTE Services.
- 25) **"Build Environment"** means a controlled Environment where Applications and IT services are assembled prior to being moved into a Test or Live Environment.
- 26) **"Business Continuity (BC)"** means the activity performed by an organisation to ensure that critical business functions will be available to customers, suppliers, regulators, and other entities that must have access to those functions. These activities include, but not limited to, project management, system backups, change control, and help desk. It includes those activities performed daily to maintain service, consistency, and recoverability. It involves planning for keeping all aspects of a business functioning in the midst of disruptive events. The entire concept of business continuity is based on the identification of all business functions within an organisation, and then assigning a level of importance to each business function.
- 27) **"Business Continuity Management (BCM)"** means the business process responsible for managing risks that could seriously affect the business. Business continuity management safeguards the interests of key stakeholders, reputation, brand and value-creating activities. The process involves reducing risks to an acceptable level and planning for the recovery of business processes should a disruption to the business occur. Business continuity management sets the objectives, scope and requirements for IT service continuity management.
- 28) **"Business Impact Assessment (BIA)"** means a report(s) that sets out critical and non-critical business functions and activities, business risk due to loss of business function and supporting resources/services, risk mitigation strategies, recovery times and points, alternate business functions and supporting services.

- 29) **"Business Service Catalogue"** means those aspects of the Service Catalog identifying IT services available to the Client's LOB, including relations to the business processes each catalogue service supports. This catalog is the business-facing view of the IT services.
- 30) **"Calls"** means problems, questions, or requests submitted to the Supplier by telephone, electronically, or other means approved by Client.
- 31) **"Capacity"** means the maximum Throughput that a Configuration Item or Service can deliver while meeting agreed levels of service. For some types of CI, Capacity may be the size or volume (for example a disk drive).
- 32) **"Capacity Management"** means the process responsible for ensuring that the Capacity of services and the IT Infrastructure is able to deliver agreed levels of service in a cost-effective and timely manner. Capacity Management considers all resources required to deliver the Service, and plans for short-, medium- and long-term business requirements.
- 33) **"Capacity Plan"** means a Capacity Plan that is used to manage the resources required to deliver services. The plan contains scenarios for different predictions of business demand, and costed options to deliver the agreed levels of service.
- 34) **"CD ROM"** means pre-pressed compact disc which contains data. The name is an acronym which stands for "Compact Disc Read-only Memory".
- 35) **"CCRA true-ups"** means capital cost recovery agreement.
- 36) **"CET"** means certified engineering certificate.
- 37) **"Change Management"** means the processes relating to planning and performing all changes in the Client business and computing environments as part of the Services, including changes to individual components and coordination of changes across all components. The Change Management processes will support and include checkpoints to determine any potential Change requirements.
- 38) **"Charges"** or Fees has the meaning ascribed in Section 16.1(b) of the Agreement.
- 39) **"CIS"** means Customer Information System and is the electronic data base where all customer, premise, billing and equipment (metering) information resides and customer requests are issued and completed. CIS holds information regarding customers including premise information (name, addresses, contact information), contact information for agents working with the customers as well as notes, rate class information, metering information as well as demand information, connectivity information (switch, feeder, voltage), billing information as well as the actual bill give to the customer, payment information from the customer and balances, when payments are made.
- 40) **"Cisco"** means an American multinational corporation headquartered in San Jose, California, United States, that designs, manufactures, and sells networking equipment.
- 41) **"Client Business Continuity Management (CBCM)"** means the Client's processes related to planning and performing Business Continuity.
- 42) **"Client Project Governance Procedures"** mean the agreed procedures, found in the Procedures Manual, that address the Supplier's deliverables and obligations for Project activities for the Client.

- 43) **"Client Transition Manager"** means a Client project manager who will oversee the Transition and be the single point of contact for the Supplier Transition Manager.
- 44) **"CMDB"** (Configuration Management Database), means a database system used to store configuration records throughout their lifecycle.
- 45) **"CMS"** means Configuration Management System.
- 46) **"Complaint"** means an expression of dissatisfaction voiced by a customer or their representative that has not been resolved at the front line and passed to a second tier for resolution. In addition, issues relating to Laws, any other legal issues and third party issues are also considered Complaints.
- 47) **"Component"** means a general term that is used to mean one part of something more complex. For example, a computer System may be a component of an IT Service, and an Application may be a Component of a Release Unit. Components that need to be managed should be Configuration Items.
- 48) **"Conferencing Premise Equipment"** means the Equipment, features, accessories, peripherals, and cabling supported or used by Supplier in connection with its provision to the Client Personnel of conferencing Services, including room-based and cart-based video and audio conference equipment (such as audio/video switching equipment, control computers, monitors, cameras, document viewers), and all additions, modifications, substitutions, upgrades, or enhancements to such Equipment.
- 49) **"Conferencing Systems"** means all Conferencing Premise Equipment and associated Software that is supported or used by Supplier in connection with its provision of Conferencing Services.
- 50) **"Configuration Item"** means any component that needs to be managed in order to deliver an IT service. CIs typically include IT services, hardware, software, buildings, people, and formal documentation such as process documentation and agreed levels of service.
- 51) **"Connectivity"** means the ability to access and exchange data, voice, and/or video electronic impulses between various Infrastructure components and with external sources as approved by Client and provided to Authorized Users.
- 52) **"Contract Portfolio"** means a database or structured document used to manage service contracts or agreements between service providers (including the Supplier) and Client.
- 53) **"COTS"** means Commercial off-the Shelf Equipment and/or Software, as applicable, that is readily available to the public from a Third Party that is not an Affiliate of a Party.
- 54) **"CPI"** means consumer price index and is a means for inflation.
- 55) **"CPU"** means central processing Unit".
- 56) **"Critical Deliverable Credits"** means the monetary amounts that Supplier shall pay to Client (or credit against monthly charges) in the event of a failure to achieve a Critical Deliverable.
- 57) **"Critical Deliverables"** means those deliverables performed on a one-time or periodic basis, for which a Deliverable Credit may be payable in accordance with Schedule 5.1 (Service Level Methodology) and described in Exhibit 2 (Service Levels). Critical Deliverables are not Critical Service Levels.

- 58) **"Critical Services"** means a Service that is defined by the Client as (a) having a "High" Impact and a "High" Urgency if it suffers a incident, disruption or interruption (regardless of cause), (b) having no circumvention or workaround available, or (c) Mat be requiring an Emergency Change to resolve. It may involve Facilities, Hardware, Software and Services.
- 59) **"Critical Systems"** means an activity, device, service or system whose failure or disruption will cause a failure in business operations. For example, a contact centre switch.
- 60) **"Cross-Supplier"** means any Services, processes, or activities performed for the Client, that span multiple Suppliers, in which a Supplier would work with the other Suppliers in the performance of its responsibilities.
- 61) **"CSAE"** means Canadian Standards on Assurance Engagements.
- 62) **"CSR"** means each customer service representative who handles customer inquiries.
- 63) **"Critical Service Level"** means those Service Levels established under Schedule 5.1 (Service Level Methodology for which a Service Level Credit may be payable. Critical Service Levels are identified and described in Exhibit 2 (Service Levels).
- 64) **"Current Projects"** means any projects being performed as of the date of the RFP issuance.
- 65) **"Deliverable Credits"** means the monetary amount(s) that the Supplier shall pay to Client (or apply against Monthly Charges) in the event of a failure to achieve a Critical Deliverable as specified in Exhibit 2 (Service Levels).
- 66) **"Demand Management"** means activities that understand and influence Client's demand for Services and the provision of Capacity to meet these demands. At a strategic level, Demand Management can involve analysis of patterns of business activity and user profiles. At a tactical level, it can involve use of differential charging to encourage Client's Authorized Users to use services at less busy times.
- 67) **"Development Environment"** means an Environment used to create or modify services or Applications. Development Environments are not typically subjected to the same degree of control as Test Environments or Live Environments.
- 68) **"Definitive Software Library"** means Definitive Media Library.
- 69) **"DHCP"** means Dynamic Host Configuration Protocol and is a network protocol used to configure devices that are connected to a network (known as hosts) so they can communicate on that network using the Internet Protocol (IP).
- 70) **"Disaster Recovery (DR)"** means the process, policies and procedures related to preparing for recovery or continuation of technology infrastructure critical to an organisation after a natural or human-induced disaster. Disaster recovery is a subset of business continuity. It focuses on the IT or technology systems that support business functions.
- 71) **"Disaster Recovery Management (DRM)"** means the process of ensuring that identified IT services will be available during abnormal situations. It typically involves a detailed assessment of the Business risk of key IT services being lost, and then identifies countermeasures and plans to prevent – or recover from – identified contingencies.

- 72) **"Discretionary Hours"** means the hours the Supplier spent on activities that the Client deemed as discretionary activities.
- 73) **"DNS"** means Domain Name System.
- 74) **"Downtime"** means the time that a particular System, Application, Software, Hardware, Network, or any other part of the Services is not available during the Measurement Period.
- 75) **"DR"** means disaster recovery.
- 76) **"DRP"** means disaster recovery plan.
- 77) **"Dunning Process"** means the process of communicating with customers to ensure the collection of their past due accounts receivables including any late payment charges. The Dunning Process is run every month at month end by way of an SAP batch program.
- 78) **"Earnback"** means the ability of Supplier to recover a Service Credit as described in Section 7 of Schedule 5.1.
- 79) **"ECA"** means Economic Change Adjustment, and relates to the fluctuation in CPI year over year.
- 80) **"EDI"** means electronic data interchange.
- 81) **"European Institute for Computer Antivirus Research (EICAR)"** means an organization aiming to further antivirus research and improving development of antivirus software.
- 82) **"Environment"** means the air, water, noise, chemical balance and other physical elements in the locations of the Sites.
- 83) **"Emergency Preparedness Plan"** means the Hydro One Networks Inc. Transmission and Distribution Emergency Preparedness Plan (T&D Plan) that prescribes the company's organization and actions in response to a significant disruption of electrical services within the Province of Ontario. This T&D Plan addresses the disruption of electrical services irrespective of the cause.
- 84) **"Emergency Service Personnel"** means police, fire and ambulance personnel.
- 85) **"Equipment"** means the computer, telecommunications, and Facility-related hardware, equipment and peripherals (i) owned or leased by Client or the Supplier and (ii) used by either the Supplier or Authorized Users in conjunction with the Services.
- 86) **"EUS"** means End User Services as specified in EUS SOW - Exhibit 1 - SOW Services Description.
- 87) **"Evaluation"** means the process responsible for assessing a new or changed Service to ensure that risks have been managed and to help determine whether to proceed with the Change. Evaluation is also used as a means to compare an actual outcome with the intended outcome, or one alternative with another.
- 88) **"Evaluation Report"** means a report issued as part of the Evaluation process that contains a risk profile, a deviations report, a qualification and validation statement, and a recommendation to either accept or refuse a Change.
- 89) **"Exception"** means (a) a process or transaction relating to or in connection with the Services that has not been successfully completed, directly or indirectly, either (i) as defined within the Agreement and Client OPMs or (ii) within the

timeframe specified in the Agreement and Client OPMs, or, if no such timeframe is specified, within a reasonable timeframe and (b) any other Incident or problem relating to or in connection with the Services.

- 90) **"Excludable Amounts"** means (i) those out-of-pocket expenses incurred by Supplier in performing the Services that are reimbursable by Client under the terms of this Agreement, (ii) any amounts payable to Supplier that are determined and payable under this Agreement solely on the basis of the costs incurred by Supplier, and including (if applicable) any handling or administrative fee payable to Supplier in relation to management of such matters, whether expressed as a percentage of those amounts or otherwise, and (iii) any other amounts payable to Supplier that the Parties have mutually agreed in writing should constitute Excludable Amounts.
- 91) **"Expected Service Level Target"** means the contracted level of performance for a Service Level, as initially set forth in the applicable SOW and as the same may be changed in accordance with Section 8 of Schedule 5.1.
- 92) **"Expiration Date"** means the ending date of the Initial Term or Renewal Term.
- 93) **"Facilities"** means the buildings and grounds, whether leased or owned, that are used by the Client.
- 94) **"Facilities Management"** means the function responsible for managing all aspects of the physical Environment, such as power and cooling, and building Access Management.
- 95) **"Failure"** means loss of the ability to operate to specification, or to deliver the required output. The term Failure may be used when referring to Services, processes, activities, configuration items, and so forth. A Failure often causes an Incident.
- 96) **"Fees"** or Charges has the meaning ascribed in Section 16.1(a) of the Agreement.
- 97) **"FERC"** means Federal Energy Regulatory Commission.
- 98) **"Fixed Fee"** means a defined fee for a scope of work that cannot be incremented or decremented without both parties approval.
- 99) **"FTE (Full-Time Equivalent)"** means a level of effort on specific tasks or projects expended by an employee or contractor, which contemplates an allocation of their time over various work efforts. That is, it acknowledges that an individual may work part-time or spend time on various in-scope activities.
- 100) **"FTP (Full-Time Person)"** means a Full-Time person at 160 hrs per month and who is not allowed to bill over 160 hrs within a given month without Client approval.
- 101) **"Governance Library"** shall have the meaning ascribed in Schedule 9.1 (Governance).
- 102) **"GUI"** means graphical user interface.
- 103) **"Hardware"** refer to equipment.
- 104) **"Hours of Operation"** means 07:30 to 18:00 during Business Days unless specified otherwise in a Statement of Work or Project Order.
- 105) **"MAC(s)"** means installations, moves, adds, changes, de-installations, and related services at Client Sites.

- 106) **"IMAC"** means installations, moves, adds, changes, de-installations, and cascades for Equipment, Software, and related services at designated Client Sites. IMACs will include: Hard IMACs, Soft IMACs, and Project IMACs.
- 107) **"Impact"** means a measure of the effect of an Incident, problem, or Change on business processes.
- 108) **"Incident"** means any event that is not part of the standard operation of a Service and that causes, or may cause, an interruption to, or a reduction in, the quality of that Service.
- 109) **"Incident Management"** means the process responsible for managing the Lifecycle of all Incidents. The primary objective of Incident Management is to return the service to full operation as quickly as possible.
- 110) **"Incident Management System"** means an automated system used to track the status of Incident Records defined and maintained by Service Desk personnel. The Incident Management System is integrated into the overall CMS and SKMS.
- 111) **"Incident Record"** means a record containing the details of an Incident. Each Incident Record documents the Lifecycle of a single Incident and is stored in the Incident Management System.
- 112) **"INET"** means internet Services.
- 113) **"Inflation Sensitivity Index"** means how sensitive a specific resource and all of its components are to increases or decreases in inflation.
- 114) **"Information Security Management"** means the processes relating to managing a defined level of security on information and Services. This includes managing confidentiality, integrity, and availability of data.
- 115) **"Information Security Policy"** means the policy that governs Client's approach to Information Security Management.
- 116) **"Infrastructure"** means the entire portfolio of Equipment, System Software, and Network components required for the integrated provision and operation of Client's IT systems and Applications.
- 117) **"International Organization for Standardization"** (ISO) is the world's largest developer of voluntary international standards.
- 118) **"Intrusion Detection Solution"** means Software and/or Hardware designed to detect unwanted attempts at accessing, manipulating, and/or disabling computer systems, mainly through a network, such as the Internet. These attempts may take the form of attacks – for example: by crackers, malware and/or disgruntled employees.
- 119) **"Innovation"** means an object of value and the means of identifying and introducing improvements resulting in an elevated level of business execution. Similar to building blocks, Innovation occurs in primitive components, such as discoveries that occur in labs with science. The Innovations discovered at this level become the basic building blocks used to build and configure other basic components of technology. Innovations in business, process, organization, and technology may relate to an object, or even to how it is manufactured, assembled or delivered. In either case, it is the process of creating new capabilities based on new or newly configured components and or capabilities. Finally, these new or refined components/capabilities become part of the

Supplier's value chain as it seeks to improve its services and products and ultimately how Innovations are applied to Client needs.

- 120) **"Innovation Center"** shall have the meaning ascribed in Schedule 9.1 (Governance).
- 121) **"Innovation Roadmap"** means the approach that is bound by an agreed-upon and defined planning horizon, balancing dependencies, priorities, risks and resources to produce a programmed view of initiatives within and across all opportunities required to realize a future state. The initiatives within the roadmap will be prioritized and addressed in a manner that best meets Client's business. Not all identified initiatives will be acted on, and not all will result in Innovation.
- 122) **"Integrity"** means the completeness and correctness of data.
- 123) **"ISSO"** means Information Services Security Officer.
- 124) **"IT Service Continuity Management (ITSCM)"** means the process responsible for managing risks that could seriously affect IT services. ITSCM ensures that the IT service provider (internal or external) can always provide minimum agreed service levels, by reducing the risk to an acceptable level and planning for the recovery of IT services. ITSCM supports business continuity management.
- 125) **"ITIL"** means a set of best practice guidance for IT service management. ITIL is owned by the Office of Government Commerce (OGC) and consists of a series of publications giving guidance on the provision of quality IT services, and on the processes and facilities needed to support them.
- 126) **ITO SOWs** means Application Development and Maintenance (ADM), Infrastructure Management (IM) services, and Program and Projects Delivery (PPD).
- 127) **"ITSCP"** means an IT Service Continuity Plan.
- 128) **"IVR"** means interactive voice response.
- 129) **"Java"** means a programming language.
- 130) **"KEDB"** means the Known Error Database. This is a repository containing all Known Error Records that includes data on the Configuration Items, symptoms, and resolution or circumvention actions relating to all Known Errors. The Known Error Database is part of the Service Knowledge Management System (SKMS).
- 131) **"Key Measurements"** means those Service Levels that are not Critical Service Levels and for which no Service Level Credit is payable, but which are meaningful to Client's business, and are described in Exhibit 2 (Service Levels) to the SOW.
- 132) **"Known Error"** means a Problem for which the Root Cause is known and a temporary workaround or permanent alternative has been identified.
- 133) **"Known Error Database"** means a repository containing all Known Error Records that includes data on the Configuration Items, symptoms, and resolution or circumvention actions relating to all Known Errors. The Known Error Database is part of the Service Knowledge Management System (SKMS).

- 134) **"Know Error Records"** means a record containing the details of a Known Error. Each Known Error Record documents the Lifecycle of a Known Error, including the status, Root Cause and workaround.
- 135) **"Knowledge Management"** means the process responsible for gathering, analyzing, storing and sharing knowledge and information within an organization. The primary purpose of Knowledge Management is to improve efficiency by reducing the need to rediscover knowledge.
- 136) **"KPI"** (Key Performance Indicator) means a type of performance measurement. Client may use KPIs to evaluate its success, or to evaluate the success of a particular activity in which it is engaged. Sometimes success is defined in terms of making progress toward strategic goals, but often success is simply the repeated, periodic achievement of some level of operational goal (e.g. 10/10 customer satisfaction, etc.).
- 137) **"LAN"** means a local, high-speed Network, consisting of LAN Equipment, Software, Transport Systems, Interconnect Devices, Wiring, and Cabling are used to create, connect, and transmit data, voice, and video signals to, within or among Client's local-area network segments. LANs are typically confined within limited geographic areas (such as a single building or group of buildings) and offer relatively high data rates, usually above 10 /100 MBPS. LANs typically interconnect Authorized User PCs, local servers, and printers and may connect with WANs.
- 138) **"LDAP"** means Lightweight Directory Access Protocol and is an application protocol for accessing and maintaining distributed directory information services over an Internet Protocol (IP) network.
- 139) **"LOB"** means Hydro One lines of business.
- 140) **"Local Currency"** means Canadian Dollars.
- 141) **"Long-Range IT Plan"** means the long-range, comprehensive plan for the Company's information technology (IT) systems, processes, technical architecture, and standards as more fully described in Schedule 1-01(Cross-Functional Services).
- 142) **"Lifecycle"** means the various stages in the life of a Service, Configuration Item, Incident, Problem, Change, and so forth. The Lifecycle defines the Categories for status and the status transitions that are permitted. For example:
- a) The Lifecycle of an Application may include: requirements, design, build, deploy, operate, and optimize.
 - b) The Lifecycle of an Incident may include: detect, respond, diagnose, repair, recover, and restore.
 - c) The Lifecycle of a Server may include: ordered, received, in test, in live, disposed, etc.
- 143) **"Live Environment"** means a controlled Environment containing live Configuration Items used to deliver IT services to the Business. A Live Environment is synonymous with a Production Environment.
- 144) **"Malware"** means any Software or code that is designed to infiltrate a computer, System, Network or other infrastructure without an Authorized User's informed consent, such as virus, trojans, worms, spam, phishing e-mail,

backdoors, botspyware, adware, dialers, toolkits, keyloggers, highjackers, web bug, exploits, cracking tools, and hacking tools.

- 145) **"MDM"** means mobile device Management or Master Data Management.
- 146) **"Mean Time Between Failures"** means a metric for measuring and reporting Reliability. MTBF is the average time that a Configuration Item or IT Service can perform its agreed function without interruption. This is measured from when the CI or IT Service starts working, until it next fails.
- 147) **"Mean Time Between Service Incidents (MTBSI)"** means a metric used for measuring and reporting Reliability. MTBSI is the mean time from when a System or IT Service fails, until it next fails.
- 148) **"Measurement Methodology"** means the tools, processes, procedures and documentation thereof required to measure, validate, and report performance relative to Service Levels.
- 149) **"Microsoft Windows"** means a series of graphical interface operating systems developed, marketed, and sold by Microsoft Corporation.
- 150) **"Midrange Environment"** means are a facility which supports a class of computer systems which fall in between mainframe computers and microcomputers.
- 151) **"Minimum Service Level Target"** means the minimum level of performance for a Service Level, as initially set forth in Exhibit 2 to the SOW and as the same may be changed in accordance with Section 8 of Schedule 5.1.
- 152) **"Minor Enhancement"** means requests for Services outside of the effort contemplated in the Base Charges. Minor Enhancements are those Service Requests that are qualified by effort hours where those effort hours are greater than the threshold established for Service Requests included in the Base Charges and are below the threshold established for Project Services. Each SOW determines the minimum and maximum threshold for Minor Enhancement effort hours.
- 153) **"Minor Fixed Assets"** means tangible items of property, plant and equipment that have future benefits greater than one year, are generally of comparatively low individual value, are portable and which generally contribute indirect service potential to the corporation. Minor Fixed Assets (MFA) does not include computer software.
- 154) **"Mobile Data Communications System"** means the mobile data communications equipment and associated Software supported or used by Supplier in connection with its provision of Mobile Data Communications Services.
- 155) **Mobile Devices** means portable, hand-held Equipment used by Authorized Users for telecommunications, data access and data services, including mobile phones and any telecommunications functionality associated with tablets or PDAs. Mobile Devices do not include personal computers, laptops (including "Tablet PCs"; for example HP Elitebook 2740p or Dell Latitude XT2). Mobile Devices not only provide Mobile Phone features, but also more advanced computing and connectivity capabilities (for example, email or Web browsing, scanning, etc.). Some Mobile Devices allow the installation of Apps; examples of these include Apple iPad, RIM Playbook, Apple iPhone, and Motorola Droid

- 156) **"Mobile Phone"** also known as "cell phone", means an electronic device used for full duplex two-way radio telecommunications over a cellular network of base stations known as cell sites. Mobile Phones generally provide voice and short message service connectivity; but some Mobile Phone devices only provide for data connectivity (so-called "cell data cards" or "mobile hotspots") to the cellular network. Mobile Phone is included in Mobile Devices.
- 157) **"MoneyGram"** means an entity that allows customers to send and receive money via cash to cash service by using local agents.
- 158) **"Monitoring"** means repeated observation of a Service or process to detect Events and to ensure that the current status is known.
- 159) **"Monthly Base Charge"** means the amount that offsets service and maintenance costs for a specific Resource and exists regardless of usage and activity. This charge ensures that service is available.
- 160) **"Monthly Invoice Amount"** means the total of all Charges payable by Client for the Services for a particular month, excluding Taxes, Pass-Through Expenses.
- 161) **"Monthly Resource Baseline Volume"** means the quantity of Resource Units corresponding to such Resource Baseline, which is included in the Monthly Base Charge.
- 162) **"Monthly Service Charge"** means the sum of the Monthly Base Charges, ITO and S2P Fixed Charges.
- 163) **"Municipalities"** means a political unit, such as a city, town, or village, incorporated for local self-government.
- 164) **"MV90"** means a data management solution that makes energy usage data gathered available to an expanded group of users.
- 165) **"Network"** means collectively, Client's WAN, LAN, and voice Network.
- 166) **"No Bill" means** 1. Any monthly billed customer who has not billed within 40 days of the scheduled bill date (30 days past the scheduled date plus extra days for retailer enrolled customers); 2. Any bi-monthly billed customer who has not billed within 70 days of the scheduled bill date; 3. Any quarterly billed customer who has not been billed within 100 days of the scheduled bill date; 4. Any final bill that has not been issued within 30 days of the move-out date; 5. Any monthly billed customer who has moved in within 45 days and does not have a bill; 6. Any bi-monthly billed customer who has moved in within 75 days of the move-in date; 7. Any quarterly billed customer who has moved in within 105 days of the move-in date; 8. Any non-retailer billed customer who has not invoiced within 14 days (customer is billed but invoice was not created and mailed – retailers have a lag on them for the retailer charges); 9. Any billed customer who has not invoiced in more than 14 days.
- 167) **"Non-Chargeable"** means items not billable to the client.
- 168) **"Non-Energy Accounts Receivable"** means accounts receivable associated with non-energy related items.
- 169) **"Non Volume Metric SOWs"** means the Statement of Works for Finance & Accounting, Payroll, and Settlements.

- 170) "**OA**" means outline agreement, a category term contract for defined materials or services without the specifics or commitment to total volume and value requirements.
- 171) "**OLA**" means operational level agreement.
- 172) "**One-Time Charges**" means any Supplier-specified fees that are non-recurring and are typically associated with start-up and implementation costs.
- 173) "**OGCC**" means Hydro One's Ontario Control Centre which is their central facility for monitoring, managing, and troubleshooting the provincial hydro network (distribution grid).
- 174) "**OPA**" means Ontario Power Authority, and any successor authority.
- 175) "**OPA Portal**" Ontario Power Authority portal.
- 176) "**OPM**" means Procedures Manual.
- 177) "**Operating Software**" means the Software control program in a CPU that provides the interface to the CPU and its associated Hardware, as well as the usage and allocation of memory resources, processor resources, input/output resources, and security resources.
- 178) "**Operations Management**" means the function within a service provider that performs the daily activities needed to manage services and the supporting Infrastructure.
- 179) "**Out-Of-Pocket Expenses**" means direct outlays of cash which may or may not be later reimbursed.
- 180) "**Overhead Functions**" means non-chargeable functions that are provided by Supplier as part of Supplier's overall project management and contract management.
- 181) "**PCMCIA**" means a card that is compatible with the a Personal Computer Memory Card International Association standard for externally accessible expansion slots that accept compatible cards for enhancing the computer's functions, as by adding memory or supplying a portable modem.
- 182) "**Performance Credit(s)**" means an amount of payment withheld from payment to the Supplier as a result of a Service Level Default or a Minimum Service Level Default.
- 183) "**PIM**" means personal information management.
- 184) "**Planned Projects**" means any projects that are not yet started as of the RFP issuance date, but are planned to begin prior to the Commencement Date.
- 185) "**Pool Percentage**" means three hundred fifty percent (350%) of the At Risk Amount.
- 186) "**Portable Network Devices**" means portable, hand-held Equipment used by Authorized Users for telecommunications data access and data services, including mobile phones and any telecommunications functionality associated with Personal Data Assistants, (PDA). Portable Network Devices do **not** include personal computers, laptops (including "Tablet PCs"; for example HP Elitebook 2740p or Dell Latitude XT2). Portable Network Devices not only provide Mobile Phone features, but also more advanced computing and connectivity capabilities (for example, email or Web browsing) and sometimes referred to as "Smartphones". Some Portable Network Devices allow the installation of Apps;

examples of these include Apple iPad, RIM Playbook, Apple iPhone, and Motorola Droid. See Attachment K to Exhibit 1 - Technical Architecture.

- 187) **"Post Implementation Review"** (Also known as: Post Project Review), means an assessment of business benefits delivered after the project products have been put into use.
- 188) **"Priority Level"** means a category used to identify the relative importance of an Incident, Problem and Change based on the Impact and Urgency of the Incident, Problem and Change. Priority Level identifies the required timeframes for addressing and correcting Incidents, Problems and Changes. For example, the SLA may state that Priority2 Incidents must be resolved within 12 hours.
- 189) **"Problem"** means a cause of one or more Incidents. The cause is not usually known at the time a problem record is created, and the Problem Management process is responsible for further investigation.
- 190) **"Project Definition"** means the Client specific form that is used by the Supplier to prepare and provide a proposal response to the Project Request that includes the key parameters of the Project (e.g., solution, deliverables, skill resourcing, charges, assumptions, risks, dependencies, Responsible Accountable Consulted Informed Matrix (RACI), project schedule).
- 191) **"Project Request"** means a formal request by Client for project services at any time during the Term of the Agreement. A Project Request can be initiated as the result of a Service Request or request for a Minor Enhancement or by specifically issuing to Supplier a Project Request form or a request for Supplier proposal, which shall initiate the process for Project consideration.
- 192) **"Project Services"** means the Deliverables and tasks described in the Project Order.
- 193) **"Project to Sustainment Process"** means the Hydro One process defined for accepting project work into the environment.
- 194) **"Purchase Order"** means a legal document issued by a buyer to a Supplier, indicating types, quantities, and agreed prices for materials or services the Supplier will provide to the buyer.
- 195) **"Quality Assurance (QA)"** means the process responsible for ensuring that the quality of a product, service, or process will provide its intended value through maintenance and improvement.
- 196) **"RACI"** is an acronym that was derived from four key responsibilities most typically used: Responsible, Accountable, Consulted, and Informed. It means a responsibility assignment matrix or linear responsibility chart. A RACI describes the participation by various roles in completing tasks or deliverables for a project or business process.
- 197) **"RAID"** means RAID (redundant array of independent disks, originally redundant array of inexpensive disks) is a storage technology that combines multiple disk drive components into a logical unit. Data is distributed across the drives in one of several ways called "RAID levels", depending on the level of redundancy and performance required.
- 198) **"R&DM"** means Release & Development Management.
- 199) **"Refresh"** means the upgrading or replacing of Equipment and Software during the Term.

- 200) **"Release Unit"** means Components of an IT Service that are normally released together. A Release Unit typically includes sufficient Components to perform a useful function. For example, one Release Unit could be a Desktop PC, including hardware, Software, licenses, documentation, and so forth. A different Release Unit may be the complete Payroll Application, including IT operations procedures and user training.
- 201) **"Reliability"** means a measure of how long a Configuration Item or Service can perform its agreed function without interruption. Usually measured as MTBF (Mean Time Between Failures) or MTBSI (Mean Time Between Service Incidents). The term Reliability can also be used to state how likely it is that a process, function, and so forth, will deliver its required outputs.
- 202) **"Request Fulfillment"** means the process responsible for managing the Lifecycle of all Service Requests.
- 203) **"RRC"** Reduced Resource Credit means a credit from the Base Charge for reduced utilization of a Resource Unit below the Resource Baseline for the applicable.
- 204) **"RRRR Credits"** means rural or remote rate reduction credit.
- 205) **"Resolution Times"** means the defined time to resolve an Incident as described in Attachment J to Exhibit 1 Priority Levels to the applicable SOW.
- 206) **"Resolve, Resolved, Resolving, Resolution, etc."** means a completed and final resolution of an exception or a customer complaint or inquiry within the specified response period. Resolution includes investigating and responding / communicating to the customer or third party and appropriately closing the case by either updating the customer communication record with final status or verifying that the final fix was applied to customer's account.
- 207) **"Resource Baseline(s)"** means the estimated volume of Resource Units that will be required and utilized by Client during the Term.
- 208) **"Resource Unit(s)"** means a measurable device, unit of consumption, staffing level, or other resource that is associated with the Services for a particular Domain and is utilized as a volume measure and for pricing purposes.
- 209) **"Resource Unit Grouping"** means a logical grouping of Resource Units and is utilized as a volume measure for pricing purposes.
- 210) **"Retained Expense(s)"** means the expense types or amounts retained by Client as set out in Exhibit 3 to the SOW.
- 211) **"Retired Services"** services no longer in commission.
- 212) **"Requirements Definition"** means the Client specific form that may be used to define the requirements for a Project Request.
- 213) **"RFx"** means a process that includes one of the following: Request for Proposal (RFP), Request for Quote (RFQ), Request for Tender (RFT), Request for Information (RFI) or Request for Pre-Qualification (RFPQ).
- 214) **"Root Cause"** means the underlying or original cause of an Incident or Problem.
- 215) **"Root-Cause Analysis (RCA)"** means an activity that identifies the Root Cause of an Incident or Problem.
- 216) **"Sales Order"** means sales order is the mechanism for producing the invoice to the customer. The sales order will detail the customer information, the

- accounting for the invoice, the description of work performed as well as the pricing and applicable taxes.
- 217) **"SAP"** means SAP America, Inc., and its affiliates as well as SAP Software provided by SAP America, Inc., and its affiliates.
- 218) **"SAP AG'S OSS"** means a SAP product.
- 219) **"SAP GRC/CUP"** means SAP GRC Compliant User Provisioning (CUP) for Password Self Service.
- 220) **"Scheduled Uptime"** means that period of time (days of the week and hours per day) during which a particular System, Application, Software, Hardware, Network, or any other part of the Services is expected to be available during the Measurement Period.
- 221) **"Second-Level"** refer to Level 2 support.
- 222) **"Security"** means ensuring that Services are used in an appropriate way by the appropriate people.
- 223) **"Servers"** means any computer that provides shared processing or resources (such as printer, fax, Application processing, database, mail, proxy, firewalls, and backup capabilities) to Authorized Users or other computers over the Network. A Server includes associated peripherals — such as local storage devices, attachments to centralized storage, monitor, keyboard, pointing device, tape drives, and external disk arrays — and is identified by a unique manufacturer's serial number.
- 224) **"Service Catalogue"** means the listing of all of the services which are available to Authorized Users, including Components, features, and charges.
- 225) **"Service Desk"** means those people and facilities that serve as the initial point of contact for Authorized Users for technical support for Incidents and Service Requests.
- 226) **"Service Level Credit Allocation Percentage"** means the amount of the Pool Percentage allocated to a Critical Service Level as set forth in Exhibit 2 (Service Levels) to the SOW, as the same may be changed in accordance with Section 8 of Schedule 5.1 (Service Level Methodology).
- 227) **"Service Level Effective Date"** means the date on which a Service Level is in effect, and is the Commencement Date unless indicated otherwise in Exhibit 2 to the SOW.
- 228) **"Service Level Performance"** means in respect of each Service Level, the Supplier's actual performance of the Services against such Service Level in the relevant period.
- 229) **"Service Level Posting"** means the posting by Supplier to the Service Level Performance Web site and certification as "final results" of Service Level Performance measurement data.
- 230) **"Service Level Target"** has the meaning set forth in Exhibit 2 to the SOW and may be changed in accordance with Section 8 of Schedule 5.1.
- 231) **"Service Model"** means a set of principles, standards, policies and constraints used to guide the design, development, deployment, operation and retirement of services delivered by a Supplier with a view to offering a consistent service experience to a specific user community in a specific business context.

- 232) **"Service Pipeline"** means the variety of services that currently under development in the Service Portfolio.
- 233) **"Service Portfolio"** means the complete set of Services that are managed by a service provider. The Service Portfolio is used to manage the entire Lifecycle of all services, and includes three Categories: Service Pipeline (proposed or in development); Service Catalogue (Live or available for Deployment); and Retired Services.
- 234) **"Service Rehearsals"** means a process where the Supplier, in conjunction with the Client plans for successful and unsuccessful implementations of an Approved Release.
- 235) **"Service Request"** means a request from an Authorized User for information, or advice, or for a standard change or for access to a Service, such as to reset a password or to provide standard services for a new Authorized User. Service Requests are usually handled by a Service Desk, are provided as part of the base charges. The result of analysis of a Service Request may cause the creation of a request for a Minor Enhancement or a Project Request.
- 236) **"Single Point of Contact (SPOC)"** means providing a single consistent way to communicate with an organization or Line of Business. For example, a Single Point of Contact for a Supplier is usually called a Service Desk.
- 237) **"Site(s)"** means Client and Supplier locations where the Services will be performed or delivered as specified in Attachment D to Exhibit 1 (Service Locations and Sites) of the SOW and as may change during the Term.
- 238) **"Six-Month Measurement Period"** means the six (6) consecutive Months of measurements immediately preceding the month in which Client provided written notice to Supplier to establish a Service Level in accordance with Section 8 of Schedule 5.1.
- 239) **"Skill-Level"** means the types of skills an individual has.
- 240) **"Skill Set Rate Card"** means approach for capturing the types, costs, and credentials required of individuals performing Billable hours for the Client.
- 241) **"SKMS"** means Service Knowledge Management System.
- 242) **"SNMP"** means Simple Network Management Protocol.
- 243) **"Software"** means all software programs and programming (and all modifications, replacements, Upgrades, enhancements, documentation, materials and media related thereto), to the extent a Party has financial or operational responsibility for such programs or programming in connection with the Services. Software shall include all such programs or programming in use or required to be used as of the Commencement Date, those as to which the license, maintenance or support costs are included in the Financial Responsibility Matrix, and those as to which Supplier received reasonable notice and/or access prior to the Commencement Date. Software also shall include all such programs or programming developed and/or introduced by or for Client on or after the Commencement Date to the extent a Party has financial or operational responsibility for such programs or programming.
- 244) **"Supplier"** has the meaning set forth in the Agreement.
- 245) **"Supplier Transition Manager"** means a Supplier senior project manager who will have overall responsibility for the management, performance, and delivery

of Transition and who will be a dedicated escalation point of contact for Client in respect to Transition.

- 246) **"System(s) Software"** means those programs and Software, including documentation and materials, that perform tasks basic to the functioning of the computer hardware, or that are required to operate the Applications Software, or otherwise support the provision of Services by Supplier. Systems Software includes Operating Software, systems utilities, and any other Software not designated as Applications Software.
- 247) **"System(s)"** means an interconnected grouping of manual or electronic processes, including Equipment, Systems Software, Applications Software and associated attachments, features, accessories, peripherals and cabling, and all additions, modifications, substitutions, Upgrades or enhancements to such System, to the extent a Party has financial or operational responsibility for such System or System components under Exhibit 1 to the SOW. System shall include all Systems in use or required to be used as of the Commencement Date, all additions, modifications, substitutions, Upgrades or enhancements to such Systems and all Systems installed or developed by or for Client or Supplier following the Commencement Date.
- 248) **"T5"** means return on investment tax form.
- 249) **"Technical Management"** means the function responsible for providing technical skills in support of services and management of the IT Infrastructure. Technical Management defines the roles of support groups, as well as the tools, processes and procedures required.
- 250) **"Technology Innovation"** means better products and services through the unique application of new and/or improved technology.
- 251) **"Test Environment"** means a controlled Environment used to test Configuration Items, items from the Build Environment, IT services, processes, and so forth.
- 252) **"Third Parties"** means a legal entity, company, or person(s) that is not a Party to the Agreement, and is not an affiliate of either the Client or the Supplier.
- 253) **"Third-Party Contract(s)"** means those agreements where a Third Party is providing products or services to Client prior to the Effective Date that relate to or support the Services, including any licenses, leases, and service contracts.
- 254) **"Third-Party Vendor(s)"** means a Third Party that provides products or services to any Party that is related to, or are in support of, the Services. Third-Party Vendors do not include subcontractors of the Supplier.
- 255) **"Threshold"** means the value of a metric that should cause an alert to be generated, or management action to be taken. For example: "Priority1 Incident not solved within 4 hours", "more than 5 soft disk errors in an hour", or "more than 10 failed Changes in a month."
- 256) **"Throughput"** means a measure of the number of transactions or other operations performed in a fixed time. For example, 5000 e-mails sent per hour, or 200 disk input/output (I/Os) per second.
- 257) **"Time and Materials"** means a form of contractual compensation involving payment for materials used and at agreed rates for the those involved in performing the services.

- 258) **"TLA Percent"** means transformer loss adjustment percentage.
- 259) **"Transition Planning and Support"** means the process responsible for planning all Service Transition processes and coordinating the resources that they require. These Service Transition processes are Change Management, Service Asset and Configuration Management, Release and Deployment Management, Service Validation and Testing, Evaluation, and Knowledge Management.
- 260) **"Transformation Charges"** means the Charges for Transformation as may be set out in Attachment A to Exhibit 3;
- 261) **"Transformation Deliverable"** means one of a collection of artifacts produced throughout a Transformation project which is a Deliverable. A Transformation Deliverable demonstrates to the Client that the Transformation Programme (or part thereof), Transformation Workstream (or part thereof), Transformation Project (or part thereof) and Project Workstream (or part thereof) is complete upon Client Acceptance which Acceptance shall not be reasonably withheld;
- 262) **"Transition Charges"** means the Charges for Transition as may be set out in Exhibit 3;
- 263) **"Transition Deliverable"** has the meaning given to it in Schedule 3.1(b);
- 264) **"Unit Testing"** means a method by which individual units of source code, sets of one or more computer program modules together with associated control data, usage procedures, and operating procedures, are tested to determine if they are fit for use.
- 265) **"Unrelieved Service Level Credits"** means those Service Level Credits that are not eliminated via Earnback.
- 266) **"URL"** means uniform resource locator.
- 267) **"UPS"** means Uninterruptible Power Supply.
- 268) **"Urgency"** means a measure of how long it will be until an Incident, Problem or Change has a significant Impact on the Business. Impact and Urgency are used to assign Priority.
- 269) **"USofA"** means Uniform System of Accounts.
- 270) **"Vendor"** means any person who, based on an assessment of that person's technical and commercial capacity, has been selected to fulfill the requirements of procurement. The definition of a person includes a corporation.
- 271) **"VIP User"** means a Client designated and approved individual who will receive faster End User support service. They may be executives or key operational resources.
- 272) **"VMware"** means desktop software runs on Microsoft Windows, Linux, and Mac OS X, while VMware's enterprise software hypervisors for servers, VMware ESX and VMware ESXi, are bare-metal embedded hypervisors that run directly on server hardware without requiring an additional underlying operating system.
- 273) **"Volume Metric SOWs"** means the Statement of Works for ITO SOWs and S2P SOW.
- 274) **"VPN"** means virtual private network.

- 275) **“WAN Equipment”** means the Equipment and associated attachments, features, accessories, peripherals, and Cabling supported or used by Supplier in connection with its provision to Authorized Users of WAN Services (for example: routers, multiplexers, access circuits, backbone circuits, channel banks, CSU/DSUs, and associated diagnostic equipment), and all additions, modifications, substitutions, upgrades, or enhancements to such Equipment.
- 276) **“Workstation”** means either a Laptop or Desktop as defined in Schedule 16.1 (Pricing and Financial Provisions).



HYDRO ONE

COMMON EXHIBIT 4

INVOICING REQUIREMENTS



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 2.3 Form of Invoice6



1.0 INTRODUCTION

This Common Exhibit 4 sets forth the minimum requirements that apply to invoices submitted by the Supplier for payment by Client. Invoices may be in electronic or hardcopy format as requested and agreed to by Client. Any invoice format that is proposed by the Supplier must meet the requirements of this attachment to be approved by Client.

2.0 INVOICING REQUIREMENTS

A. Non-ITO SOWS

1. Supplier shall, by the fifteenth (15th) day of each calendar month, for the Term and any Termination Assistance period, present Client with an invoice for the Monthly Base Charges (Monthly Service Charge) for each domain and a separate invoice for each project order PO within each domain (assuming a project is underway in that month and is billable) complying with the requirements set forth below.
2. A Base Charges/ARC/RRCS invoice shall have line item detail for, but not limited to, the following:
 - 2.1. The Monthly Base Charges for the previous calendar month in accordance with the Monthly Base Charges in Attachment A to Exhibit 3 (Pricing Form) (For example: November would be invoiced on December 15th)
 - 2.2. The Change Orders for the previous calendar month
 - 2.3. Variable Charges (ARCs and RRCs) for the calendar month prior to the previous calendar month in accordance with the ARC/RRC Charges in Attachment A to Exhibit 3 (Pricing Form)
 - 2.4. One-Time Charges that have been approved for billing in the previous calendar month
 - 2.5. Pass-Through Charges for the previous calendar month
 - 2.6. Service Level Credits and Critical Deliverable Credits, if any, incurred in the previous 60 calendar days
 - 2.7. ECA percentage and amount
 - 2.8. Service Level Earnback amounts, if any, earned back and due
 - 2.9. Applicable taxes by type
 - 2.10. Any other Charges to be invoiced as agreed upon by both parties
3. A Billable Project Charge invoice shall have line item detail for, but not limited to, the following:
 - 3.1. Billable Project Charges for the previous calendar month
 - 3.2. Service Level Credits and Deliverable Credits, if any, incurred in the previous calendar month
 - 3.3. Taxes by type
 - 3.4. Any other Charges to be invoiced as agreed upon by both parties



4. Each invoice shall contain information to satisfy Client's internal accounting requirements, including the details in Attachment A to this Common Exhibit 4 (Form of Invoice) and, at a minimum, the following information:
 - 4.1. Purchase Order Number
 - 4.2. Service Description by line item
 - 4.3. Applicable Taxes
 - 4.4. Payment Terms
 - 4.5. Due Date
 - 4.6. Billing period
 - 4.7. Vendor Number
 - 4.8. Project identifier for project invoices
 5. Supplier shall invoice Client in CAD.
 6. Client requires that detailed charge information be available online in a file that lends itself to searching and ad hoc reporting. Supplier's responsibilities include providing to Client on a monthly basis, accurate and complete data submissions for the previous month's invoice 30 days after the previous month's invoice was sent associated with the invoice detail reporting tool.
 - 6.1. Client reserves the right to request additional detail pursuant to the Change Control Procedures.
 7. Client expects invoices from Supplier to be accurate. Supplier will implement a pre-invoice review and validation process on a monthly basis with client. Supplier will verify that Charges billed will be accurate and reconciled to Services delivered to Client. Supplier will explain and justify, as requested by Client, Charges.
 8. Supplier shall respond to Client's request for additional information in connection with an invoice promptly, but in no event any later than two (2) business days after delivery of Client's request. However, if Supplier reasonably requires additional time to respond to Client's request for information then Supplier may request Client to agree to an extension of the above deadline.
 9. Client may request that Supplier submit at times other than those specified herein an invoice for portions of the Charges that have not yet been invoiced but represent amounts payable for actual performance of Supplier's obligations hereunder.
 - 9.1. When Client makes such a request, Supplier shall deliver to Client a complete invoice reflecting such portions of the Charges, if any, believed by Supplier to be payable.
 - 9.2. Supplier shall deliver such invoice by the deadline identified in Client's request therefore and, if no deadline is specified in Client's request, then no later than thirty (30) days following the date of Client's request.
- B. ITO SOWS
1. Supplier shall, by the fifteenth (15th) day of each calendar month, for the Term and any Termination Assistance period, present Client with an invoice for the "Monthly ITO



Fixed Charges”, which includes Monthly ADM/IM Fixed Charges and Monthly PPD Fixed Charges complying with the requirements set forth below.

2. An ITO Fixed Charges invoice shall have line item detail for, but not limited to, the following:
 - 2.1. The Monthly ADM/IM Fixed Charges for the previous calendar month in accordance with the Monthly ADM/IM Fixed Charges in Attachment A to Exhibit 3 (Pricing Form) (For example: November would be invoiced on December 15th)
 - 2.2. The Monthly PPD Fixed Charges for the previous calendar month in accordance with the Monthly PPD Fixed Charges in Attachment A to Exhibit 3 (Pricing Form) (For example: November would be invoiced on December 15th)
 - 2.3. Service Level Credits and Critical Deliverable Credits, if any, incurred in the previous 60 calendar days
 - 2.4. Service Level Earnback amounts, if any, earned back and due
 - 2.5. Applicable taxes by type
 - 2.6. Any other Charges to be invoiced as agreed upon by both parties
3. Each invoice shall contain information to satisfy Client’s internal accounting requirements, including the details in Attachment A to this Common Exhibit 4 (Form of Invoice) and, at a minimum, the following information:
 - 3.1. Purchase Order Number
 - 3.2. Service Description by line item
 - 3.3. Applicable Taxes
 - 3.4. Payment Terms
 - 3.5. Due Date
 - 3.6. Billing period
 - 3.7. Vendor Number
4. Supplier shall invoice Client in CAD.
5. Client requires that detailed charge information be available online in a file that lends itself to searching and ad hoc reporting. Supplier’s responsibilities include providing to Client on a monthly basis, accurate and complete data submissions for the previous month’s invoice 30 days after the previous month’s invoice was sent associated with the invoice detail reporting tool.
 - 5.1. Client reserves the right to request additional detail pursuant to the Change Control Procedures.
6. Client expects invoices from Supplier to be accurate. Supplier will implement a pre-invoice review and validation process on a monthly basis with client. Supplier will verify that Charges billed will be accurate and reconciled to Services delivered to Client. Supplier will explain and justify, as requested by Client, Charges.
7. Supplier shall respond to Client’s request for additional information in connection with an invoice promptly, but in no event any later than two (2) business days after delivery of Client’s request. However, if Supplier reasonably requires additional time to



respond to Client's request for information then Supplier may request Client to agree to an extension of the above deadline.

8. Client may request that Supplier submit at times other than those specified herein an invoice for portions of the Charges that have not yet been invoiced but represent amounts payable for actual performance of Supplier's obligations hereunder.
 - 8.1. When Client makes such a request, Supplier shall deliver to Client a complete invoice reflecting such portions of the Charges, if any, believed by Supplier to be payable.
 - 8.2. Supplier shall deliver such invoice by the deadline identified in Client's request therefore and, if no deadline is specified in Client's request, then no later than thirty (30) days following the date of Client's request.

2.1 Timing of Payments

1. As per Section 16.2.a of the MSA

2.2 Timely Invoicing

1. As per Section 16.2.a of the MSA

2.3 Form of Invoice

A. NON-ITO SOWS

1. Supplier will deliver a complete invoice to Client in the form and details specified in Attachment A to this Common Exhibit 4 (Form of Invoice Template).
2. Within the first thirty (30) days from the SOW Commencement Date of the initial Statement of Work to this Agreement, Client and Supplier shall, in good faith, finalize the form of invoice set forth herein. The Parties agree and acknowledge that the goal of this finalization effort will be to automate as much as possible in order to obtain the level of detail contained in such invoice as desired by Client.
3. The bill to addresses for Supplier monthly invoices are:
 - Hydro One Networks Inc.
 - Accounts Payable
 - billing addresses to be determined and provided at a later date
4. Invoices will contain summary page(s) that calculate each Domain's total invoice price for each billing structure item, broken out into the major categories of services, hardware, and software. Where multiple billing structure items are included on the same invoice, the following provides a recommended structure for invoicing (at a minimum, as qualified by the subsequent sections to this document):
 - 4.1. Base Charges
 - 4.2. ARC/RRC Charges
 - 4.3. Hardware Charges



- 4.4. Software Charges
- 4.5. Billable Projects (separate project summary specific to Project invoiced)
- 4.6. Other Optional Services
- 4.7. Change Order Controls
- 4.8. Pass-through Charges
- 4.9. One-Time Charges
- 4.10. Cumulative total of all Service Level Credits and Earnbacks
- 4.11. Applicable Economic Change Adjustments (ECA)
5. Invoices will include or be accompanied by line item detail necessary to validate the Charges as illustrated in Attachment A to this Common Exhibit 4 (Form of Invoice Template) for each of the billing structure items.
6. Contract Change Orders will be invoiced in the month following their final approval.
 - 6.1. Contract Change Orders will not be netted against the Base Charges except where the Purchase Order line item detail reflects Base Charges that include the netting of those Contract Change Controls.
7. Detailed reporting, separate from invoice submission, may be required to identify the following items:
 - 7.1. For Base and Variable Charges:
 - 7.1.1. Unit of Measure
 - 7.1.2. Resource Baselines
 - 7.1.3. Base Charges
 - 7.1.4. Actual consumption of resources
 - 7.1.5. ARC/RRC unit rates
 - 7.1.6. Additional and/or reduced usage over and/or under baselines, and applicable ARC or RRC charges
 - 7.1.7. Total Base and Variable Charges for this invoice
 - 7.1.8. Invoice Number
 - 7.2. For Hardware and Software Charges:
 - 7.2.1. Description of services provided
 - 7.2.2. Asset identification (e.g., Serial No., Manufacture, Make, Model, Asset No., etc.)
 - 7.2.3. In service date
 - 7.2.4. Service life
 - 7.2.5. Hardware and Software charges for this invoice
 - 7.2.6. Invoice Number
 - 7.3. For One-Time Charges:
 - 7.3.1. Transition/Transformation Milestone



- 7.3.2. Period of performance
- 7.3.3. Nature of charge
- 7.3.4. One-Time charges for this invoice
- 7.3.5. Invoice Number
- 7.4. For Service Level Credit summary:
 - 7.4.1. Performance Category
 - 7.4.2. Critical Deliverable / Service Level name
 - 7.4.3. Measurement Period
 - 7.4.4. Expected Service Level
 - 7.4.5. Minimum Service Level
 - 7.4.6. Actual performance for the period
 - 7.4.7. Default (Y/N)
 - 7.4.8. Credit amount due to Client
 - 7.4.9. Invoice Number
- 7.5. For Pass-through Charges:
 - 7.5.1. Name of Third Party
 - 7.5.2. Description of services provided
 - 7.5.3. Period services received
 - 7.5.4. Third-Party invoice number
 - 7.5.5. Third-Party invoice date
 - 7.5.6. Third-Party invoice amount
 - 7.5.7. Invoice Number

B. ITO SOWS

1. Supplier will deliver a complete invoice to Client in the form and details specified in Attachment A to this Common Exhibit 4 (Form of Invoice Template) for ITO SOWS.
2. The bill to addresses for Supplier monthly invoices are:
 - Hydro One Networks Inc.
 - Accounts Payable
 - billing addresses to be determined and provided at a later date
3. ITO Fixed Charge invoices will contain summary page(s) that calculate total invoice price for :
 - 3.1. ADM/IM Fixed Charges
 - 3.2. PPD Fixed Charges



- 3.3. Change Order Controls Pass-through Charges (distinction between ADM/IM & PPD)
- 3.4. Cumulative total of all Service Level Credits and Earnbacks
4. Invoices will include or be accompanied by line item detail necessary to validate the Charges as illustrated in Attachment A to this Common Exhibit 4 (Form of Invoice Template) for each of the billing structure items.
5. Contract Change Orders will be invoiced in the month following their final approval.
6. Detailed reporting, separate from invoice submission, may be required to identify the following items:
 - 6.1. For ITO Fixed Charges:
 - 6.1.1. ADM/IM Fixed Charges
 - 6.1.2. PPD Fixed Charges
 - 6.1.3. Invoice Number
 - 6.2. For Service Level Credit summary:
 - 6.2.1. Performance Category
 - 6.2.2. Critical Deliverable / Service Level name
 - 6.2.3. Measurement Period
 - 6.2.4. Expected Service Level
 - 6.2.5. Minimum Service Level
 - 6.2.6. Actual performance for the period
 - 6.2.7. Default (Y/N)
 - 6.2.8. Credit amount due to Client
 - 6.2.9. Invoice Number



Hydro One

ATTACHMENT A
FORM OF INVOICE

TO EXHIBIT 4
INVOICING REQUIREMENTS

VENDOR NAME

INVOICE

123 Vendor Street, City, Ontario Canada Z1Z 1Z1

TO: Hydro One Networks Inc.
Accounts Payable
483 Bay Street
Toronto, ON
M5G 2P5

Page :
Invoice Number :
Invoice Date : MM/DD/YYYY
Customer Number :
PO Number :
Billing Period :
Terms : Net 45
Due Date :
INVOICE AMOUNT : \$ -

For Billing enquiries, please call (416)-555-5555 from 8:00am - 4:00pm EST

DESCRIPTION:

Line Item	Description of Line Item		
10	Domain Monthly Base Charges for Month Year	\$	10.00
20	Change Orders	\$	6.00
30	Variable Charges	\$	1.00
40	Service Level Credits & Critical Deliverable Credits	\$	(3.00)
50	Economic Cost Adjustment		
80	Transition & Transformation Charges		
90	Pass-Through Charges		

Note:		Subtotal	\$ 14.00
Non-Taxable:	\$ -	HST (13%)	\$ 1.82
Taxable:	\$ 14.00	Total	<u>\$ 15.82</u>

HST Number:123456789

Please return this portion with payment or write the complete invoice number on your cheque

Please Remit to:

Vendor
Vendor AR Address

Invoice Number :
Customer Number :
Customer Name :
PO Number :
Due Date :
Amount Due :

Amount Remitted :

VENDOR NAME

INVOICE

123 Vendor Street, City, Ontario Canada Z1Z 1Z1

TO: Hydro One Networks Inc.
Accounts Payable
483 Bay Street
Toronto, ON
M5G 2P5

Page :
Invoice Number :
Invoice Date : MM/DD/YYYY
Customer Number :
PO Number :
Project Number :
Billing Period :
Terms : Net 45
Due Date :
INVOICE AMOUNT : \$ -

For Billing enquiries, please call (416)-555-5555 from 8:00am - 4:00pm EST

DESCRIPTION:

Line Item	Description of Line Item		
60	Project # - Project Labour Charges	\$	-
70	Project # - Project Material Charges	\$	-
90	Project # - Pass-Through Charges		
Note:		Subtotal	\$ -
Non-Taxable:	\$ -	HST (13%)	\$ -
Taxable:	\$ -	Total	\$ -

HST Number:123456789

Please return this portion with payment or write the complete invoice number on your cheque

Please Remit to:
Vendor
Vendor AR Address

Invoice Number :
Customer Number :
Customer Name :
PO Number :
Due Date :
Amount Due :

Amount Remitted :

VENDOR NAME

INVOICE

123 Vendor Street, City, Ontario Canada Z1Z 1Z1

TO: Hydro One Networks Inc.
Accounts Payable
483 Bay Street
Toronto, ON
M5G 2P5

Page :
Invoice Number :
Invoice Date : MM/DD/YYYY
Customer Number :
PO Number :
Billing Period :
Terms : Net 45
Due Date :
INVOICE AMOUNT : \$ -

For Billing enquiries, please call (416)-555-5555 from 8:00am - 4:00pm EST

DESCRIPTION:

Line Item	Description of Line Item		
10	ADM /IM Fixed Charges	\$	4.00
20	PPD Fixed Charges	\$	3.00
30	Pass Through Expenses	\$	0.50

Note:		Subtotal	\$ 7.50
Non-Taxable:	\$ -	HST (13%)	\$ 0.98
Taxable:	\$ 7.50	Total	\$ 8.48

HST Number:123456789

Please return this portion with payment or write the complete invoice number on your cheque

Please Remit to:
Vendor
Vendor AR Address

Invoice Number :
Customer Number :
Customer Name :
PO Number :
Due Date :
Amount Due :

Amount Remitted :



HYDRO ONE

SCHEDULE 16.1

FEE METHODOLOGY

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1.0 GENERAL

1.1 References

All references in this Schedule to articles, sections and schedules shall be to this Schedule, unless another reference is provided.

1.2 Definitions

All capitalized terms not defined in this Schedule will have the meanings defined in the Agreement.

Whenever used in this Schedule, the following terms will have the corresponding meanings set out below:

1.3 Purpose

Article 16 of the Agreement sets forth the certain pricing and payment provisions. This Schedule sets forth certain general pricing and payment provisions that (i) supplement Article 16 of the Agreement and (ii) may support and apply, in general, to all Statements of Work or Projects under the Agreement or (iii) may support and apply to only a certain subset of the Statements of Work.

2.0 OVERHEAD

Functions that are provided by Supplier as part of Supplier's overall project management and contract management are non-chargeable. The costs of such functions are included within the Base Charges (as well as the ARC Rates and RRC Rates and Transition or Transformation one-time Charges) and the Skill Set Rate Card rates and the ITO Fixed Charges. Any Resource Units expended in performing Overhead Functions shall not be included in any calculation or measurement of the Resource Units used in determining ARCs or RRCs. In addition, Overhead Functions shall not constitute a Project or New Services or otherwise be chargeable to Client. Without limitation, examples of such non-chargeable Overhead Functions include the following:

- (a) All Supplier managers not dedicated to the client account but excluding Client authorized project managers and Supplier Personnel allocated to a Project.
- (b) All Transition and Transformation activities (such as project management, training, process implementation, governance, planning, and knowledge-transfer) except for Transition and Transformation one-time Charges specified in Attachment A to Exhibit 3 to the applicable SOW and approved Project orders.
- (c) Performance of any Supplier back office functions.

- (d) Performance of monitoring, measurement and reporting activities to measure Supplier's performance and resource usage, including Service Level administration, monitoring, and metrics/measurement tools.
- (e) Performance of any resource management activities, such as resource management or administration, staffing and human resources-related functions.
- (f) Performance of any account management functions required in addition to any dedicated Supplier Personnel, such as performing as a member of Supplier's pricing, financial or accounting teams.
- (g) Performance of any administrative functions, such as the Supplier's internal billing functions, administrative and secretarial assistance, promotion, publicity and internal management.
- (h) Performance of quality assurance activities to monitor Supplier's performance and ensure internal Supplier compliance with standards e.g. ISO (International Organization for Standardization).
- (i) Performance of error correction or defect rectification.
- (j) Provision of management reporting (both internal and Client) as to the extent required under the Agreement.
- (k) All planning-related activities (technology, business, financial/budget, etc.).
- (l) Performance of all activities required to train Supplier Personnel, including skills training, orientation on all applicable Client safety, security, and environmental rules, policies and procedures, and orientation to the Client environment.
- (m) Performance of project management activities to monitor Supplier's performance, such as the implementation, application, or execution of project management methodologies (excluding Services constituting project management as a part of a Billable Project), the development, implementation, and execution of training programs for Supplier Personnel and the customization of standard project management processes and methodologies.
- (n) Implementation of activities and tools to promote efficient use of service delivery resources.
- (o) Performance of work to develop action plans as a result of any Service Level Default and work associated with re-runs that are the result of fault of Supplier or for which Supplier is otherwise responsible for the cost of performing under the Agreement.

- (p) Activities and tools implemented by Supplier either at its discretion or as required to meet its obligations under the Agreement.
- (q) Management of Third-Party relationships and resources as required under the Agreement.
- (r) Preparation of all cost estimates and proposals for Projects or Change and New Services Procedures.
- (s) Performance of activities associated with transitioning Supplier Personnel to the Client account, including with respect to new or replacement Supplier Personnel, all associated knowledge transfer, and training that is necessary or appropriate for the provision of the Services.

3.0 PRICING STRUCTURE

3.1 Monthly Base Charge and Monthly Service Charge

- (a) The “**Monthly Base Charge**” for each Resource Baseline shall mean the charges applicable to the quantity of Resource Units included in the Monthly Resource Baseline Volume for such Resource Baseline. The Monthly Base Charge applicable to each Resource Unit for the Monthly Resource Baseline Volumes is set forth in Attachment A to Exhibit 3 to the applicable SOW. For each calendar month, Supplier shall invoice Client the Monthly Base Charge for the applicable month in accordance with this Exhibit and the Agreement.
- (b) The “Monthly ITO Fixed Charge” shall mean the monthly fixed charges applicable for the Services as set forth in Attachment A to Exhibit 3 to the applicable SOW. For each calendar month, Supplier shall invoice Client the Monthly ITO Fixed Charge for the applicable month in accordance with this Exhibit and the Agreement.
- (c) The “Monthly S2P Fixed Charge” shall mean the monthly fixed charges applicable for the Services as set forth in Attachment A to Exhibit 3 to the Source to Pay (S2P) SOW. For each calendar month, Supplier shall invoice Client the Monthly S2P Fixed Charge for the applicable month in accordance with this Exhibit and the Agreement.
- (d) The “**Monthly Service Charge**” shall equal the sum of the Monthly Base Charges and Monthly ITO Fixed Charge and Monthly S2P Fixed Charge for a given month. The Monthly Service Charges shall be computed on a monthly basis and prorated for any partial month, unless expressly stated otherwise in the Agreement.
- (e) The Monthly Service Charges include all costs and expenses, including Personnel, Equipment and Software costs and expenses (except where such costs are marked as the responsibility of Client in Attachment B to

Exhibit 3 to the applicable SOW) that Supplier incurs in performing the Services, including travel and travel-related expenses, lodging, document reproduction and shipping, and long-distance telephone (other than Pass-Through Expenses and One-Time Charges). Accordingly, all such costs and expenses shall be Supplier's responsibility and shall not be separately reimbursable by Client unless and to the extent such costs and expenses are specifically expressed in (i) this Schedule 16.1, or (ii) elsewhere in the Agreement as being chargeable separately.

- (f) Except as specifically provided elsewhere in the Agreement, all Services without specific Charges or methodologies specified in this Schedule 16.1 are not separately chargeable by Supplier. For clarity, Cross-Functional Services do not have a separate Monthly Base Charge or Monthly ITO Fixed Charge or Monthly S2P Fixed Charge. The Charges for such Services are included within the Monthly Base Charges and the Monthly ITO Fixed Charges and the Monthly S2P Fixed Charges for the Services to which the Cross-Functional Services relate. Other than with respect to the Cross-Functional Services, Supplier specifically confirms that Supplier should not include any cross-subsidization between Statements of Work.
- (g) Without limiting the generality of the foregoing, Supplier acknowledges and agrees that it is solely responsible for managing its resources (including any contracted resources) so as to provide the Services in accordance with the Agreement, including the Service Levels, regardless of the volume of the Services and the number of resources required to provide the Services.

3.2 **Additional Resource Charges (ARC) and Reduced Resource Credits (RRC) For Non – Volume Metric SOWs**

- (a) This Section 3.2 only applies to Non-Volume Metric SOWs.
- (b) **ARC Rates and RRC Rates:** ARC Rates are equal to RRC Rates for all Resource Baselines.
- (c) **ARC/RRC Reporting:** The Supplier shall track the number of Resource Units, based on the definitions of billable Resource Units as set forth in Attachment C to Exhibit 3 to the applicable SOW utilized by Client during each calendar month of the Term and any Termination Transition Period. The Supplier shall provide such information for each calendar month to Client with the reconciliation for such month against the Resource Baselines.
- (d) **Application of ARCs and RRCs:** ARCs and RRCs apply to all Resource Baselines for which an ARC Rate and RRC Rate is specified in Attachment A to Exhibit 3 to the applicable SOW.

(e) **Calculation of ARCs for Resource Baselines:** If an Actual RU in a calendar month for a Resource Baseline is greater than the applicable Monthly Resource Baseline Volume for such Resource Baseline, then Client shall pay Supplier an ARC equal to the sum of the products of the ARC Rate listed in Attachment A to Exhibit 3 to the applicable SOW for the applicable RU and Client's incremental consumption of each applicable RU relative to the Monthly Resource Baseline Volume.

(f) For Example, if the Resource Baseline is 1,000 Resource Units (RUs):

ARC is 1,001 – 1,350 RUs
ARC/RRC is \$100
Client's actual consumption is 1,200 RUs
Total ARCs = 200 x \$100
=\$20,000

(g) **Calculation of RRCs for Resource Baselines:** If an Actual RU in a calendar month for a Resource Baseline is less than the applicable Monthly Resource Baseline Volume for such Resource Baseline, then Supplier shall credit Client with a RRC equal to the sum of the products of the RRC Rate listed in Attachment A to Exhibit 3 to the applicable SOW for the applicable RU and Client's decrease in consumption of each applicable RU relative to the Monthly Resource Baseline Volume.

(h) For Example, if the Resource Baseline is 1,000 Resource Units (RUs):

RRC is 650 – 999 RUs
ARC/RRC Rate is \$100
Client's actual consumption is 800 RUs
Total RRCs = 200 x (\$100)
= (\$20,000)

(i) **Invoicing of ARCs and RRCs:** Supplier shall be responsible for calculating and recording all ARCs and RRCs due and for reflecting these amounts on Supplier's invoice following the month in which such ARCs and RRCs were used. All applicable ARCs and RRCs for each Resource Baseline for a particular month shall be presented in one invoice per Statement of Work. ARCs and RRCs shall be calculated using the ARC Rates and RRC Rates applicable in the month the ARC or RRC was incurred.

(j) For Example:

March's Invoice will contain February's Base Charges and January's ARC/RRC charges.

3.3 Local Currency

- (a) Supplier agrees to provide Charges in CAD (Canadian Dollars). Supplier further commits to invoice Client based on the invoicing practices articulated in Section 6.1 of this Schedule.

3.4 Assumed Efficiencies

- (a) Supplier shall implement various programs through the execution of the Transition Plan and ongoing Transformation activities, which shall identify budget efficiency opportunities for Client to reduce the number of unused Resource Units and to enable utilization to shift from higher cost Resource Units to lower cost Resource Units, as well as other programs that can result in further reduced overall Charges.
- (b) Supplier has made certain assumptions regarding the delivery of the Resource Units and other efficiencies, which Supplier shall be obligated to achieve over the term of the Agreement.
- (c) Supplier agrees that it assumes the risk of the validity of these assumptions, such that Supplier delivers the volume and types of Services described in the Resource Baselines for the Monthly Service Charges associated with those Resource Baselines.
- (d) In addition, Client shall not be charged any additional Charges (nor shall the Service Levels be adjusted) as the result of the Supplier's failure to accomplish or complete these efficiencies.
- (e) The Supplier will advise Client's management of each opportunity that is identified and will estimate the potential savings.

4.0 ADJUSTMENTS TO CHARGES

4.1 Adjustments for Inflation and Deflation For Non – Volume Metric SOWs

- (a) This Section 4.1 only applies to Non-Volume Metric SOWs.
- (b) **General:** Supplier shall calculate and apply an adjustment to the Charges based upon economic inflation or deflation changes (each such adjustment an “**Economic Change Adjustment**” or “**ECA**”) as described below. The ECA will be applied on a prospective basis on the Monthly Base Charges, Unit Rates, ARC and RRC Rates; Skill-Level Rate Cards rates (“**Applicable ECA Charges**”). For the avoidance of doubt, all other Charges shall not be subject to an ECA and shall be fixed and firm during the Agreement term.
- (c) The ECA shall be determined by the Supplier and submitted to Client for approval as soon as practicable, but by no later than sixty (60) days, after the end of each applicable anniversary of the Agreement Effective Date using the formula set forth below.

- (d) Supplier shall apply the ECA, if any, to the Applicable ECA Charges starting on the first monthly invoice for the month following the first Contract Year of the Agreement and for each subsequent month.
- (e) **Economic Change Index.** The Inflation Index shall be a government-published index that reflects movements in a broad-based consumer-focused price index as set forth below:
- CPI – Ontario excluding energy v41692050
- (f) In the event that the publishing entity stops publishing the Economic Change Index (or a component thereof) or substantially changes its content and format, Client and Supplier will substitute a comparable index published at least annually by a mutually agreeable source.
- (g) If the publishing entity redefines the base year for the Economic Change Index to another year, Client and Supplier will continue to use the Economic Change Index, but will convert the base year index to the new base year by using an appropriate conversion formula.
- (h) **Index Month:** The month used for calculating the ECA Factor shall be the Economic Change Index published for the month of the Agreement Effective Date anniversary during the Agreement Term and any Termination Transition Period (the “Index Month”).
- (i) **ECA Factor:** The “ECA Factor” for a given year is determined as follows:
- (j) If the Economic Change Index published for the Index Month in any calendar year (“ECI Current Index”), is equal to the Economic Change Index published for Index Month in the prior calendar year (“ECI Base Index”), then there shall be no ECA applied to the Applicable ECA Charges.
- (k) If the ECI Current Index is less than or greater than the ECI Base Index, then an ECA Factor shall be calculated by subtracting the ECI Base Index from the ECI Current Index, and then dividing such amount by the ECI Base Index, subject to Section 4.1.u below.
- $\{(ECI\ Current\ Index - ECI\ Base\ Index) / ECI\ Base\ Index\}$
- (l) The ECA Factor shall be expressed to a precision of two decimal places. For rounding purposes, thousandths above x.005 will be increased to the next hundredth.
- (m) **Examples of ECA Factor Calculation:**

For example, if November 2014 Economic Change Index is 180 and the November 2015 Economic Change Index is 190.8, then for the calendar

year beginning January 2016, the ECA Factor would be $(190.8-180)/180 = 6\%$ for the Applicable ECA Charges;

For example, if November 2014, Economic Change Index is 180 and November 2015, Economic Change Index is 178, then for the calendar year beginning January 2016, the ECA Factor shall be $(178-180)/180 = -1.11\%$ for the Applicable ECA Charges.

For example, if the November 2014 Economic Change Index is 180 and the November 2015 Economic Change Index is 183.6, then for the calendar year beginning January 2016, the ECA Factor shall be $(183.6-180)/180 = 2\%$ for the Applicable ECA Charges.

- (n) **Inflation Sensitivity Factor** The “Inflation Sensitivity Factor” is defined as the portion or percentage of the Supplier charges that are inflation sensitive, as set forth in Attachment A to Exhibit 3 to the applicable SOW.

The Client approved ECA Factor and the Inflation Sensitivity Factor shall be applied as of the first of the month at the beginning of the following Contract Year to the Applicable ECA Charges in the following manner:

Each Monthly Base Charge will be recalculated by (A) multiplying the existing Monthly Base Charge by (1) the Inflation Sensitivity Factor and then by (2) the ECA Factor, and then (B) adding the amount determined under clause (A) to the existing Monthly Base Charge;

Each ARC / RRC Rate will be recalculated by (A) multiplying the existing ARC / RRC Rate by (1) the Inflation Sensitivity Factor and then by (2) the ECA Factor, and then (B) adding the amount determined under clause (A) to the existing ARC / RRC Rate; and

Each rate on a Skill Level Rate Card rate will be recalculated by (A) multiplying the existing rate by (1) the Inflation Sensitivity Factor and then by (2) the ECA Factor, and then (B) adding the amount determined under clause (A) to the existing rate.

- (o) Examples of ECA Calculations:

For instance: If Client’s fiscal year is also the calendar year and if the Agreement Effective Date was November 2014, then after the first anniversary on November 2015, the Supplier shall perform the ECA calculations and submit the results to Client for approval no later than the end of December 2015. After approval by Client, the results of the ECA calculation would be applied to the Applicable ECA Charges as of January 2016

- (p) For Example: For the Applicable ECA Charges, assume:

- ECA Factor equals 4.44%
- Inflation Sensitivity Factor equals 98%
- Monthly Base Charge equals \$100
- ARC Rate and RRC Rate equals \$10
- Skill Level Rate Card Rate equals \$10

(q) New Monthly Base Charge rate would be:

$((\text{Existing Monthly Base Charge}) * (\text{Inflation Sensitivity Factor}) * (\text{ECA Factor})) + \text{Existing Monthly Base Charge}$

$$((\$100) * (98\%) * (4.44\%)) + \$100 = \$104.35$$

(r) New ARC Rate, RRC Rate, or Skill Level Rate Card rate would be:

$((\text{Existing ARC Rate or RRC Rate or Skill Level Rate Card rate}) * (\text{Inflation Sensitivity Factor}) * (\text{ECA Factor})) + \text{Existing ARC Rate or RRC Rate or Skill Level Rate Card rate}$

$$((\$10) * (98\%) * (4.44\%)) + \$10 = \$10.44$$

(s) In the subsequent year, assume:

- ECA Factor equals 2.00%
- Inflation Sensitivity Factor equals 98%
- Monthly Base Charge equals \$104.35
- ARC Rate, RRC Rate or Skill Level Rate Card rate equals \$10.44

(t) New Monthly Base Charge rate would be:

$$((\$104.35) * (98\%) * (2\%)) + \$104.35 = \$106.40$$

(u) New ARC Rate, RRC Rate or Skill Level Rate Card rate would be:

$$((\$10.44) * (98\%) * (2\%)) + \$10.44 = \$10.64$$

(v) ECA applies during any renewal years.

4.2 Taxes

(a) Each Party shall be financially responsible for taxes as provided in Section 16.8 of the MSA.

5.0 RESOURCE BASELINES AND VOLUME BASELINES

5.1 Resource Baselines and Resource Units

(a) Resource Baselines and Resource Units apply only to Non-Volume Metric SOWs. For each Resource Unit (RU), the corresponding resource

measurement for each Resource Unit is documented as the Resource Baseline. All Resource Unit consumption shall be measured on a calendar month basis.

- (b) The “Monthly Resource Baseline Volume” for a Resource Baseline shall mean the quantity of Resource Units corresponding to such Resource Baseline, which is included in the Monthly Base Charge. The Monthly Resource Baseline Volumes for each Contract Year of the Agreement Term are set forth on the Resource Baselines tab of Attachment A to Exhibit 3 to the applicable SOW.
- (c) Upon the applicable Commencement Date for each Resource Unit and during each month thereafter, Supplier shall measure, track, and report on the number of Resource Units utilized by Client in accordance with the Resource Unit definitions (“RUs”) during each calendar month.
- (d) The value of the RUs shall be expressed to a precision of two decimal places unless otherwise specified in Attachment A to Exhibit 3 to the applicable SOW. For rounding purposes, thousandths above x.005 will be increased to the next hundredth.
- (e) Client may increase or decrease the Resource Unit usage volume for each applicable Resource on a monthly basis; Base Charges may be adjusted only by agreement of the Parties.
- (f) Supplier shall provide Client with details about Actual RUs, historical and forecast, on a monthly basis and provide explanations for variances beyond historical and forecast trends.

5.2 **Volume Baselines and Volume Metric Units**

- (a) Volume Baselines and Volume Metric Units apply to ADM and IM SOWs and the S2P SOW. For each Volume Metric Unit, the corresponding resource measurement for each Volume Metric Unit is documented as the Volume Baseline. All Volume Metric Unit consumption shall be measured on a calendar month basis.
- (b) The “Monthly Volume Baseline” for a Volume Baseline shall mean the quantity of Volume Metric Units corresponding to such Volume Baseline, which is included in the applicable Monthly ITO Fixed Charge and Monthly S2P Fixed Charge. The Monthly Volume Baseline is set forth in the Volume Metrics tab of Attachment D to Exhibit 3 to the applicable SOW.
- (c) During each month, Supplier shall measure, track, and report on the number of Volume Metric Units utilized by Client in accordance with the Volume Metric Unit definitions (“VMUs”) during each calendar month.

- (d) The value of the VMUs shall be expressed to a precision of two decimal places unless otherwise specified in Attachment D to Exhibit 3 to the applicable SOW. For rounding purposes, thousandths above x.005 will be increased to the next hundredth.
- (e) Client may increase or decrease the Volume Metric Unit usage volume for each applicable Volume Metric Unit on a monthly basis; ITO Fixed Charges and S2P Fixed Charges may be adjusted only by agreement of the Parties.
- (f) Supplier shall provide Client with details about Actual Metric Units, historical and forecast, on a monthly basis and provide explanations for variances beyond historical and forecast trends.

6.0 FINANCIAL DOCUMENTATION

6.1 Invoicing and Payment

- (a) Monthly Invoice Detail: Supplier shall provide invoices for the Services with at least as much supporting detail as required by the Agreement, and as set forth in Common Exhibit 4 and such other details and billing information as is necessary to satisfy Client's internal accounting requirements as disclosed with Supplier. Supplier shall provide the invoices in the format approved by Client, which shall be based on the form as set forth in Common Exhibit 4.
- (b) Monthly Invoices: As set forth in Common Exhibit 4.
- (c) Invoice Format Minimum Requirements: As set forth in Common Exhibit 4.
- (d) Consolidated Invoice Summary. Supplier shall provide a consolidated monthly summary of all invoices delivered to Client in the current month.
- (e) Delivery: The invoices shall be delivered to Client at the address provided in Section 16.2(b) of the MSA and electronically, as requested. Supplier shall not invoice Client for any advance charges.
- (f) Additional limits on time permitted to invoice and terms of payment are also set out in Section 16.2 of the Agreement.

7.0 PROJECTS

At any time during the term of the Agreement, Client may, in accordance with Schedule 3.1(a), issue a Project Order to Supplier.

Supplier shall scope, calculate and propose the charges (however charges only where the applicable SOW permits it) for the services requested in such Project Order in accordance with the methodology set forth in Schedule 3.1(a).

Except for Projects under the Program and Projects Delivery SOW, and unless otherwise expressly set out in the applicable Project Order, the Charges for such requested Projects can be either Fixed Fee or Time and Materials (T&M). Except for Projects under the Program and Projects Delivery SOW, and unless otherwise expressly set out in the applicable Project Order, all Project costs will be documented and invoiced separate from Base Charges. Client shall not be liable for any Charges related to any work performed as part of a Project unless such work is approved in advance by way of a Project Order.

7.1 Time and Materials Charges

- (a) The proposed Charges for any Projects described in the applicable Project Definition Report or Project Change Request as T&M Charges shall be determined as follows:

The T&M Charges for each individual Supplier Personnel shall be the product of (i) the number of Billable Hours that such individual devoted to providing Project work at a Skill-Level as set out in the Skill Description Rate Card included in Attachment A to Exhibit 3 of the specific Statement of Work

multiplied by

(ii) the hourly rate as set forth for the corresponding Skill-Level within the specific Statement of Work in Attachment A to Exhibit 3 to the applicable SOW.

- (b) No premiums for overtime, off-shift or holiday work shall apply to the T&M rates unless approved in advance by the Client.
- (c) The Charges set forth in Attachment A to Exhibit 3 to the applicable SOW shall include all costs required by Supplier staff in performing the Services described in the Project Order. For the avoidance of doubt, Supplier will not be reimbursed above and beyond what is included in the Skill Description Rate Card for any employee out of pocket expenses unless approved in advance in the Project Order.
- (d) Any T&M rate that is not included in Attachment A to Exhibit 3 to the applicable SOW shall be pre-approved in writing by Client and set forth in the applicable Project Order.
- (e) T&M invoicing is subject to the following conditions:

If the Parties have expressly agreed on a maximum number of Billable Hours or maximum Charges in the applicable Project Order, Supplier will not charge for any Billable Hours or amounts beyond such maximum

except as may be agreed by the Parties through the Project Change Request Form (Attachment IV to Schedule 3.1(a)). Such a cap represents the maximum amount that may be charged even if the actual effort expended by Supplier Personnel to perform the Services would otherwise have resulted in higher Charges.

- (f) For the avoidance of doubt, Supplier must complete the Projects and provide the Deliverables specified in the applicable Project Order (excluding any Project Change Request Forms (Attachment IV to Schedule 3.1(a) approved by Client) without invoicing Client for more than the specified cap, even if Supplier incorrectly estimated the resources or level of effort required to perform such Projects or provide such deliverable.
- (g) Except as otherwise approved in writing by Client, the maximum number of hours Supplier may invoice Client in any month for a single authorized position shall not exceed the number of Business Days in such month multiplied by eight (8) hours. As used in this subsection, "position" means an authorized Skill-Level specified in either the applicable Project Order or Attachment A to Exhibit 3 to the applicable SOW.
- (h) The Parties shall agree to hold back procedures listed in Section 4.0 of Exhibit 3 to the applicable SOW, unless otherwise agreed by the Client in the Project Order.

7.2 **Fixed Fees**

The Charges for Projects to be provided as Fixed Fees under Non-ITO-SOWs shall be firm and fixed and subject to the following terms:

- (a) Supplier shall perform the Project Services in the applicable Project Order for the Fixed Fees set forth in the applicable Project Order, plus any additional Charges resulting from changes agreed to through the Project Change Request Form (Attachment IV to Schedule 3.1(a)).
- (b) Fixed Fees are not adjusted based on the actual time expended by Supplier Personnel in the performance of the Project Services.
- (c) Unless otherwise specified in the Project Order, Supplier shall invoice the Fixed Fees in accordance with Client's Acceptance of the Deliverables or Milestones specified in the applicable Project Order.
- (d) If the Project Order indicates the amount of the Fixed Fees associated with a Deliverable or Milestone, Supplier may only invoice such amounts after Client's Acceptance of such Deliverable or Milestone.
- (e) If the Project Order does not specify the amount of the Fixed Fees associated with any Deliverable or Milestone, then once Client accepts all of the Deliverables or Milestones that were to be completed in a specific

month, Supplier shall invoice the portion of the Fixed Fees allocated to that month, in the month following Acceptance.

- (f) The Parties shall agree to hold back procedures listed in Section 4.0 of Exhibit 3 to the applicable SOW, unless otherwise agreed by the Client in the Project Order.

7.3 ITO Fixed Charges

The Charges for Projects under the ITO SOWs are included in the ITO Fixed Charges set out in Exhibit 3 to the ITO SOWs subject to the following terms:

- (a) Supplier shall perform the Project Services in the applicable Project Order including resulting from changes agreed to through the Project Change Request Form (Attachment IV to Schedule 3.1(a)).
- (b) Subject to agreement on the Project Change Request Form, ITO Fixed Charges are not adjusted based on the actual time expended by Supplier Personnel in the performance of the Project Services except as expressly set out in Exhibit 3 to the applicable Statement of Work.

7.4 Project Spend Discount

- (a) The Project Spend Discount shall be calculated for Non-ITO-SOWs for each Contract Year. Supplier shall provide Client with a report “Project Related Charges Report” for all Project Charges incurred in the prior Contract Year. The Project Related Charges Report shall include:
 - (i) Project Order identifier;
 - (ii) Project Order Effective Date;
 - (iii) Total value of Project Order;
 - (iv) Total billed dollars for the prior Contract Year;
 - (v) Total remaining billings.
- (b) Supplier shall provide Client a credit in accordance with the total Project Order Spend levels detailed in the table below:

Spend Tier	Project Spend	Discount %
1	0M – 1.05 CAD	0.0%

2	1.06M – 1.50M CAD	3%
3	1.51M – 2.25M CAD	4%
4	2.26M –3.00M CAD	5%
5	3.01M –3.75M CAD	6%
6	Greater than 3.75M CAD	7%

- (c) Any resultant credit shall be provided to Client within 30 days of the applicable Contract Year end.
- (d) For greater clarity, upon achieving spend related to a discount tier as specified above, the discount will be applicable for all qualifying spend for the Contract Year within the applicable discount tier as outlined in the Project Order Rebate Report and as described in the example table below:

Spend Tier	Example Project Spend	Example Resultant Discount
1	1.05M CAD	0.0M CAD
2	1.50M CAD	13.5K CAD
3	2.25M CAD	43.5K CAD (30K + 13.5K)
4	3.00M CAD	81.0K CAD (37.5K + 30K + 13.5K)
5	3.75M CAD	126K CAD (45K + 37.5K + 30K + 13.5K)
6	5.00M CAD	213.5K CAD (87.5K + 45K + 37.5K + 30K + 13.5K)

8.0 DISCRETIONARY HOURS

- (a) The Charges and Baselines for Discretionary Hours (which only apply to Non-Volume Metric SOWs) are set out in Attachment A to Exhibit 3 to the applicable SOW. Supplier shall perform approved Discretionary Hours activities requested by Client as part of the Discretionary Hours Resource Unit.
- (b) No more than 200% of the monthly Baseline Discretionary Hours can be used in a month unless approved in advance by the Client
- (c) Discretionary Hours will be tracked and calculated monthly by the Supplier.
- (d) Except for the variances identified in Section 8(c) above the Supplier will utilize the ARCs and RRCs methodology as per Section 3.2 above for Discretionary Hours.

9.0 SERVICE CONTINUITY SERVICES

Supplier will provide all business continuity Services set out in Article 10 of the Agreement, except for Supplier's obligations under Sections 10.5(c) and (d), at no additional cost to Client. Upon request from Client, Supplier shall provide additional temporary resources to support the Client Business Impact Assessment and Client's business continuity plans in accordance with Section 10.5(c) and (d) of the Agreement. Such additional temporary resources will be charged according to Section 7.0 (Projects) of this Schedule 16.1.

10.0 MINIMUM REVENUE COMMITMENT

- (a) In relation to the Non-Volume Metric SOWs, Client shall pay to Supplier as a minimum payment for the provision of the Services (the "Minimum Revenue Commitment or MRC") the MRC rate set out in the table below multiplied by the Base Charges for each Contract Year.
- (b) In relation to the Non-Volume Metric SOWs, the MRC shall be subject to an equitable reduction through the Change Management Procedures in the event of:
 - (i) the Client's partial Termination of the Agreement pursuant to Article 14 of the Agreement, such that for any Contract Years following the termination event, the MRC will be reduced by 50% of the Base Charges of the terminated services ; or
 - (ii) An event of Force Majeure for the duration of the event.
- (c) In relation to the Non-Volumetric SOWs, without derogating from Client's obligation to pay the Charges, should the Charges, excluding Charges

related to the CSO SOW, payable in any Contract Year (inclusive of Charges payable for such year's ARCs [less RRCs] and those pursuant to a Project Order) be less than the Minimum Revenue Commitment corresponding to such Contract Year, Client shall pay to Supplier as a minimum payment for the provision of the Services an amount equal to the difference between the Charges and the applicable MRC.

- (d) For the purpose of clarity, the MRC does not apply to the CSO SOW nor the Volume Metric SOWs, nor are any Charges related to the CSO SOW and the Volume Metric SOWs included in the determination of Client meeting the MRC.

MRC Table	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5
Contracted Base Charges	\$89.9 M	\$101.4 M	\$96.9 M	\$38.5M	\$14.2 M
Minimum Revenue % Rate	50%	50%	50%	50%	50%
Minimum Revenue Commitment	\$45 M	\$50.7 M	\$48.5 M	\$19.3 M	\$7.1 M

11.0 ITO COMMITTED AMOUNT

In relation to the ITO SOWs, the parties agree that the minimum amount of Fees the Client is committed to pay to Supplier for the provision of the Services under such ITO Statements of Work (the "ITO Minimum Committed Amount) is comprised of and designated as an ADM/IM Committed Amount and a PPD Committed Amount as set out in Exhibit 3 to the applicable ITO SOWs.

12.0 S2P COMMITTED AMOUNT

In relation to the S2P SOW, the parties agree that the minimum amount of Fees the Client is committed to pay to Supplier for the provision of the Services under such S2P Statement of Work is the S2P Committed Amount as set out in Exhibit 3 to the applicable S2P SOW.



HYDRO ONE

ATTACHMENT I TO SCHEDULE 16.1

BUNDLE DISCOUNT



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1.0 MULTI-BUNDLE DISCOUNT

1. The multi-bundle discount will apply to the sum of all Charges across all Statements of Work under the Agreement, excluding Charges related to the CSO SOW, the ITO SOWs, the S2P SOW, Taxes, Pass-Through Expenses, Service Credits and any Charges resulting from the provision of Project Services, (the “**Eligible Charges**”) for a Contract year (the “**Client Contract Year Charges**”).
2. The discount will be applied as a reduction to the Eligible Charges by the relevant percentage for the relevant year (shown in the table below) for each monthly invoice.
3. At the end of each Contract Year, if the Eligible Charges are less than the figure shown in the table below in the column headed ‘From’ for the respective year, then Supplier will invoice the amount of the discount which was applied to those months for which the discount reduction was not applicable according to the following monthly calculation:
 - a) For each month in the Contract Year, the discount is applicable if the Eligible Charges for that month are greater than one twelfth of the figure shown in the table below in the column headed ‘From’ for the relevant year, except in the case of Contract Year 1 for which the Eligible Charges must be greater than one tenth of the figure shown in the table below in the column headed ‘From’ for Contract Year 1.
4. Regardless of the value of the Eligible Charges, the multi-bundle discount will not apply in any month following the termination, (exclusive of Termination for Cause, or the expiry of the CSO SOW or the early termination of the ITO SOWs or the S2P SOW), of
 - a) More than one Statement of Work under the Agreement, or
 - b) the F&A Statement of Work.
 - c) However, for any Domain that is awarded and transferred under another contract with Capgemini, or one its subsidiaries, will not be considered terminated for the purposes of the multi-bundle discount and the figures for any subsequent years in the table below in the column headed “From” will be adjusted down by the impacted Domain Base Charges included in Attachment A to Exhibit 3. If award and transfer happens mid-Contract Year, the figure in the “From” column below for will be adjusted based on the pro-rata Base Charges for any remaining months for the Contract year in which the Domain was impacted.



Eligible Charges during Contract Year (\$ in thousands)		Contract Year 1 (Note 10 months)	Contract Year 2	Contract Year 3	Contract Year 4	Contract Year 5
From	To	Multi-Bundle Discount %	Multi-Bundle Discount %	Multi-Bundle Discount %	Multi-Bundle Discount %	Multi-Bundle Discount %
77,600	200,000	8%				
88,900	200,000		6%			
87,100	200,000			6%		
21030	135,000				5.5%	
15,125	130,000					4.5%

APPLICATION DEVELOPMENT AND MAINTENANCE SERVICES
STATEMENT OF WORK

Revised

This Statement of Work forms part of the Agreement between Hydro One Networks Inc. (“**Client**”) and Inergi LP (“**Supplier**”) dated as of November 28, 2014, as amended from time to time (including, without limitation, as amended by Amending Agreement #1 effective as of March 1st, 2018) (the “**Agreement**”) in accordance with the Agreement. This Statement of Work is effective as of March 1, 2018 (the “**SOW Effective Date**”) and, as of the SOW Effective Date, replaces in its entirety Statement of Work #1 of the Agreement (Application Development and Maintenance Statement Of Work) with respect to the Services described herein. For clarity, this Statement of Work shall not apply to Services governed by the previous Statement of Work #1, but when replaced by the Services hereunder, the terms of this Statement of Work shall apply with respect to the Services hereunder as of the SOW Effective Date set out above.

ARTICLE 1
INTERPRETATION

1.1 Definitions

Capitalized terms used herein will have the meaning set out in Common Exhibit 1 and in the main body of the Agreement.

1.2 Exhibits

The following are the Common Exhibits, Exhibits and Attachments attached to this Statement of Work:

Common Exhibits

Common Exhibit 1 – Definitions

Common Exhibit 2.1 – Cross-Functional Services (General)

Common Exhibit 2.2 – Cross-Functional Services (ITO)

Attachment A to Common Exhibit 2.2 Asset Inventory Data Element Requirements

Attachment B to Common Exhibit 2.2 Disaster Recovery Plan

Attachment C to Common Exhibit 2.2 Business Impact Assessment

Attachment D to Common Exhibit 2.2 Business Continuity Plan

Common Exhibit 2.3 – Cross Functional Non-ITO

Attachment B – Disaster Recovery Plan Description

Attachment C – Business Impact Assessment Description

Attachment D – Business Continuity Plan Description

Common Exhibit 3 – Client Policies and Guidelines

Common Exhibit 4 – Invoicing Requirements

Attachment A to Common Exhibit 4 Form of Invoice

SOW Exhibits

Exhibit 1 – Application Development and Maintenance Services Description

Attachment A to Exhibit 1 – ADM-IM Third-Party Software Contracts

Attachment B to Exhibit 1 – ADM-IM Third-Party Service Contracts

Attachment C to Exhibit 1 – ADM-IM Third-Party Equipment Maintenance Contracts

Attachment D to Exhibit 1 – ADM-IM-PPD Sites

Attachment E to Exhibit 1 – ADM-IM Equipment Assets

Attachment F to Exhibit 1 – ADM-IM Third Party Acceptance Services

Attachment G to Exhibit 1 – ADM-IM-PPD Application Portfolio

Attachment H to Exhibit 1 – ADM-IM Support Levels

Attachment I to Exhibit 1 – ADM-IM Types of Work

Attachment J to Exhibit 1 – ADM-IM Priority Levels

Attachment K to Exhibit 1 –ADM-IM Technical Architecture

Attachment L to Exhibit 1 – ADM-IM Software Assets

Attachment M to Exhibit 1 – ADM-IM Hours of Operation

Exhibit 2 – ADM-IM-PPD Service Levels

Exhibit 3 – ADM-IM-PPD Pricing

Attachment A to Exhibit 3 – ADM-IM-PPD Supplier Pricing Forms

1.3 Deemed Incorporation of Agreement Terms

In accordance with Section 1.3 of the main body of the Agreement, this Statement of Work will be deemed to incorporate by reference the terms and conditions of the main body of the Agreement and Schedules except to the extent otherwise expressly stated herein. For the purposes of this Statement of Work, all such terms and conditions incorporated by reference herein will survive until the termination or expiry of the SOW Term or as otherwise provided in Section 5.3.

ARTICLE 2 SOW SERVICES

2.1 SOW Services

- (a) Supplier will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the “**SOW Services**”):
 - (i) the Application Development and Maintenance Services, as described in Exhibit 1 and all Attachments thereto;
 - (ii) the Services described in Common Exhibits 2.1 and 2.2 (the “**Cross-Functional Services**”);
 - (iii) all services, functions and responsibilities that are inherent or necessary to, or that are customarily provided by Supplier as part of, the Services set out in paragraphs (i) through (ii) of this Section, or which are reasonably required for the proper performance of such services (as these services may be modified during the SOW Term in accordance with the Agreement), whether or not such services, functions or responsibilities are expressly described in this Statement of Work; and
 - (iv) all other obligations and Services to be performed by Supplier pursuant to this Statement of Work, including any Services described in Section 4.1 of the main body of the Agreement that are applicable to this Statement of Work.
- (b) For greater certainty, each of the SOW Services will include the provision of all hardware, software, systems, documentation, facilities, personnel and other resources used or required to be used in order to provide such SOW Services, whether or not such hardware, software, systems, documentation, facilities, personnel or other resources are expressly described in this Statement of Work.

(c) The Commencement Date for the SOW Services is March 1, 2018.

2.2 Performance Standards

- (a) Supplier will perform each SOW Service in a manner that meets or exceeds the applicable Service Levels set out in Exhibit 2. Subject to the additional or modified terms and conditions set out in this Statement of Work, the terms and conditions set out in Schedule 5.1 of the Agreement will apply to all such Service Levels.
- (b) If Supplier fails to meet any Service Level set out in Exhibit 2, Client will be entitled to the applicable remedies set out in Article 5 and Schedule 5.1 of the Agreement, as may be modified or supplemented by this Statement of Work.

ARTICLE 3 OPERATIONAL REQUIREMENTS

3.1 Reporting Requirements

In addition to Supplier's other reporting obligations under the Agreement, Supplier will comply with the reporting requirements relating specifically to this Statement of Work set out in Exhibit 4.

3.2 Client Policies and Guidelines

In addition to Supplier's obligations under Section 4.5 of the Agreement, Supplier will comply with the Client policies and guidelines set out in Common Exhibit 3.

ARTICLE 4 FEES

4.1 Fees

The Fees payable by Client for the performance by Supplier of the SOW Services are set out in Exhibit 3 and the Attachments thereto.

4.2 Invoices

The requirements for invoices in respect of this Statement of Work are set out in Common Exhibit 4.

4.3 Benchmarking

To the extent that any Third Party Benchmarking is conducted pursuant to Article 15 of the Agreement in relation to this Statement of Work: (i) such Third Party Benchmarking shall be done no more than once during the SOW Initial Term, (ii) such Third Party Benchmarking shall not be conducted earlier than eighteen (18) months after the SOW Effective Date; and (iii) notwithstanding the last sentence of Section 15.1(f) of the Agreement, Supplier will not be

required to provide the Client with the equivalent of the Benchmark Price for the Services during the SOW Initial Term, and the Client hereby waives its right to require same.

ARTICLE 5 TERM AND TERMINATION

5.1 SOW Term

The term of this Statement of Work will begin on the SOW Effective Date and will expire on 12:01 EST March 1, 2021, (the “**SOW Initial Term**”), unless terminated earlier in accordance with the Agreement.

5.2 SOW Termination Without Cause Fees

If Client terminates this Statement of Work or any SOW Services under this Statement of Work (in each case, in whole or in part) without cause in accordance with Section 14.2 of the main body of the Agreement, Client will not be liable to pay to Supplier any Termination Fee whatsoever applicable to this Statement of Work. Notwithstanding the foregoing, nothing in this Section 5.2 relieves Client of the obligation to pay all of the ADM-IM Committed Amounts to the end of the Term as set out in Exhibit 3, in accordance with the terms of the this Statement of Work and the Agreement. The parties acknowledge that Client may make changes to add, change and remove Services under this SOW within the terms as described in Exhibit 3 and Client retains all rights to add, change and remove SOW Services to and from this Statement of Work in accordance with the Change and New Service Procedure. For clarity, a Change pursuant to the Change and New Service Procedure may result in Fees or Charges which exceed the total, aggregate of all ADM-IM Committed Amounts to the end of the SOW Initial Term, but shall not result in a reduction of them or Client’s obligation to pay same, unless agreed in writing by the Parties.

5.3 Survival upon Expiration or Termination

Article 1, the provisions of the Agreement identified in Section 21.10 of the main body of the Agreement and incorporated by reference herein, and this Section 5.3, any obligations to pay amounts which arose prior to the termination or expiration of this Statement of Work and which remain due and payable following such termination or expiration and such other provisions as are necessary for the interpretation thereof will survive expiration or termination of this Statement of Work subject to any time limitations determined by applicable Laws.

IN WITNESS WHEREOF the Parties have executed this Statement of Work as of the SOW Effective Date.

HYDRO ONE NETWORKS INC.

By: _____
Name: James Scarlett
Title: EVP and Chief Legal Officer

Date: _____

INERGI LP
(by its General Partner, Inergi Inc.)

By: _____
Name: Tom Mosseau
Title: Vice President

Date: _____

INFRASTRUCTURE MANAGEMENT SERVICES
STATEMENT OF WORK

Revised

This Statement of Work forms part of the Agreement between Hydro One Networks Inc. (“**Client**”) and Inergi LP (“**Supplier**”) dated as of November 28, 2014, as amended from time to time (including, without limitation, as amended by Amending Agreement #1 effective as of March 1st, 2018) (the “**Agreement**”) in accordance with the Agreement. This Statement of Work is effective as of March 1, 2018 (the “**SOW Effective Date**”) and, as of the SOW Effective Date, replaces in its entirety Statement of Work #3 of the Agreement (Infrastructure Management Services Statement Of Work) with respect to the Services described herein. For clarity, this Statement of Work shall not apply to Services governed by the previous Statement of Work #3, but when replaced by the Services hereunder, the terms of this Statement of Work shall apply with respect to the Services hereunder as of the SOW Effective Date set out above.

ARTICLE 1
INTERPRETATION

1.1 Definitions

Capitalized terms used herein will have the meaning set out in Common Exhibit 1 and in the main body of the Agreement.

1.2 Exhibits

The following are the Common Exhibits, Exhibits and Attachments attached to this Statement of Work:

Common Exhibits

Common Exhibit 1 – Definitions

Common Exhibit 2.1 – Cross-Functional Services (General)

Common Exhibit 2.2 – Cross-Functional Services (ITO)

Attachment A to Common Exhibit 2.2 Asset Inventory Data Element Requirements

Attachment B to Common Exhibit 2.2 Disaster Recovery Plan

Attachment C to Common Exhibit 2.2 Business Impact Assessment

Attachment D to Common Exhibit 2.2 Business Continuity Plan

Common Exhibit 2.3 – Cross Functional Non-ITO

Attachment B – Disaster Recovery Plan Description

Attachment C – Business Impact Assessment Description

Attachment D – Business Continuity Plan Description

Common Exhibit 3 – Client Policies and Guidelines

Common Exhibit 4 – Invoicing Requirements

Attachment A to Common Exhibit 4 Form of Invoice

SOW Exhibits

Exhibit 1 – Infrastructure Management Services Description

Attachment A to Exhibit 1 – ADM-IM Third-Party Software Contracts

Attachment B to Exhibit 1 – ADM-IM Third-Party Service Contracts

Attachment C to Exhibit 1 – ADM-IM Third-Party Equipment Maintenance Contracts

Attachment D to Exhibit 1 – ADM-IM-PPD Sites

Attachment E to Exhibit 1 – ADM-IM Equipment Assets

Attachment F to Exhibit 1 – ADM-IM Third Party Acceptance Services

Attachment G to Exhibit 1 – ADM-IM-PPD Application Portfolio

Attachment H to Exhibit 1 – ADM-IM Support Levels

Attachment I to Exhibit 1 – ADM-IM Types of Work

Attachment J to Exhibit 1 – ADM-IM Priority Levels

Attachment K to Exhibit 1 –ADM-IM Technical Architecture

Attachment L to Exhibit 1 – ADM-IM Software Assets

Attachment M to Exhibit 1 – ADM-IM Hours of Operation

Exhibit 2 – ADM-IM-PPD Service Levels

Exhibit 3 – ADM-IM-PPD Pricing

Attachment A to Exhibit 3 – ADM-IM-PPD Supplier Pricing Forms

Attachment B to Exhibit 3 – IM FRM

Attachment D to Exhibit 3 – ADM-IM Volume Metrics and Baselines

Exhibit 4 – ADM-IM-PPD Service Reports

1.3 Deemed Incorporation of Agreement Terms

In accordance with Section 1.3 of the main body of the Agreement, this Statement of Work will be deemed to incorporate by reference the terms and conditions of the main body of the Agreement and Schedules except to the extent otherwise expressly stated herein. For the purposes of this Statement of Work, all such terms and conditions incorporated by reference herein will survive until the termination or expiry of the SOW Term or as otherwise provided in Section 5.3.

ARTICLE 2 SOW SERVICES

2.1 SOW Services

- (a) Supplier will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the “**SOW Services**”):
 - (i) the Infrastructure Management Services, as described in Exhibit 1 and all Attachments thereto;
 - (ii) the Services described in Common Exhibits 2.1 and 2.2 (the “**Cross-Functional Services**”);
 - (iii) all services, functions and responsibilities that are inherent or necessary to, or that are customarily provided by Supplier as part of, the Services set out in paragraphs (i) through (ii) of this Section, or which are reasonably required for the proper performance of such services (as these services may be modified during the SOW Term in accordance with the Agreement), whether or not such services, functions or responsibilities are expressly described in this Statement of Work; and
 - (iv) all other obligations and Services to be performed by Supplier pursuant to this Statement of Work, including any Services described in Section 4.1 of the main body of the Agreement that are applicable to this Statement of Work.
- (b) For greater certainty, each of the SOW Services will include the provision of all hardware, software, systems, documentation, facilities, personnel and other

resources used or required to be used in order to provide such SOW Services, whether or not such hardware, software, systems, documentation, facilities, personnel or other resources are expressly described in this Statement of Work.

- (c) The Commencement Date for the SOW Services is March 1, 2018.

2.2 Performance Standards

- (a) Supplier will perform each SOW Service in a manner that meets or exceeds the applicable Service Levels set out in Exhibit 2. Subject to the additional or modified terms and conditions set out in this Statement of Work, the terms and conditions set out in Schedule 5.1 of the Agreement will apply to all such Service Levels.
- (b) If Supplier fails to meet any Service Level set out in Exhibit 2, Client will be entitled to the applicable remedies set out in Article 5 and Schedule 5.1 of the Agreement, as may be modified or supplemented by this Statement of Work.

ARTICLE 3 OPERATIONAL REQUIREMENTS

3.1 Reporting Requirements

In addition to Supplier's other reporting obligations under the Agreement, Supplier will comply with the reporting requirements relating specifically to this Statement of Work set out in Exhibit 4.

3.2 Client Policies and Guidelines

In addition to Supplier's obligations under Section 4.5 of the Agreement, Supplier will comply with the Client policies and guidelines set out in Common Exhibit 3.

ARTICLE 4 FEES

4.1 Fees

The Fees payable by Client for the performance by Supplier of the SOW Services are set out in Exhibit 3 and the Attachments thereto.

4.2 Invoices

The requirements for invoices in respect of this Statement of Work are set out in Common Exhibit 4.

4.3 Benchmarking

To the extent that any Third Party Benchmarking is conducted pursuant to Article 15 of the Agreement in relation to this Statement of Work: (i) such Third Party Benchmarking shall be

done no more than once during the SOW Initial Term, (ii) such Third Party Benchmarking shall not be conducted earlier than eighteen (18) months after the SOW Effective Date; and (iii) notwithstanding the last sentence of Section 15.1(f) of the Agreement, Supplier will not be required to provide the Client with the equivalent of the Benchmark Price for the Services during the SOW Initial Term, and the Client hereby waives its right to require same.

ARTICLE 5 TERM AND TERMINATION

5.1 SOW Term

The term of this Statement of Work will begin on the SOW Effective Date and will expire on 12:01 EST March 1, 2021, (the “**SOW Initial Term**”), unless terminated earlier in accordance with the Agreement.

5.2 SOW Termination Without Cause Fees

If Client terminates this Statement of Work or any SOW Services under this Statement of Work (in each case, in whole or in part) without cause in accordance with Section 14.2 of the main body of the Agreement, Client will not be liable to pay to Supplier any Termination Fee whatsoever applicable to this Statement of Work. Notwithstanding the foregoing, nothing in this Section 5.2 relieves Client of the obligation to pay all of the ADM-IM Committed Amount to the end of the Term as set out in Exhibit 3, in accordance with the terms of this Statement of Work and the Agreement. The parties acknowledge that Client may make changes to add, change and remove Services under this SOW within the terms as described in Exhibit 3 and Client retains all rights to add, change and remove SOW Services to and from this Statement of Work in accordance with the Change and New Service Procedure. For clarity, a Change pursuant to the Change and New Service Procedure may result in Fees or Charges which exceed the total, aggregate of all ADM-IM Committed Amounts to the end of the SOW Initial Term, but shall not result in a reduction of them or Client’s obligation to pay same, unless agreed in writing by the Parties.

5.3 Survival upon Expiration or Termination

Article 1, the provisions of the Agreement identified in Section 21.10 of the main body of the Agreement and incorporated by reference herein, and this Section 5.3, any obligations to pay amounts which arose prior to the termination or expiration of this Statement of Work and which remain due and payable following such termination or expiration and such other provisions as are necessary for the interpretation thereof will survive expiration or termination of this Statement of Work subject to any time limitations determined by applicable Laws.

IN WITNESS WHEREOF the Parties have executed this Statement of Work as of the SOW Effective Date.

HYDRO ONE NETWORKS INC.

By: _____
Name: James Scarlett
Title: EVP and Chief Legal Officer

Date: _____

INERGI LP
(by its General Partner, Inergi Inc.)

By: _____
Name: Tom Mosseau
Title: Vice President

Date: _____

PROGRAM AND PROJECTS DELIVERY
STATEMENT OF WORK

This Statement of Work forms part of the Agreement between Hydro One Networks Inc. (“**Client**”) and Inergi LP (“**Supplier**”) dated as of November 28, 2014, as amended from time to time (including, without limitation, as amended by Amending Agreement #1 effective as of March 1st, 2018) (the “**Agreement**”) in accordance with the Agreement. This Statement of Work is effective as of March 1, 2018 (the “**SOW Effective Date**”)

ARTICLE 1
INTERPRETATION

1.1 Definitions

Capitalized terms used herein will have the meaning set out in Common Exhibit 1 and in the main body of the Agreement.

1.2 Exhibits

The following are the Common Exhibits, Exhibits and Attachments attached to this Statement of Work:

Common Exhibits

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Common Exhibit 2.1 – Cross-Functional Services (General)

Common Exhibit 2.2 – Cross-Functional Services (ITO)

Attachment A to Common Exhibit 2.2 Asset Inventory Data Element Requirements

Attachment B to Common Exhibit 2.2 Disaster Recovery Plan

Attachment C to Common Exhibit 2.2 Business Impact Assessment

Attachment D to Common Exhibit 2.2 Business Continuity Plan

Common Exhibit 2.3 – Cross Functional Non-ITO

Attachment B – Disaster Recovery Plan Description

Attachment C – Business Impact Assessment Description

Attachment D – Business Continuity Plan Description

Common Exhibit 3 – Client Policies and Guidelines

Common Exhibit 4 – Invoicing Requirements

Attachment A to Common Exhibit 4 Form of Invoice

SOW Exhibits

Exhibit 1 – Program and Projects Delivery Services Description

Attachment D to Exhibit 1 – ADM-IM-PPD Sites

Attachment G to Exhibit 1 – ADM-IM-PPD Application Portfolio

Exhibit 2 – ADM-IM-PPD Service Levels

Exhibit 3 – ADM-IM-PPD Pricing

Attachment A to Exhibit 3 – ADM-IM-PPD Supplier Pricing Forms

Attachment B to Exhibit 3 – ADM FRM

Attachment B to Exhibit 3 – IM FRM

Exhibit 4 – ADM-IM-PPD Service Reports

1.3 Deemed Incorporation of Agreement Terms

In accordance with Section 1.3 of the main body of the Agreement, this Statement of Work will be deemed to incorporate by reference the terms and conditions of the main body of the Agreement and Schedules except to the extent otherwise expressly stated herein. For the purposes of this Statement of Work, all such terms and conditions incorporated by reference herein will survive until the termination or expiry of the SOW Term or as otherwise provided in Section 5.3.

**ARTICLE 2
SOW SERVICES**

2.1 SOW Services

- (a) Supplier will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the “**SOW Services**”):

- (i) the Program and Projects Delivery Services, as described in Exhibit 1 and all Attachments thereto;
 - (ii) the Services described in Common Exhibits 2.1 and 2.2 (the “**Cross-Functional Services**”);
 - (iii) all services, functions and responsibilities that are inherent or necessary to, or that are customarily provided by Supplier as part of, the Services set out in paragraphs (i) through (ii) of this Section, or which are reasonably required for the proper performance of such services (as these services may be modified during the SOW Term in accordance with the Agreement), whether or not such services, functions or responsibilities are expressly described in this Statement of Work; and
 - (iv) all other obligations and Services to be performed by Supplier pursuant to this Statement of Work, including any Services described in Section 4.1 of the main body of the Agreement that are applicable to this Statement of Work.
- (b) For greater certainty, each of the SOW Services will include the provision of all hardware, software, systems, documentation, facilities, personnel and other resources used or required to be used in order to provide such SOW Services, whether or not such hardware, software, systems, documentation, facilities, personnel or other resources are expressly described in this Statement of Work.
 - (c) The Commencement Date for the SOW Services is March 1, 2018.

2.2 Performance Standards

- (a) Supplier will perform each SOW Service in a manner that meets or exceeds the applicable Service Levels set out in Exhibit 2. Subject to the additional or modified terms and conditions set out in this Statement of Work, the terms and conditions set out in Schedule 5.1 of the Agreement will apply to all such Service Levels.
- (b) If Supplier fails to meet any Service Level set out in Exhibit 2, Client will be entitled to the applicable remedies set out in Article 5 and Schedule 5.1 of the Agreement, as may be modified or supplemented by this Statement of Work.

ARTICLE 3 OPERATIONAL REQUIREMENTS

3.1 Reporting Requirements

In addition to Supplier’s other reporting obligations under the Agreement, Supplier will comply with the reporting requirements relating specifically to this Statement of Work set out in Exhibit 4.

3.2 Client Policies and Guidelines

In addition to Supplier's obligations under Section 4.5 of the Agreement, Supplier will comply with the Client policies and guidelines set out in Common Exhibit 3.

ARTICLE 4 FEES

4.1 Fees

The Fees payable by Client for the performance by Supplier of the SOW Services are set out in Exhibit 3 and the Attachments thereto.

4.2 Invoices

The requirements for invoices in respect of this Statement of Work are set out in Common Exhibit 4.

4.3 Benchmarking

To the extent that any Third Party Benchmarking is conducted pursuant to Article 15 of the Agreement in relation to this Statement of Work: (i) such Third Party Benchmarking shall be done no more than once during the SOW Initial Term, (ii) such Third Party Benchmarking shall not be conducted earlier than eighteen (18) months after the SOW Effective Date; and (iii) notwithstanding the last sentence of Section 15.1(f) of the Agreement, Supplier will not be required to provide the Client with the equivalent of the Benchmark Price for the Services during the SOW Initial Term, and the Client hereby waives its right to require same.

ARTICLE 5 TERM AND TERMINATION

5.1 SOW Term

The term of this Statement of Work will begin on the SOW Effective Date and will expire on 12:01 EST March 1, 2021, (the "**SOW Initial Term**"), unless terminated earlier in accordance with the Agreement.

5.2 SOW Termination Without Cause Fees

If Client terminates this Statement of Work or any SOW Services under this Statement of Work (in each case, in whole or in part) without cause in accordance with Section 14.2 of the main body of the Agreement, Client will not be liable to pay to Supplier any Termination Fee whatsoever applicable to this Statement of Work. Notwithstanding the foregoing, nothing in this Section 5.2 relieves Client of the obligation to pay all of the PPD Committed Amounts to the end of the Term as set out in Exhibit 3, in accordance with the terms of this Statement of Work and the Agreement. The parties acknowledge that Client may make changes to add, change and remove Services under this SOW within the terms as described in Exhibit 3 and Client retains all rights to add, change and remove SOW Services to and from this Statement of Work in

accordance with the Change and New Service Procedure. For clarity, a Change pursuant to the Change and New Service Procedure may result in Fees or Charges which exceed the total, aggregate of all PPD Committed Amounts to the end of the SOW Initial Term, but shall not result in a reduction of them or Client's obligation to pay same, unless agreed in writing by the Parties.

5.3 Survival upon Expiration or Termination

Article 1, the provisions of the Agreement identified in Section 21.10 of the main body of the Agreement and incorporated by reference herein, and this Section 5.3, any obligations to pay amounts which arose prior to the termination or expiration of this Statement of Work and which remain due and payable following such termination or expiration and such other provisions as are necessary for the interpretation thereof will survive expiration or termination of this Statement of Work subject to any time limitations determined by applicable Laws.

IN WITNESS WHEREOF the Parties have executed this Statement of Work as of the SOW Effective Date.

HYDRO ONE NETWORKS INC.

By:

Name: James Scarlett

Title: EVP and Chief Legal
Officer

Date:

INERGI LP

(by its General Partner, Inergi Inc.)

By:

Name: Tom Mosseau

Title: Vice President

Date:



HYDRO ONE

EXHIBIT 1

SOW SERVICES DESCRIPTION

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) STATEMENT OF WORK



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1.0 INTRODUCTION

This Exhibit sets forth the Application project, Sustainment, and other Services that Supplier will be accountable for and must deliver (satisfy) as part of the ADM Services. Supplier is required to provide the ADM Services to Client as set forth in this Exhibit.

1.1 Attachments

The following Attachments are hereby incorporated into and deemed part of this Exhibit:

- a) Attachment A – Third-Party Software.
- b) Attachment B – Third-Party Service Contracts.
- c) Attachment C – Third-Party Equipment Maintenance.
- d) Attachment D – Sites.
- e) Attachment E – Equipment Assets.
- f) Attachment F – Third Party Acceptance Services.
- g) Attachment G – Application Portfolio.
- h) Attachment H – Support Levels.
- i) Attachment I – Types of Work.
- j) Attachment J – Priority Levels.
- k) Attachment K – Technical Architecture
- l) Attachment L – Software Assets
- m) Attachment M – Hours of Operation

1.2 Document Conventions

Certain conventions with respect to the drafting of Supplier's shared responsibilities with Client shall be construed as follows.

1. References to standards, processes and procedures within the OPM include any such standard, process or procedure that is agreed by the Parties and made available to the Parties via a Client web site.
2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement including without limitation Common Exhibit 1 (Definitions) thereto.
3. Except as otherwise expressly stated, all section references in this Exhibit shall be to the sections of this Exhibit, unless another reference is provided.
4. Responsibilities related to COTS Software shall mean, whenever applicable, any or all COTS Software included within the Application portfolio set forth in Attachment G (Application Portfolio).
5. Supplier's responsibility statements that begin with the following phrases indicate a shared responsibility with Client or third parties as follows:
 - a) "Assist in" indicates Client or a third party has the primary role in the performance of the task.



- b) "Work with Client to" indicates Client and Supplier share the responsibility equally. and
 - c) "..., with Client's assistance," indicates Supplier has the primary role in the performance of the task.
6. Regarding the responsibilities of Supplier or Client to provide assistance:
- a) Statements within this Exhibit that identify Supplier's responsibilities as "Assist in ..." shall mean "Providing adequate numbers of qualified Supplier Personnel with suitable training, education, linguistic fluency, experience, qualifications and skill to assist Client or its third parties in ...".
 - b) Statements within this Exhibit that identify Client's responsibilities as "Assist in ..." shall mean "Providing the applicable knowledge of Client's work practices, organization, policies and standards to assist Supplier in ...".

1.3 General Obligations

Supplier will perform the Services in accordance with the following general responsibilities:

1. If a standard, process or procedure referenced in this Exhibit as "defined in the OPM" is not available, Supplier shall document their best practice standard, process or procedure for Client's review and approval. Lack of a defined standard, process or procedure in the OPM does not limit the Suppliers responsibility for the performance of the Service.
2. Supplier shall use best efforts to support third party applications, Software and Equipment that is not covered under a vendor maintenance or support contract.
3. Client requires Service Supplier to deliver quality ADM services, as measured by the achievement of Service Level requirements identified in Exhibit 2 (Service Levels).
4. Client and Supplier will use the third party acceptance process described in Attachment F (Third Party Acceptance Services) to manage the transition of Client and third party developed Software to be a part of the Services.
5. Client and Supplier will execute Project Orders to authorize Services (e.g., discretionary Projects) in accordance with the Agreement. Each Project Order will identify the Sections of this Exhibit, as necessary, that are applicable to the Services authorized by such Project Order plus any additions, modifications or exceptions.

1.4 Cross-Functional Services

Supplier shall provide the Services in Common Exhibit 2.1 (Cross Functional Services General) and Common Exhibit 2.2 (Cross-Functional ITO Services), in conjunction with, and in addition to, the Services described in this Exhibit.

1.5 Document Layout

From a functional perspective, the ADM Services are categorized and defined, within this Exhibit, as follows:

- a) Section 2 – Application Development and System Integration Services.
- b) Section 3 – AMS Services.



- c) Section 4 – SAP Basis and System Administration Services.
- d) Section 5 – Application Services Management.

2.0 APPLICATION DEVELOPMENT AND SYSTEM INTEGRATION SERVICES

This Section includes the ways Application development (“AD”) and System integration (“SI”) work shall be authorized and includes Supplier’s responsibilities associated with the AD and SI lifecycle activities of planning and analysis, design, building, testing, implementation and system integration. Client will request Application Development and System Integration work through the Project Methodology, Schedule 3.1(a), process. This AD and SI work shall apply to both custom development and COTS Software implementation whenever appropriate. For the avoidance of doubt Minor Enhancements will be requested through the Service Request process but may require certain activities associated with the AD and SI lifecycle listed in this section 2.0.

2.1 Project Services Authorization

This Section sets forth the ways in which Supplier’s Project Services are agreed to and authorized by Client.

2.1.1 Projects

Projects may be authorized by a Project Order, depending on the size and scope of the associated work. Such projects will require Supplier to execute selected or all AD and SI lifecycle activities set forth in this Section 2 as agreed and set forth in such Project Order.

2.1.2 Planning AD and SI Work

Supplier’s responsibilities with respect to jointly planning AD and SI Projects include the following:

1. Assist Client in prioritizing Projects.
2. Perform authorized Projects according to such prioritization.
3. Monitor and report on the status of Projects.
4. Interface with Client management and coordinate with End Users throughout the AD and SI lifecycle for each Project.
5. Update End User, System, Application, operation, and Service Desk Documentation.
6. Projects shall be performed in accordance with the Project methodology described in the Schedule 3.1(a) (Project Methodology).

2.2 Planning and Analysis

This Section includes Supplier’s responsibilities associated with Application planning and analysis.



2.2.1 General Planning and Analysis

Supplier's general responsibilities with respect to planning and analysis include the following:

1. Perform initial technical analysis activities for Software, including evaluation of tools and technologies.
2. Develop initial integration requirements for Software, including legacy interface requirements that may not be a part of these Services.
3. Review and conform to integration requirements of existing Client applications and Client data in accordance with Client's Application Architecture and Infrastructure Architecture standards.
4. Assist the appropriate Client or its third party Infrastructure teams to identify the necessary Infrastructure required to be in place to support the Application requirements.
5. Perform a build-versus-reuse-versus-buy analysis and recommendation for new business functionality, as requested by Client, and tailor the initial plan for the work accordingly.
6. Perform a risk analysis for the planned work.
7. Develop initial training requirements for the Application being developed including personnel providing the Services and End Users.
8. Integrate quality management, improved productivity, and operation and support management activities into the AD plan.
9. Provide recommendations, including Supplier and industry best practices, for the development environment and tools for review and approval by Client.
10. Conduct planning, analysis, and progress reviews with the appropriate Client personnel.
11. Participate in all Client IT planning activities and initiatives, as requested by Client.

2.2.2 Problem Definition and Feasibility

Supplier's responsibilities with respect to problem definition and feasibility include the following:

1. Determine and understand the business problem to be solved.
2. Define standards, timeframes and reporting requirements for planning, Project management and analysis activities.
3. Assist Client in defining Client's requirements at the appropriate level, enterprise and or line of business.
4. Perform technical and service planning and analysis based on Client's requirements.
5. Develop, articulate and present upgrade, both technical and functional, recommendations.
6. Provide management reports required, including tracking of Project status, resource utilization, issues and actions.



7. Recommend data backup and retention procedures for data affected by the Projects.
8. Validate the feasibility of implementing an automated solution to solve the business problem leveraging suppliers best practice approach.
9. Perform feasibility study for the implementation of new and existing technologies and Applications that best meet Client's business needs and meet cost, performance and quality objectives of Client.
10. Perform project management function as specified in Schedule 3.1(a) (Project Methodology).
11. Perform project management review and oversight, and liaise with Client.
12. Participate in technical and business planning sessions to establish and/or update standards, consolidation, virtualization, cloud based solutions, retirement, support strategies related to Projects.
13. Perform capacity management for Projects including participation in IT planning processes.
14. Identify impacts to Applications and Services associated with Projects.
15. Provide capacity planning recommendation to Client.
16. Provide to Client planning assumptions made in the development of the capacity plan.

2.2.3 Requirements Definition

Supplier's responsibilities with respect to Application requirements definition include the following:

1. Work with the appropriate Client business subject matter experts and business units associated with the Application to assist in the definition of its business requirements.
2. Assist in identifying, creating, updating and/or refining the business, technical, data and test requirements by engaging and working with all personnel designated or authorized by Client, including the business, IT and Application stakeholders.
3. Participate in business requirements sessions to provide technical perspectives, document requirements and conduct knowledge transfer needed for the development of functional Specifications and technical requirements.
4. Assist in the documentation of functional specifications.
5. Develop and document, for Client approval, technical and data Application requirements in a Client-acceptable format, which may evolve over time.
6. Develop functional and technical Specifications for a proposed Application and/or functionality changes to an existing Application.
7. Assist Client to identify and define localization requirements for the Application including language, currency, legal and regulatory requirements, etc. based on discussion with Client subject matter experts.



2.2.4 Business Case Development

Supplier's responsibilities with respect to Application requirements definition include the following:

1. Create detail cost estimate for the proposed solution to be provided in a format required by Client.

2.3 Application Program Planning

Supplier's responsibilities with respect to program planning include the following:

1. Develop plans for Application development and Application maintenance and support that are consistent with Client's approved technical architecture and standards.
2. Advise Client on the service delivery model to sustain Application developments implemented by Supplier.
3. Develop plans for the development and maintenance activities in accordance with Section 5.3.1.
4. Perform a risk analysis concerning the schedule, budget, deliverable quality, Service Levels, resource availability and other applicable risk factors and including mitigation strategies, as agreed by the Parties.
5. Work with Client to define the test strategy (scope, approach, tools, roles, etc.) and requirements for unit, functional, integration, operational qualification/user acceptance, platform and infrastructure testing.
6. Assist in identifying the necessary Infrastructure to support Client's requirements.
7. Integrate quality management, improved productivity and operation, and support management into all development and management plans.
8. Recommend improvements to the development and management environment, processes and tools. Such recommendations shall be subject to Client review and approval.
9. Conduct planning and progress reviews with appropriate Client personnel on an ongoing basis as agreed by the Parties.

2.4 Application Design

This Section includes Supplier's responsibilities associated with Application design.

2.4.1 General Design

Supplier's general responsibilities with respect to Application design include the following:

1. Review COTS Software Upgrade plans as required.
2. Monitor, track, and report design status.
3. Assist in obtaining approval from an authorized Client representative for design deliverables.
4. Develop design work and resource plans.
5. Compile issues lists.



6. Propose design alternatives.
7. Perform make, build, and reuse analyses applicable to detail design decisions.
 - a) In the event that the decision results in the retirement of an existing application develop plans for the decommissioning of such application.
8. Review plans with Client and Client Third Parties to ensure validity of the decommissioning plan.
9. Develop System prototypes and/or functional/technical proofs of concept as agreed by the Parties.
10. Monitor and manage changes to the Application design.
11. Work with Client to revise Application project plans, Quality Assurance plans, test plans, implementation plans, and operations and support plans as needed and in accordance with the Change and New Service Procedures.
12. Provide for Application tagging and logging of information for use in analytic and reporting activities.

2.4.2 COTS Software Design

Supplier will work with Client's process owners and functional experts to design Client's in-scope COTS Software.

Supplier's responsibilities with respect to Client's COTS Software design include the following:

1. Work with Client to develop, or revise as necessary, a global process governance model within which the Client process owners will oversee the process design and define the scope for their process area.
2. Recommend to Client leading practices for the in-scope processes and capabilities of the COTS Software.
3. Assist in designing business processes and gathering associated Application requirements by identifying gaps from leading practices and capabilities of the COTS Software.
4. Engage Client's business subject matter experts in workshops for the development of Application requirement definitions, design and prototyping.
5. Assist Client to identify and define the level of standardization and localization for each process area including language requirements.
6. Work with Client to establish a Software Release level strategy as follows:
 7. Establish the version and Release levels to be implemented.
 8. Determine the version Upgrades, if any, included in the Services.
 9. Establish a process to proactively review and evaluate the availability, dependencies, benefits and costs of service pack-type Releases of the COTS Software.
10. Major Releases and/or Upgrades (e.g., 2.x to 3.x) will go through the Change and New Service Procedures and will be agreed in the applicable Project Order.



2.4.3 COTS Software Security Design

Supplier's responsibilities with respect to security design within COTS Software include the following:

1. Design the security model within Client's COTS Software, including its implementation plan.
2. Submit such security model and implementation plan for approval by Client's IT Security group.
3. Align the security model with new or changed roles, if any, established by the associated organization planning and change management activities, subject to Client approval.
4. Align any security changes to specialized requirements inherent in Client's security model (e.g., separation of duty requirements).
5. Advise Client of any concerns identified in the current security model or potentials issues performing modifications to an existing design that Supplier is required to modify.

2.4.4 Design of Audit Controls within Applications

Client will retain the responsibility to establish and maintain the standards for audit controls in the business processes implemented and supported by the Applications. However, Supplier will play a critical role in supporting this activity.

Supplier will collaborate with Client to develop the Applications to include practical and effective controls to comply with the documented requirements of Client's internal and external auditors. Such documented requirements shall be incorporated in the appropriate deliverables.

Supplier's responsibilities with respect to audit controls include the following:

1. Provide tools and subject matter advice to define, configure and document the audit controls within the Applications. Such subject matter advices will include leading practices within life sciences, Bill C-198, SSAE 16, and audit related processes and tools (e.g., SAP GRC).
2. Structure design sessions with Client, including Client's audit group, to capture requirements determined by Client that are related to audit controls (e.g., compliance) and assist in obtaining Client signoff on the requirements.
3. Assist Client in the assessment of these requirements for completeness, and, if appropriate, recommend changes to Client.
4. Complete the detailed designs and configurations according to Client's documented requirements and assist in obtaining Client signoff on the completed designs and configurations.
5. Participate in deliverable reviews (e.g., functional and technical walkthroughs) with Client's internal and external auditors at an appropriate date in advance of the completion of milestones applicable to the audit controls within the solution implemented by the applicable project.



6. Assist in designing testing to conform to the audit control requirements as defined by Client and assist in evaluating the Compliance of the Application to Client's requirements.
7. Assist in creating training materials that communicate Client's audit control requirements directly applicable to the business processes associated with the Applications.

2.5 Application Build

This Section includes Supplier's responsibilities associated with Application build.

2.5.1 General Build

Supplier's responsibilities with respect to general Application build include the following:

1. Monitor, track, and report Application build status.
2. Assist in obtaining applicable approval from an authorized Client representative for the Application build deliverables.
3. Develop work plans and resource plans for Application build.
4. Compile issues lists related to Application build.
5. Establish, maintain, support and operate the development environment only to the extent Attachment B to Exhibit 3 (FRM) identifies the development environment as Supplier's financial responsibility.
6. Develop system prototypes and functional/technical proofs of concept to the extent included in the scope statement of the Project Request, Project Plan or Project Order.
7. Construct Applications (including workflows, forms, reports, user interfaces, application interfaces, data interfaces, conversion programs, and user exits) and databases.
8. Monitor and manage changes to Application builds in accordance with the Change and New Service Procedures.
9. Work with Client to revise Application project plans, Quality Assurance plans, test plans, implementation plans, and operations and support plans for Client review and approval, as needed.
10. Coordinate Client acceptance of Application construction and unit tests.
 - a) Perform peer reviews and code walkthroughs as agreed by the Parties.
 - b) Report results of such peer reviews and code walkthroughs to Client. and
 - c) Include Client in such peer reviews and code walkthroughs as requested by Client.
11. Provide Application tagging and logging of information for use in analytic and reporting activities.

2.5.2 External Applications Integration

Supplier's responsibilities with respect to external applications integration include the following:



1. Support the integration of external applications with the Applications.
2. Evaluate compatibility, benefits, and risks of such integration, and advise Client of such findings.
3. Coordinate and support Application integration design and testing. As an example, provide third parties supporting external Applications with integration standards and guidelines for the Applications as required by Client.
4. Establish processes and procedures for system integration testing with external Applications.
5. Integrate external applications into testing procedures as required.
6. Work with Client to resolve compatibility issues with external Applications.
7. Track the resolution of such compatibility issues.
8. Make local modifications to tables and reference data for integration into the local environment.
9. Provide training and advisory Services to Client on new application integration technologies.

2.5.3 Data Interfaces

Supplier's responsibilities with respect to data interfaces include the following:

1. Provide interfaces to external Applications, including:
 - a) COTS Software packages.
 - b) End User computing systems.
 - c) Temporary or transitional interfaces between systems. and
 - d) Client applications.
2. Provide and document interfaces to COTS Software.
3. Provide and document interfaces to Supplier developed and/or managed Applications.
4. Subject to Client's prior written consent, supply third party Software developers with interface requirements including interface-related Application source code where available to Supplier.
5. Assist third party Software developers with interface testing.
6. Modify and maintain the external interfaces as required by Client.

2.5.4 COTS Software Configuration

Supplier will work with Client's process owners and functional experts to configure COTS Software in accordance with Client Architecture standards.

Supplier's responsibilities with respect to configuring COTS Software include the following:

1. Assist in developing and maintaining configuration standards for Client COTS Software for Client's approval.



2. Comply with Client's approved configuration standards for Client COTS Software, including the Documentation standards for such configurations.
3. Research and communicate to Client configuration options and associated business rules within COTS Software.
4. Configure COTS Software to meet Client's documented business requirements in accordance with the project scope management procedures.
5. Perform COTS Software configuration as it relates to system-level setup and tuning based on Client review and approval. In addition, Supplier will adjust Application-level or process configurations to meet the documented performance requirements.
6. Configure standard local languages and currency requirements as allowed in the in-scope COTS Software.

2.5.5 Customization to COTS Software

No customization of Client's COTS Software (e.g., SAP), including the modification of source code, other than within configurable items and or a purpose-built user exit, will be implemented without the review and approval of the Client. Such approval will require thorough documentation of the business and technical justification for customizing Client's COTS Software. The request must also document in detail any customization that impacts Client's ability to implement a new Release within the COTS Software and any implications on Software maintenance provided by the COTS Software vendor.

2.5.6 COTS Software Security Build

Supplier's responsibilities with respect to security development within COTS Software include the following:

1. Adhere to Client's Security policies, procedures and processes.
2. Advise Client of the scope, purpose and requirements of the security profiles and accounts for Client's in-scope COTS Software.
3. Create and unit test the security profiles and accounts for Client's in-scope COTS Software, subject to Client approval.

2.5.7 Application Unit Testing

Supplier's responsibilities with respect to Application unit testing include the following:

1. Provide unit testing Services for Applications developed or modified by Supplier using Client-approved testing tools as set forth in Attachment L (Software Assets).
2. Establish, maintain, support and operate the unit test environment only to the extent Attachment B to Exhibit 3 (FRM) identifies the unit test environment as Supplier's financial responsibility.
3. Assist in setup and configuration of the Applications testing configurations including coordination with IT Infrastructure teams or third parties concerning Equipment, Systems Software, Applications, network, capacity, and other requirements needed for unit testing.
4. Develop, maintain and refresh unit test data and repositories.



5. Develop unit test cases, plans and schedules.
 - a) Develop automated unit test cases.
6. Verify Compliance with Client's unit testing Specifications and requirements.
7. Execute all required unit test cases and regression test cases as defined in the test plans.
8. Complete all required unit testing and Documentation (e.g., test cases and expected test results).
9. Record and report unit test results (e.g., number of test cases executed, passed and failed and number of Defects found, fixed and closed).
10. Conduct walkthrough of unit test results as defined in the test plans.
11. Correct Defects identified in the unit tests and document such Defects and corrections.
12. Monitor and review Defects in Production, as applicable during the term of the Project Order, in order to enhance unit test processes over time.

2.6 Application Deployment and Commissioning

This Section includes Supplier's responsibilities associated with Application deployment and commissioning.

2.6.1 General Application Deployment, Implementation and Migration

Supplier's general responsibilities with respect to Application deployment, implementation and migration include the following:

1. Build a load package for implementation of Applications in accordance with the Technology Change Management and Release Management procedures for review and approval by Client.
2. Assist in identifying potential implementation conflicts and coordinating resolution with appropriate parties.
3. Assist in coordinating with Application system owners and implementation managers.
4. Work with Client to develop implementation and transition strategies and plans, subject to Client's approval.
5. Develop data migration strategies and plans.
6. Work with Client to develop a contingency plan for each implementation that will include, where appropriate, back-out procedures, notification and escalation lists, work-around plans, affected resources and risk assessments, subject to Client's approval.
7. Develop and report business risk and impact analyses.
8. Develop and report technical risk and impact analyses.
9. For all Supplier-developed or modified Applications moved into Production, comply with Client's Architecture standards and strategy.
10. Coordinate and monitor implementation activities.



11. Conduct pre-implementation readiness reviews with the active participation of appropriate Client representatives addressing both business process and technical Infrastructure readiness.
 - a) Document findings of readiness review, develop and document mitigation plans for identified risks and present to Client for review and approval.
12. Assist in coordinating the installation of Equipment and Systems Software in accordance with the agreed implementation plan.
13. Work with Client to schedule implementation dates.
14. Define and develop production batch schedules for review and approval by Client.
15. Perform Applications installation testing.
16. Summarize and report Applications installation test results.
17. Prepare communications, Documentation and training, as specified in the Project Request, Project Plan, or Project Order, related to the Applications implementation for infrastructure personnel, Service Desk personnel and other pertinent personnel delivering services to the End User using Client's standard methods and repositories for knowledge management as set forth in the OPM.
18. Provide support for the implementation of Applications as outlined in the implementation plan (e.g., planning, testing, data migration, monitoring, Incident and Problem resolution). Coordinate implementation and promotion (moving from test to Production) of Applications with End Users, data center Production control and batch scheduling organizations.
19. Conduct post implementation analysis to:
 - a) Assess Applications effectiveness in accordance with the approved business Specifications, development cost, usability, and End User satisfaction.
 - b) Document, in a format approved by Client, lessons learned and provide recommendations for implementing continuous improvement.

2.6.2 User Acceptance Testing

Supplier's responsibilities with respect to UAT include the following:

1. Establish, maintain, support and operate the UAT environment only to the extent that Attachment B to Exhibit 3 (FRM) identifies the UAT environment as Supplier's financial responsibility.
2. Assist Client to develop UAT plans and acceptance criteria.
3. Work with Client to create, update and implement a matrix of business requirements to test cycles and scripts (traceability tables).
4. Provide UAT test cases and traceability tables in electronic format for use in loading automated testing tools.
5. Work with Client to coordinate UAT, including determining and providing support for End Users required to participate in the testing.
6. Facilitate execution of the UAT cases with Client, including actual execution of the UAT cases or other testing activities (e.g., execution of batch jobs, troubleshooting



and resolving issues, providing guidance in completing test transactions and reviewing the associated outputs), when requested by Client.

7. Assist in managing UAT, including coordination of all testing activities across Client and third party supplier(s), so the activity is managed in an end-to-end manner.
8. Setup and maintain UAT data repositories in accordance with the Specifications of test data requirements approved by Client.
9. Perform the refresh of data and Applications within the UAT environment.
10. Record and report UAT results to Client to the extent included in the scope statement of the Project Request, Project Plan or Project Order.
11. Work with Client to document Defects identified in the UAT including traceability of such Defects to requirements and coding efforts.
12. Correct Defects identified in the UATs.
13. Complete required UAT Documentation.
14. Assist in reviewing and obtaining approval of UAT results with Client.
15. Work with Client to validate compliance with Quality Assurance procedures and to confirm the Application is ready to move into Production.

2.6.3 Deployment (Go-Live)

Supplier's responsibilities with respect to deployment of Applications include the following:

1. Deploy Applications in a manner designed to minimize disruption to Client's business environment.
2. Assist in coordinating with Application and process owners and deployment champions.
3. Assist in coordinating with Client and, at Client's direction, Client's third party suppliers responsible for the maintenance of legacy applications to develop data migration strategies and plans, which shall be approved by Client.
4. Monitor Client's operational readiness and escalate issues to the Client Service Delivery Manager.
5. Conduct mock cutovers as specified by the deployment plan to test the data migration, migration of the System configuration, user security profiles, and other objects, printer connectivity, and the general System readiness.
6. Monitor and report the progress of Application data conversion efforts.
7. Conduct a readiness assessment for each in-scope Application deployment for review and go-live approval by Client.
8. Provide support for deployment of the Application, as agreed by the Parties, for a pre-determined and mutually agreed number of days following each go-live (the "Post Go-Live Support Period").
 - a) Supplier shall be the primary responsible party for End Users' Problems associated with use of the Application for an agreed period of time immediately following go-live but not through the entire Post Go-Live Support Period. From the end of Supplier's period of primary support responsibility



until the end of the Post Go-Live Support Period, Supplier shall provide backup and support to Client's Production support teams for the Application including the Service Desk, Application maintenance and support team, and infrastructure services teams.

- b) For the avoidance of doubt, while Supplier provides primary support for the Application, secondary support will be provided by Client's Application maintenance and support team and infrastructure services teams.
- c) Incidents and Problems arising during the Post Go-Live Support Period will be documented in Client's Incident Management System. and
- d) Notwithstanding Supplier's responsibility to engage and coordinate Incident and Problem resolution with Client's Production support teams, any such Supplier Production support team remains responsible for their own Incidents and Problems.

2.6.4 Organization Readiness

Supplier's responsibilities with respect to organization readiness include the following:

- 1. Work with the appropriate Client business units and subject matter experts as is required for the Client organizations targeted for the in-scope deployment to use the Application.
- 2. Assist in developing and recommending an organizational change management ("OCM") strategy and implementation plan to Client.
- 3. Assist in performing project management to coordinate the OCM activities.
- 4. Plan, schedule and develop, with Client's assistance, communications to prepare the End Users to use the Application.
- 5. Assist Client in delivering the communications to prepare the End Users to use the solution.
- 6. Advise Client on its efforts to assess and re-define job roles impacted by the solution.
- 7. Assist in building a deployment testing environment along with repeatable, scripted test cases to assess the impact of table, rule, and Application changes prior to a project go-live date.
- 8. Work with Client and third parties to coordinate operational readiness testing and attempt to minimize its business impact (e.g., scheduling conflicts).

2.6.5 Deployment-Related Training and Education

Supplier's responsibilities with respect to deployment-related training and education include the following:

- 1. Coordinate and manage the required training material development for all in-scope processes and related developments.
- 2. Perform a training needs analysis for topics including, as appropriate:
 - a) Application access (network, security).
 - b) Business process usage.



- c) Application usage.
 - d) Data protection (backup and security). and
 - e) Incident reporting and Service Request procedures.
3. Develop and recommend training curricula for Client's approval.
4. Assist Client in determining the appropriate delivery method and material for training.
5. Develop training material in accordance with the Project Request, Project Plan or Project Order and as agreed by the Parties, which shall specify if the training material shall include the following:
 - a) Instructor-led training.
 - b) Self-paced training.
 - c) Electronic means.
 - d) Online help integrated with the Application. or
 - e) Job aids (e.g., desk-side procedures).
6. Assist Client with the evaluation of offerings related to training deployment (e.g., classroom training, webinars, etc.).
7. Recommend the training roll-out strategy for Client's approval.
8. Assist with the development of training schedules.
9. Train Client's assigned trainers as required.

2.6.6 Data Conversions

Supplier's responsibilities with respect to data conversions include the following:

1. Provide oversight and coordination of the data conversion efforts such that data from legacy systems are extracted, converted and loaded into the Applications in support of the specified deployment schedule.
2. Provide support for the design, testing and execution of the extraction programs of the legacy Systems, which includes the following:
 - a) Develop the functional Specifications including (i) transformation rules, (ii) validation rules, and (iii) amount of historical data in the data loads. Provide such functional Specifications to the appropriate Application support team for the legacy Application. and
 - b) Report issues and risks related to the quality of the data and potential impacts to resources, deliverables and schedule.
3. Assist Client with design issues required to complete the conversion.
4. Provide advice to Client on leading practices for data cleansing.
5. Coordinate Client-retained efforts to resolve errors, omissions and duplications in the extracted legacy data to meet Client's schedule requirements.
6. Develop, jointly with Client or a third party, the in-scope data mapping and transformation requirements.



7. Develop, test, and execute conversion programs to load data into the Application's database.
8. Verify the data loads with Client's assistance.
9. Design, with Client's assistance, data conversion programs using Client's standard Software to map and translate data for data conversion and to minimize efforts to develop, test and execute programs on the legacy Systems.
10. Assist in obtaining the appropriate signoff for each such conversion.
11. Define and document the data backup and restoration requirements for implementations.

2.6.7 Legacy Retirement

Supplier's responsibilities with respect to supporting legacy retirement include the following:

1. Communicate go-live schedules and other planning-related information critical to legacy retirement to Client and third parties.
2. Recommend known legacy retirement opportunities to improve Client operating efficiencies.
3. Escalate any known legacy retirement issues to Client as appropriate.

2.6.8 DR Plan Development and Testing for Projects

Supplier's Project responsibilities with respect to the Client DR Plan include the following:

1. Update the Client DR Plan related to new and enhanced DR Applications.
2. Update data recovery plans as Applications are developed and enhanced including.
 - a) Redundancy mapping.
 - b) Time to recover.
3. Enforce Client DR Plan guidelines for Projects, if applicable.
4. Plan and participate in a first test of the new or revised Client DR Plan and provide improvement recommendations, if applicable.

2.7 System Integration

Supplier's responsibilities with respect to system integration include the following:

1. Maintain Application architecture alignment with Client, which has retained responsibility for Application architecture plans, management activities, and decisions.
2. Develop and maintain integrated Application development and deployment plans.
3. Advise Client on strategic and management issues impacting the end-to-end program scope. Such advice will be facilitated through Supplier Service Delivery Manager and Supplier's participation in the Steering Committees described in Schedule 9.1 (Governance).



4. Provide coordination and oversight of the activities performed by Client and third parties in support of a program's scope. Supplier's responsibilities with respect to coordination and oversight for programs include the following:
5. Communicate Specifications, requirements, status, schedules, procedures and additional program, project and System information to Client and third parties.
6. Monitor the progress of Client and third parties toward meeting the program's schedule and milestones.
7. Assist Client in coordinating Client's retained program responsibilities (e.g., strategy development, data cleansing or training delivery) which may vary from one program to another.
8. Work with Client to proactively identify and resolve Client and third party resource priority conflicts with respect to program milestones and scheduling.
9. Escalate issues to Client that may impact the program schedule, deliverables, or cost.
10. Assist in establishing and maintaining communications with third parties to provide the information required to make the Application deployable and efficiently supported once it is implemented in Production.
11. Provide program-related information to Client to support Client's retirement of legacy Applications.
12. Support Client's program and project management of tasks assigned to Client and third parties.
13. Analyze in a proactive fashion the individual decisions made during the program and advise Client of material risks to meeting the Application's performance Specifications.
14. Notify Client of any known potential impact due to changes in the Application portfolio.
15. Provide information needed to notify other third party suppliers of any known potential impact due to changes in the Application portfolio.
16. Supplier acknowledges that:
 - a) The application maintenance and support for Client's legacy Systems, which will be partially or fully retired by an Application, and the existing applications, which will interface with an Application, may be performed by Client's legacy applications maintenance and support teams. Supplier will work with Client's legacy application maintenance and support teams to coordinate program-related schedules.
 - b) Client's infrastructure support teams require advance notice of the workload, schedule and architectural requirements of an Application. Supplier will work with Client to establish such advance notice requirements in the development of the Project Request, Project or Project Order, and Supplier will make resources available to support Client's infrastructure support teams to coordinate schedules and joint activities.
 - c) To the extent that such activities could not reasonably have been anticipated under the existing scope of Services and Supplier's additional work to support



these activities is material, such material requirements will be reviewed and authorized under the Change and New Service Procedures.

2.8 Application Testing Services

This Section includes Supplier's responsibilities associated with Application testing Services.

1. Comply with Client's written application testing procedures (e.g., test script creation, test execution, and Defect identification and resolution) as made available to Supplier.
2. Perform testing procedures as required to verify Synch activities that roll Changes in the Production environments to the Release environments.
3. Keep current the existing automated regression test scripts and the accompanying test sets as changes are made to the Applications or errors are discovered.

2.8.1 Application Functional and Integration Testing

Supplier's responsibilities with respect to Application functional and integration testing include the following:

1. Provide system and integration testing Services for the Applications (which, in this context, shall not include the unit testing and UAT described in Section above but shall include functional, integration, regression, beta, operational qualification, hyper-care, sync, smoke, environment readiness, Software code performance, installation and start-up, usability and any other required Application testing).
2. Conduct functional and integration testing of the following characteristics:
 - a) Execution according to business requirements and design Specifications.
 - b) Accurate and complete testing of Applications and interfaces pursuant to the Specifications, including functional and non-functional requirements.
 - c) Accurate and complete recording of test results.
 - d) Re-usability of test plans, cases, data and expected results. and
 - e) Compatibility with Client's IT standards including Equipment and Software.
3. Establish, maintain, support and operate the functional and integration test environment only to the extent Attachment B to Exhibit 3 (FRM) identifies the functional and integration test environment as Supplier's financial responsibility.
4. Assist in managing Applications Software testing configurations, including coordination with IT infrastructure teams, third parties and Client resources, in regard to Equipment, Systems Software, other Software, network, capacity, and other requirements needed for functional and integration testing.
5. Assist in managing functional and integration testing, including coordination of all testing activities across Client and third parties so the activity is managed in an end-to-end manner.
6. Develop, maintain and update automated test scripts as required by Client.



7. Develop, maintain and refresh functional and integration test data and repositories as required by Client and to support Client NERC and PIPEDA standards.
8. Develop functional, integration, regression, operational qualification, hyper-care, sync, smoke, environment readiness, Software code performance, installation and start-up, usability and any other required Application testing plans and schedules, which includes:
 - a) Leverage existing plans in Client's test catalogues where appropriate.
 - b) Develop and document improvement opportunities, including Suppliers best practices, and present to Client for review and approval.
 - c) Maintain consistency with existing plans in Client's test catalogues. and
 - d) Document and maintain such plans in Client's test catalogues.
9. Verify compliance with Client's functional and integration testing Specifications and requirements.
10. Complete the required functional and integration testing Documentation (e.g., test cases, scripts and expected test results).
11. Execute the required functional and integration test cases as defined in the test plans, including the appropriate set of regression test scripts to make certain that changes have no unintended consequences.
12. Perform functional and integration testing for all services and data access methods used/called by the Application.
13. Record and report functional and integration test results (e.g., number of test cases executed vs. plan. number of test cases passed and failed. and, number of Defects found, fixed and closed) to Client.
14. Conduct walkthroughs of functional and integration test results with Client as defined in the test plans.
15. Document all Defects identified during functional and integration testing and communicate the Defect and supporting documentation to the Application developer using Client's approved and standard Defect reporting tool set.
16. Record and report functional and integration testing results including the number of Defects.
17. Monitor and review Production Defects during the initial Production release period, as available to Supplier, in order to enhance functional and integration test processes over time.
18. Obtain acceptance of functional and integration testing results from Client pursuant to the applicable acceptance criteria.

2.8.2 Application Platform and Infrastructure Testing

For the avoidance of doubt, "platform and infrastructure testing" within this Exhibit refers to the performance testing of Applications to optimize platform and infrastructure configuration settings, understand performance profiles, and support capacity planning. These Services shall be authorized in a Project Order for a Project or authorized through the Change and New Service Procedures for Sustainment Services.



Supplier's responsibilities with respect to Application platform and infrastructure testing include the following:

1. Provide platform and infrastructure testing Services for the Applications. This includes, but is not limited to performance, stress, load, network, and connectivity testing.
2. Advise Client on Supplier and industry best practices for such platform and infrastructure testing Services.
3. Conduct platform and infrastructure testing of the following characteristics:
 - a) Execution according to business requirements and design Specifications.
 - b) Accurate and complete testing of Applications pursuant to the Specifications.
 - c) Accurate and complete test results.
 - d) Re-usability of test plans, cases, data and expected results. and
 - e) Compatibility with Client's standards including Equipment and Software.
4. Establish, maintain, operate and support the platform and infrastructure test environment only to the extent Attachment B to Exhibit 3 (FRM) identifies the platform and infrastructure test environment as Supplier's financial responsibility.
5. Assist in managing Applications Software testing configurations, including coordination with IT infrastructure teams, third parties and Client resources, in regard to Equipment, Systems Software, other Software, network, capacity, and other requirements needed for platform and Infrastructure testing.
6. Assist in managing platform and infrastructure testing, including coordination of all testing activities across Client and third party supplier(s) so the activity is managed in an end-to-end manner.
7. Coordinate or perform, as directed by Client, LAN/WAN connectivity testing related to the Applications.
8. Develop, maintain and refresh test data and repositories for platform and infrastructure testing following Clients Security and Regulatory standards and restrictions.
9. Develop performance, stress, load, network, connectivity and any other required Application testing plans and schedules.
10. Verify compliance with Client's platform and infrastructure testing Specifications and requirements.
11. Complete the required platform and infrastructure testing Documentation (e.g., test cases, scripts and expected test results).
12. Execute the required platform and infrastructure test cases as defined in the test plans.
13. Assist in reviewing the stress test results to verify that the projected additional capacity fits within the projected capacity utilization.
14. Record and report platform and infrastructure test results (e.g., number of test cases executed, passed and failed. and, capacity limits found, fixed and closed) to Client.



15. Conduct walkthrough of platform and infrastructure test results with Client as defined in the test plans.
16. Document the Defects (or capacity limits) identified during platform and infrastructure testing and communicate the Defects (or capacity limits) and supporting documentation to the Application developer, including recommended actions where known.
17. Record and report platform and infrastructure testing results including number of Defects.
18. Conduct compatibility and inter-operability testing within the Client IT environment including testing with Equipment, COTS Software, customized COTS Applications and custom-developed Applications.
19. Monitor and review Production Defects during the initial Production release period, as available to Supplier, in order to enhance platform and infrastructure test processes over time.
20. Obtain acceptance of platform and infrastructure testing results from Client pursuant to the applicable acceptance criteria.

2.9 Warranty Period

The Warranty Period is defined as a 90 day period, 90 consecutive days, beginning on the production go live date as approved by the Client and ending 90 calendars from the approved go live date. Supplier represents and warrants to Client and to Client Third Parties that Applications developed and or enhanced by Supplier shall function properly and operate without non-conformities during the Warranty Period). If a non-conformity, defined as a Severity One (1) or Severity Two (2) Incident, is identified during the Warranty Period Supplier is responsible for correcting the cause of the non-conformity. Once the non-conformity has been corrected by the Supplier and approved by the Client the 90 day Warranty Period will start over for all programs, modules, scripts, etc. contained in the code release containing the non-conformity. For example, if the code release consisted of 20 changed/new programs and one of those programs has a non-conformity during the Warranty Period, then the Warranty Period will start over for all 20 programs. Supplier's responsibilities will include:

1. Communicating non-conformities to Client and updating them on the status immediately upon occurrence.
2. Correcting non-conformities which occur during the Warranty Period, and providing appropriate documentation for such corrections to Client.
3. Correcting all Severity One (1) or Severity Two (2) problems that occur during the Warranty Period.
4. Maintenance during Warranty Period
 - a) Maintaining the Application during the Warranty Period.
 - b) Assigning Supplier team members to specific functional and technical areas with responsibility to resolve possible non-conformities during the warranty period. and



- c) Track changes and implement corrections in accordance with Client procedures.

3.0 AMS SERVICES

This Section includes Supplier's responsibilities associated with Sustainment Services, subject to capacity limits as agreed by the Parties and set forth in Exhibit 3 (Pricing).

3.1 General Application Maintenance and Support

Supplier's general responsibilities with respect to Application maintenance and support services include the following:

1. Determine ways of improving Suppliers best practice Application Maintenance and Support Services and review with Client for approval and implementation.
2. Create, implement and maintain a process and workflow to manage requests for new requirements to existing Applications, databases or systems from End Users.
3. Analyze, design, build, test and deploy planned maintenance releases to Application and/or system enhancements.
4. Prepare monthly reports detailing Application maintenance work efforts directly performed for Client.
5. Perform software maintenance of break/fix, Client assistance.
6. Maintain Application technical documentation in a format approved by Client.
7. Maintain Application functional documentation in a format approved by Client.
8. Develop and execute annual training plan for Supplier staff performing the Services.
9. Certify Supplier resources in accordance with Supplier standards for Supplier staff performing the Services.
10. Maintain an inventory of Applications, reports, interfaces and forms.
11. Provide access to Client of all documentation, inventories, methods and practices related to the Services.
12. Maintain Application and administration user profiles and responsibilities.
13. Provide assistance and documentation to third party service providers as required by Client.
14. Notify business management of potential maintenance/support/enhancement projects for Applications that they use.
15. Review and report accuracy of Application configuration documentation and information on a timeframe required by Client.
16. Maintain log of requested changes to Applications, and make available to Client in a format approved by Client, in accordance with the Application Technology Change Management procedure.
17. Manage requests for changes to the production job schedules.



3.2 Incident and Problem Management and Service Desk Support

This Section includes Supplier's responsibilities associated with supporting Client's Incident Management and Problem Management processes and Client's Service Desk. For the avoidance of doubt, Client's Service Desk services (Level 1 Support) are not included in this Exhibit.

3.2.1 Application Incident and Problem Management

Supplier's responsibilities with respect to Application Incident Management and Problem Management include the following:

1. Serve as single point of contact to End Users for Incidents and Problems escalated to Supplier by Level 1 Service Desk.
2. Manage Incidents and Problems escalated by Level 1 Service Desk to closure.
3. Coordinate systemic ticket closure of Incidents and Problems with the Level 1 Service Desk.
4. Repair Applications code, and correct any Incidents, Problems and/or Applications Defects in accordance with Section 3.3. For the avoidance of doubt, Supplier is not responsible for the repair of COTS Software code other than the application of COTS vendor-provided fixes.
5. Recommend, where applicable, short-term workarounds to contain the impact from Incidents or alerts to potential Incidents, and work with Client to implement such short-term workarounds that may be devised by Client.
6. Create a Problem for Priority Level 1 Incidents and, where requested by Client, for Priority Levels 2 and 3 Incidents, generally where such Incidents are recurring.
7. Lead a Root Cause Analysis review for each Problem assigned to Supplier in order to:
 - a) Identify the root cause of the Problem.
 - b) Propose appropriate prevention and improvement initiatives with Client's assistance as reasonably required.
 - c) Lead a Problem review session with Client and applicable third party suppliers.
 - d) Assist in implementing the recommendation found through the Root Cause Analysis.
 - e) Provide a Root Cause Analysis report to Client and applicable third party suppliers for Problems assigned to Supplier in accordance with Client's Problem Management procedures. and
 - f) Store and make available to Client all root cause analysis reports and findings.
8. Create temporary diagnostic versions of the Software module to identify and isolate Problems (e.g., recreate or prototype issues in a sandbox environment).
9. Apply and test Production Software error corrections to resolve Incidents and Problems.



10. Work with third party suppliers, as necessary, to resolve Incidents and Problems and document resolution in a format approved by Client.
11. Manage incidents and problems escalated by Supplier to third party suppliers to completion to meet the service levels.
12. Work with End Users, as necessary, to resolve Incidents and Problems.
13. Create and update knowledge management articles for undocumented resolutions (including process changes) and add such Documentation to the Knowledge Database.
14. Provide and keep current Supplier's on-call and escalation assignments (including the names and contact phone numbers for Supplier Personnel responsible for Level 2 Support and Level 3 Support) pursuant to Client's Incident Management procedures as documented in the OPM. Provide access to Client Supplier's current on-call and escalation assignments.

3.2.2 Level 2 Support

Supplier's responsibilities with respect to Level 2 Support include the following:

1. Provide and update systems and operations Documentation for the Applications whenever a resolution to an Incident or Problem necessitates a change in such Documentation.
2. Periodically review format and Client access to Applications operations documentation.
3. Notify appropriate Client and third party teams responsible for End User Documentation whenever a resolution to an Incident or Problem may necessitate a change in such Documentation.
4. Assess trends and patterns in Level 2 Support requests and advise Client of End User training needs related to such support.
5. Provide Level 2 Support for the Applications in a manner consistent with that described in Section 3.2.3 for Level 3 Support.

3.2.3 Level 3 Support

Supplier's responsibilities with respect to Level 3 Support include the following:

1. Work with Client to define and maintain the appropriate groups to perform Level 3 Support for individual Applications, which may include escalation to Client, COTS Software vendors, other third parties, or Supplier Personnel.
2. Escalate reported Incidents and Problems for the Applications to the agreed and documented Level 3 Support groups pursuant to Client's Incident Management procedures as documented in the OPM.
3. The priority of the Incidents escalated to Level 3 Support must be based on the impact and urgency of the incident as originally reported and must be escalated to Level 3 Support groups with the same priority level unless agreed by Client.
4. Provide Level 3 Support for the agreed Applications, which, for COTS Software, shall also mean the coordination of Incident resolution with the COTS Software vendor.



5. Manage Incidents escalated to Level 3 Support groups, including COTS Software vendors, in accordance with the Service Levels.
6. Provide clearly defined points of contact, available on a 24x7 basis, to receive and appropriately respond to notices of Incidents and Problems from Level 1 Support or Level 2 Support personnel in accordance with the Service Levels.
7. Advise the Level 1 or Level 2 Support personnel, and/or an End User, of the estimated time required for restoring the Service associated with the Incident or Problem after being notified. Such restoration time will be in accordance with the Service Levels.
8. Provide status updates to the Level 1 or Level 2 Support personnel, End Users and appropriate Client management contacts, during Incident or Problem resolution.
9. Lead, when required, participate in, and support Client's Major Incident Management team as documented in the OPM.
10. Manage Incidents and Problems escalated to Client, COTS Software vendors and other third parties to closure in accordance with the Service Levels.

3.3 Error Correction

Supplier's responsibilities with respect to error correction include the following:

1. Report Incidents and Problems initially known by Supplier in accordance with Client's Incident and Problem Management process.
2. Work closely with appropriate Client personnel to provide appropriate progress reporting and effective resolution of Incidents and Problems.
3. Restore Services and resolve Incidents and Problems with Applications that require database, Application code (both custom and COTS), Application configurations, and/or operational modifications.
4. Take responsibility for Supplier-managed Software and COTS Software to:
 - a) Identify Application performance issues including Application interactions with databases, middleware and Systems Software, hardware and Application interfaces to external systems.
 - b) Notify the applicable COTS Software vendor, if applicable, and manage error correction.
 - c) Perform the corrections to be made as follows:
 - i. If the correction requires no Change, coordinate the Service restoration, which may require working with Client or, at Client's direction, Client's third parties to resolve Incidents and Problems with the Applications or the Services, including such Incidents and Problems that result from errors with out-of-scope applications, databases, or infrastructure services, and
 - ii. If the correction requires a Change, follow Client's Technology Change Management procedure as set forth in Common Exhibit 2.2 (Cross Functional ITO Services).
 - d) Confirm and verify the corrections have been made. and



- e) Document correction in a format approved by Client.
5. Perform error-correction activities in accordance with Service Levels and the OPM.

3.4 Emergency Application Maintenance

Supplier's responsibilities with respect to emergency Application maintenance include the following:

1. Correct production abnormal program terminations.
2. Rectify Application problems that occur. Supplier may take the appropriate action to reinstate both the Application and Services to Client adhering to Client's emergency change process, including coordination with Application and Infrastructure Operations to restart or amend production schedules due to:
 - Late arrival of critical interfaces or Applications, databases or system software. and
 - Equipment or network communications problems.
3. Coordinate corrections with other production and development activities.
4. Work closely with appropriate Client personnel to provide appropriate progress reporting and effective production problem resolution.
5. Perform error correction activities in accordance with the emergency change procedure, as approved by the Client.
6. Notify third party Suppliers of defects as needed.
7. Create and review with Client daily exception reports and interpret results for Client stakeholders.

3.5 Preventive Maintenance

For the purposes of this Agreement, preventive maintenance may include adaptive maintenance (i.e., Application changes related to changes in the operating environment) and perfective maintenance (i.e., changes to improve the performance, reliability and maintainability of an Application).

Supplier's responsibilities with respect to preventive maintenance include the following:

1. Perform Application tuning, code restructuring, and other efforts to improve the efficiency and reliability of programs and to minimize ongoing maintenance requirements that are approved by Client.
2. Assess opportunities to reduce (or avoid) costs associated with Application maintenance and operations, regardless of platform.
3. Provide input for financial justification and planning preventive maintenance.
4. Monitor and analyze tickets to identify potential trends and problems.
5. Document and recommend to Client areas where preventive maintenance might be performed to improve Application efficiency, in terms of both the performance of the Application and any related maintenance effort.
6. Benchmark the performance of an Application prior to production installation as part of an approved plan and subject to the Change and New Service Procedures.



7. Follow Client approved standards during the installation of software as described in the OPM.
8. Perform, as required, production simulation utilizing Client's test environment to recreate issues.
9. Recommend preventive maintenance for Client's approval that may decrease Client's costs.
10. Test, apply and support the implementation of Upgrades (e.g., service packs) to the COTS Software embedded in the Applications, subject to priorities established by Client.
11. Document and make available, in a format approved by Client, test, upgrade implementation documentation to the COTS Software embedded in the Applications.

3.6 Regulatory and Compliance-Related Maintenance

Supplier's responsibilities with respect to regulatory and compliance-related maintenance include the following:

1. Develop and document a process to prioritize and efficiently and effectively deploy Regulatory and Compliance Minor Enhancements and corrections.
2. Perform minor enhancements to modify the Applications in support of changes in Law identified, documented and requested by Client within timeframes acceptable to Client, subject to priorities established in the joint resource management plan set forth in Section 5.1.
3. Where Client or a third party supplier must make modifications to their respective Software, service or technology platform to achieve compliance with the above changes, assist Client to (i) oversee these regulatory and compliance activities, (ii) verify they are performed within timeframes acceptable to Client, and (iii) provide progress reports to Client at Client's request, but no less frequently than once a month.
4. Assist Client in any litigation reviews, regulatory reviews, inspections, audits, compliance assessments and data-gathering exercises, as requested by Client. These activities may include:
 - a) Internal or external reviews, inspections or audits.
 - b) Collection and reporting of audit and Bill 198, SSAFE 16 data as required. and
 - c) Verification of correct End User access rights.
5. Notify Client of any known Laws of which Supplier may become aware that may impact the functionality of the Applications along with appropriate recommendations for addressing such impacts. provided, however, that (i) Supplier shall not be responsible for undertaking any affirmative obligation to monitor or track Client Laws, and (ii) it remains Client's responsibility to interpret all Client Laws.
6. Update system and operations Documentation based on the compliance-related maintenance actions taken.



3.7 Production Control and Batch Scheduling

Supplier's responsibilities related to production control and batch scheduling include the following:

1. Work with Client to integrate each Application's batch schedule into Client's master batch schedule.
2. Provide support for the 24x7 batch processing schedule to correct batch processing errors as required by Client in accordance with Attachment H (Support Levels).
3. Stop and restart the batch schedule as needed during system maintenance.
4. Update access and scheduling-related parameter tables contained within the in-scope Applications where required.
5. Administer changes to the master batch schedule.
6. Manage access to, use and maintenance of the Client-approved batch scheduling tool.
7. Monitor batch processing and respond to alerts/errors in accordance with the agreed notification and escalation procedures.
8. Support audit reporting requirements associated with the batch schedule.
9. Manage and monitor batch scheduling for Applications as required and escalate, if problems are encountered.
10. Act as central administrator of batch scheduling Services.
11. Integrate production control and scheduling functions to meet Client's documented requirements.
12. Establish, document and maintain standards for production batch jobs.
13. Install, operate and maintain Client-approved batch job scheduling software.
14. Create and maintain production batch job dependencies on the master job scheduling database to meet Client's documented requirements.
15. Configure and test production batch job schedules in Client-approved batch job scheduling software.
16. Distribute and obtain Client's approval of production batch job schedules prior to implementation.
17. Coordinate and modify production batch job schedules to meet Client's documented priorities.
18. Resolve production batch job scheduling conflicts.
19. Process Client's authorized requests for priority batch job execution and advise Client if such requests will affect the timely completion of other processing tasks.
20. Prioritize and schedule production batch jobs and report distribution systems (in accordance with Client's schedule parameters) to optimize the use of the documented batch job processing windows.
21. Entering program control specifications (parameters) into production batch job streams according to Client's documented requirements.



22. Maintain the documentation of production batch job streams, including data dependencies, job dependencies/priorities and processing options.
23. Monitor the processing of scheduled batch jobs.
24. Start jobs manually where automated processes do not exist.
25. Investigate and report on production batch jobs that fail to complete successfully.
26. Resolve interruptions caused by conditions external to production batch jobs.
27. Restart failed production batch jobs according to Client's instructions.
28. Create problem reports for failed production batch jobs using the Incident Management System.

3.8 Operational Support Services

Supplier's responsibilities with respect to operations support include the following:

1. Integrate application and infrastructure production and control scheduling functions for the Applications.
2. Provide support for production-processing schedule as specified in Attachment H (Support Levels).
3. Update access and parameter tables contained within Application software where applicable.
4. Coordinate with production control for scheduling.
5. Update the system Service Request status.
6. Support production control with scheduling, back-out recovery, job balancing, and production output monitoring for completion and correctness, and monitor exception logs.
7. Monitor production output for correctness evolution.
8. Support production staffs to adapt operational processes and procedures.
9. Ad hoc metric reporting.
10. Perform ad-hoc reporting as reasonably requested by Client and manage associated request process.
11. Install and maintain source control software in a strictly controlled environment.
12. Monitor and restrict access to source code and data as defined in Client's Policy Standards and where required in accord w/NERC and PIPEDA and other regulatory or government mandated requirements.
13. Create and maintain documentation for Applications and End User procedures that affect operations.
14. Support the availability management of Applications, which includes:
15. Plan for, monitor and control the availability of Application Services to satisfy Client Application up-time requirement.
16. Provide, maintain and execute (as needed) restart and recovery procedures related to Applications.



17. Assist Client in developing Application capacity management plans, which includes:
 - a) Verify the Application processing and performance experience are adequate for Client.
 - b) Propose alternatives / changes for Applications that do not provide adequate performance.
 - c) Perform transaction performance sampling at the End User level and provide trend analysis and reporting as specified in Attachment G (Application Portfolio). and
 - d) Perform transaction performance analysis for AM SL1 and AM SL2 Applications at the Application and database instance level and provide trend analysis and reporting.
18. Work with Client infrastructure and operations staffs with scheduling, back-ups and recovery, fail-over, job balancing, exception log monitoring, and Production output monitoring for completion and correctness.
19. Work with Client infrastructure and operations staffs to adapt operational processes and procedures as required for the Applications.
20. Assist Client in managing the restoration of the Applications following scheduled maintenance activities and following a business interruption, disaster, or Force Majeure Event.

3.9 GIS Data Management

1. Supplier's responsibilities with respect the GIS data management include the following: Provide sustainment support for land base data updates for Enterprise GIS Land Base requirements.
2. Perform data extracts and data model updates as Routine Maintenance.
3. Perform spatial analysis and data loading as Routine Maintenance.
4. Perform map updates as Routine Maintenance.
5. Acquire and load land base information from external agencies as Routine Maintenance.
6. Provide map plots as Routine Maintenance.

3.10 End User Support

Supplier's responsibilities with respect to End User support include the following:

1. Provide support, advice, and assistance to End Users for the Applications through direct interaction and through Service Desk referrals/transfers.
2. Provide Application-specific Level 2 Support to End Users, which includes:
 - a) Investigate and resolve End User Incidents and Problems.
 - b) Provide technical support and advice.
 - c) Support Application installations. and
 - d) Answer End User queries.



3. Identify and report to Client opportunities that may increase the satisfaction of End Users with Applications and decrease the number and severity of Incidents and Problems.
4. Respond to ad hoc End User inquiries and requests and provide user assistance as follows:
 - a) Each such inquiry and request shall be captured in Client's ITSM system and capture the requested delivery date (or time when applicable).
 - b) Supplier will work to link tickets caused by a common defect or error.
 - c) Supplier shall work with the End User to agree on the delivery date or time. and
 - d) If Supplier is unable reach agreement on the delivery date or time, Supplier shall escalate the issue to the appropriate Client representative.
5. Provide End User training materials, in a format and timing, as authorized by Client.
6. Document, initial requests for on demand services from End Users.

3.11 Maintenance and Support of COTS Software

Supplier's responsibilities with respect to the maintenance and support of COTS Software are included in this Section.

3.11.1 Service Pack Management

1. For non-SAP applications, minor service packs and / or patches, e.g. v3.2 to v3.3, shall be scheduled and implemented as a part of the Services unless otherwise agreed to by the Parties in a Project Order.
2. For SAP, Support Pack releases will be performed utilizing the Minor Enhancement hours, based on a Service Catalogue definition of a Support Pack release or based on an amount of hours agreed to by the parties in a Service Request.

3.11.2 Configuration

Supplier's responsibilities with respect to configuring COTS Software include the following:

3. Comply with Client's approved configuration standards for Client COTS Software, including the Documentation standards for such configurations.
4. Research and communicate to Client configuration options and associated business rules within COTS Software.
5. Review Client proposed configuration changes and provide advice based on industry and application knowledge.
6. Configure COTS Software to meet Client's documented business requirements as required for error correction, maintenance and Minor Enhancements.
7. Adjust, with Client review and approval, Application-level or process configurations to meet the documented performance requirement.



8. Configure standard local languages and currency requirements as allowed in the in-scope COTS Software.

3.11.3 Customization to COTS Software

No customization of Client's COTS Software (e.g., SAP), including the modification of source code, other than within a purpose-built user exit, will be implemented without the review and approval of the Client. Such approval will require thorough documentation of the business and technical justification for customizing Client's COTS Software. The request must also document in detail any customization that impacts Client's ability to implement a new Release within the COTS Software and any implications on Software maintenance provided by the COTS Software vendor.

3.11.4 COTS Security Maintenance

Supplier's responsibilities with respect to maintaining the security model of COTS Software include the following:

1. Comply with Client's Security Policies, standards, procedures and processes.
2. Maintain the security profiles and accounts for Client's in-scope COTS Software, subject to Client approval.

3.11.5 COTS Vendor-Supplied Maintenance

Supplier's responsibilities with respect to the application of COTS vendor-supplied error corrections include the following:

1. Comply with Client's approved procedures for Software configuration management of Client COTS Software.
2. Research the availability of COTS vendor-supplied error corrections and their applicability to Client's use of the Applications.
3. Recommend to Client the implementation of appropriate COTS vendor-supplied error corrections.
4. Test COTS vendor-supplied error corrections and report results to Client.
5. Coordinate the testing of COTS vendor-supplied error corrections by End Users as required.

3.12 Decommissioning of Applications

Supplier's responsibilities with respect to the decommissioning of Applications include the following:

1. Perform de-installation and/or re-deployment of application software in accordance with Client procedures, including:
 - a) Complying with backup requirements.
 - b) As directed by Client, providing archival of any Client data that may exist on storage media (either fixed, removable, or shared).



- c) Make archived data available to Client in a format required by Client.
 - d) Erasing all data and configuration information resident in the computer system, storage components, and/or devices in such a manner that makes the data irretrievable prior to disposition of the equipment.
 - e) Providing evidence (e.g., certificate of destruction) that the erasure of all data has occurred.
 - f) Upon redeployment or disposal of software, make the necessary changes in the asset inventory and management system. and
 - g) Prior to a new purchase of any software advise Client of any possibility of re-deploying existing software licenses.
2. Work with Client and third parties with respect to the decommissioning and disposal of hardware associated with the decommissioning of Applications in accordance with Client procedures, including:

3.13 Sustainment Inclusions

3.13.1 Application Commissioning to Sustainment

Supplier's responsibilities with respect to Application commissioning include the following:

1. Notify Client's Service Desk of go-live schedules, prepare knowledge management support articles for delivered functionality to be used by Client's Service Desk for Level 1 support, and provide training for Client's Service Desk as required.
2. Adhere to Client's Technology Change Management procedures for Changes in IT systems.
3. Assist in coordinating technical designs and operational requirements with Client to facilitate the reliable and efficient operation of the Application.
4. Meet the Production cutover criteria of Client and third parties.
5. Assist in communicating anticipated network workloads associated with deployments, online traffic of End Users and data interfaces to Client's network support teams in support of the established timeframes to meet the migration to Sustainment.
6. Communicate to Client's desktop services team required changes to the desktop environment of End Users including minimum hardware requirements, printer registrations, Software distribution, and server addressing to Client's desktop services team.
7. Create an Application-specific deployment guide for the transition and walk-through with the Client Application maintenance and support team.
8. Provide knowledge transfer to the Client Application maintenance and support team to facilitate the reliable and efficient management (as described in Section 3) of the Application(s).
9. Provide the applicable Documentation for the Applications to Client or Client's selected third party supplier for maintenance and support of the Application or system including.
 - a) Knowledge Acquisition documentation in a format approved by Client.



- b) Operational Documentation and environment control procedures. and
 - c) Application design, build and testing Documentation.
10. Automate and perform testing procedures as required to verify Synch activities that roll Changes in the Release environments to the Production environments as authorized by or within a Project Order.
11. Prior to Project implementation into production provide confirmation, in accordance with Attachment F (Third Party Acceptance Services), that Project requirements are complete and that the Application is ready to be transferred to Application Maintenance for ongoing support. Confirmation of acceptance includes but is not limited to the following:
- a) Knowledge transfer complete.
 - b) Capacity and performance requirements implemented and tested.
 - c) Application testing, including UAT complete and approved.
 - d) Training requirements completed.
 - e) Back-out plan in place.
 - f) Data back-up and retention requirements defined and approved.
 - g) Documentation completed and approved for Applications maintenance, End User Application usage and operations. and
 - h) Disaster recovery plan information updated.

3.13.2 Design, Build, Test and Implement (Section 2 Inclusion)

Supplier shall perform the responsibilities set forth in Section 2 of this Exhibit (e.g., programming, unit testing) required in the performance of the Sustainment Services.

For the avoidance of doubt, the notification, Documentation, compliance, knowledge transfer and additional responsibilities set forth in Section 3.13.1 (Application Commissioning to Sustainment) for Project Services shall apply to changes introduced as a part of the Sustainment Services (e.g., error correction and maintenance) whenever appropriate.

3.13.3 Testing (Section 4 Inclusion)

Supplier's additional responsibilities with respect to Application testing include the following:

- 12. Comply with Client's written application testing procedures (e.g., test script maintenance, test execution, and Defect identification and resolution) as made available to Supplier.
- 13. Perform testing procedures as required to verify Synch activities that roll Changes in the Production environments to the Release environments.
- 14. Keep current the existing automated regression test scripts and the accompanying test sets as changes are made to the Applications or errors are discovered.
- 15. Where regression test scripts are required for testing Applications developed, enhanced or maintained as part of the AMS Services Supplier will maintain regression test scripts in order to successfully regression test the Applications



developed, enhanced or maintained by Supplier or Supplier Sub-contractors. Change and New Service Procedures.

3.14 Logical Database Administration (DBA) and Development Support

Supplier's responsibilities include:

1. Providing logical database support as needed, except for end-user computing databases, to support other ADM Services. Specifying recovery procedures for each new Application database.
2. Analyzing database design and its impact on specific Application modules by developing data models (using a common toolset and central repository) and translating logical models into physical designs so that the Application will meet performance requirements.
3. Identifying and evaluating design considerations.
4. Proposing database changes.
5. Establishing and maintaining metadata repositories as appropriate with Client input.
6. Coordinating with Client to provide design consistency across Applications and to identify data redundancies.
7. Implementing new transactions in existing databases.
8. Participating in the development and maintenance of Client data standards and definitions.
9. Monitoring and analyzing database activity, and database and System performance.
10. Installing new database management System Software releases and support packs.
11. Providing SYSGENs for new transactions.
12. Making changes in a timely manner.
13. Maintaining data dictionary Systems.
14. Documenting all changes to databases.
15. Maintaining logical database security.
16. Providing logical database design and normalization of databases, as needed under Client's direction.
17. Monitoring and reporting on database activity for data residing off site.
18. Developing and supporting scripts, stored procedures and triggers as approved by Client.
19. Supplier shall perform the responsibilities set forth in Section 5 of this Exhibit in their entirety as a part of the Sustainment Services.



3.14.1 Application Services Management (Section 5 Inclusion)

Supplier shall perform the responsibilities set forth in Section 5 of this Exhibit (e.g., resource management, Release Management, change management) as required in the performance of the error correction, maintenance and support responsibilities of the Sustainment Services.

3.15 Minor Enhancements

A Minor Enhancement, as defined in Attachment I (Types of Work) may require Supplier to execute selected or all AD and SI lifecycle activities set forth in Section 2. The scope and activities for such Minor Enhancement shall be documented and mutually agreed in a Project Plan. Client shall approve and prioritize the execution of Minor Enhancements.

Supplier's additional responsibilities with respect to Minor Enhancements include the following:

1. Process Service Requests that are initiated by End Users or take the form of special business requests for Minor Enhancements in accordance with the request management process.
2. Assist in prioritizing such Service Requests.
3. Proactively advise Client when Supplier determines the number of requested Minor Enhancements may exceed the Monthly PPD FTE capacity limits set forth in Exhibit 3 (Pricing).
4. Monitor and report on progress through the request management process.
5. Implement Minor Enhancement on an agreed-upon implementation date or within a scheduled Release as instructed by Client.
6. Recommend data backup and retention procedures for data affected by the Minor Enhancements.
7. Assist Client in prioritizing Minor Enhancements.
8. Perform authorized Minor Enhancements according to such prioritization.
9. Monitor and report on the status of Minor Enhancements.
10. Interface with Client management and coordinate with End Users throughout the AD and SI lifecycle for each Minor Enhancement.
11. Update End User, System, Application, operation, and Service Desk Documentation.
12. Advise Client on the service delivery model to sustain Minor Enhancements implemented by Supplier if applicable
13. Establish a process to proactively review and evaluate the availability, dependencies, benefits and costs of Minor Enhancements and service pack-type Releases of the COTS Software
14. Deploy Enhancements in a manner designed to minimize disruption to Client's business environment.
15. Assist in coordinating with Application and process owners and deployment champions.



16. Monitor Client's operational readiness and escalate issues to the Client Service Delivery Manager.
17. Monitor and report the progress of Minor Enhancement data conversion efforts.
18. Conduct a readiness assessment for each in-scope Minor Enhancement deployment for review and go-live approval by Client.
19. Coordinate and manage the required training material development for all in-scope processes and related Minor Enhancements

3.16 Interface with Project Services

Supplier's responsibilities with respect to interfacing with AD and SI teams include the following:

1. Coordinate the development of operating procedures, standards, and operating levels of performance (e.g., entry and exit criteria) for integration with the AD and SI Services described in Section 2.
 - a) Document requirements for operating procedures, standards, and operating levels of performance, in a format approved by Client, . and
 - b) Maintaining operating procedures, standards, and operating levels of performance as the procedures, standards and performance levels evolve.
2. Exchange information and technical objects with the AD and SI Services described in Section 2 according to agreed procedures, standards, and operating levels of performance.
3. Provide existing test cases and traceability tables in electronic format for use in loading automated testing tools.

4.0 SAP BASIS AND SYSTEMS ADMINISTRATION SERVICES

This Section includes the architectural, engineering, administrative and operational roles associated with the SAP Basis function and similar roles for additional in-scope COTS Software.

Supplier will perform the technical services related to managing the SAP landscape as set forth in this Section 4.

4.1 SAP Systems Architecture and Engineering

Supplier's responsibilities with respect to the architecture and engineering of the landscape include the following:

1. Review existing Client architectures and standards including system configuration settings, installation procedures, landscapes and client/instance strategies, etc.
2. Recommend any changes deemed necessary for the landscape for Client's approval.
3. Establish and maintain system configuration standards for COTS Software, such as:
 - a) Database parameter settings.
 - b) File system management.
 - c) SAP system profile adjustments. and



- d) SAP system kernel settings.
4. Establish and maintain standard installation procedures for COTS Software components, such as:
 - a) SAP-related file systems.
 - b) Base-level-installed database configuration.
 - c) SAP system instance profiles.
 - d) Additional languages, localizations and licenses.
 - e) Database backup schedules. and
 - f) SAP-supported printer setups.
5. Recommend version Upgrades and patch Releases of the COTS Software to Client and obtain Client's feedback and approval.
6. Design and maintain the system landscape and instance strategy as approved by Client.
7. Maintain system interfaces in accordance with Client's architecture and as authorized by Client.
8. Manage COTS Software system performance, which includes:
 - a) Analyze system performance data routinely and proactively.
 - b) Identify system performance trends.
 - c) Tune parameters to optimize performance.
 - d) Recommend changes in the systems architecture to improve performance and/or reduce costs.
 - e) Forecast capacity requirements for the systems. and
 - f) Proactively identify long-running transactions and batch jobs, database/memory/ processing-intensive custom code, and work with Application teams to identify and implement such performance corrections.
9. Provide performance data and analysis to Client's functional and technical support teams for the Applications including:
 - a) Perform SQL cursor cache analysis of selected programs.
 - b) Execute traces and provide results to developers.
 - c) Collect regenerate statistics. and
 - d) Conduct other performance analyses for selected transactions or programs as requested.
10. Work with the functional and technical support teams for the Applications to identify and implement performance corrections.
11. Develop and maintain Documentation of the systems architecture and provide such Documentation to Client.



4.2 SAP Systems Administration

Supplier's responsibilities with respect to systems administration of the landscape include the following:

1. Support the Applications operations function, which includes:
 - a) Develop, maintain and communicate COTS Software startup and shutdown and other operational procedures.
 - b) Define SAP operations modes.
 - c) Start and stop the COTS Software as required.
 - d) Terminate hung processes or user sessions as required.
 - e) Resolve Basis and database-related problems with SAP software products and their interaction with the DBMS, Equipment and Systems Software.
 - f) Work with Client and its Application service providers to resolve problems related to the COTS Software including general processing, specific transactions, custom ABAP and Java programs, interfaces, and initial data loads. Such efforts shall include the research of technical notes published by COTS Software vendors (e.g., SAP AG's OSS Notes). and
 - g) Verify the backup/recovery, batch scheduling and other operations architecture components are established and performed for the landscape.
2. Install, configure and manage changes to the COTS Software, which includes:
 - a) Install and maintain the COTS Software.
 - b) Work with Client's IT infrastructure team to implement the file systems and the necessary operating system level modifications.
 - c) Establish procedures and execute changes in accordance with Client standards and procedures so that the landscape adheres to Client's standards.
 - d) Configure, execute and resolve problems with any archiving procedures, if and when required.
 - e) Configure and resolve problems with any interface procedure (e.g., SAP AG's ALE, APIs and Workflow).
 - f) Configure, execute, and resolve problems with any necessary SAP client administration (e.g., client copies), which includes the administration and support of any related tools.
 - g) Apply COTS Software error corrections (e.g., SAP AG's support packs) and enhancement packs to known problems (e.g., SAP AG's OSS notes).
 - h) Track the availability of hot packages from COTS Software vendors and proactively work with the Client and its third parties to schedule maintenance.
 - i) Manage and execute version upgrades and patches for correction or maintenance of the SAP system kernel.
 - j) Plan, manage and implement upgrades of the COTS Software in a manner that maintains a consistent system image across the landscape in accordance with the Change and New Service Procedures.



- k) Work with Client's IT infrastructure team to maintain SAP infrastructure-level configuration settings at SAP AG's recommendations and Client's own standards, to the extent such recommendations and standards have been provided to Supplier.
 - l) Install and maintain the language support of COTS Software products.
 - m) Create and manage SAP logon groups in a multi-tiered production environment to facilitate load balancing.
 - n) Create and maintain SAP router connections.
 - o) Verify COTS Software instances are installed under the appropriate Client license agreements. and
 - p) Establish and maintain the security configuration for COTS Software products including the length of passwords, the frequency of required password changes, and the type of characters required in a password, as instructed by Client.
3. Provide security support at the J2EE, Java and NetWeaver level as needed.
4. Manage SAP printing functions, which includes:
- a) Maintain the procedure for adding, deleting and changing printer definitions in the SAP systems.
 - b) Create and maintain printer definitions in the SAP systems in accordance with the standard procedure.
 - c) Manage SAP print queues. and
 - d) Resolve Incidents and Problems involving printing from SAP Software.
5. Manage and control systems-related changes within the landscape (including all environments and SAP Software components), which includes:
- a) Perform SAP system copies, builds and refreshes as requested by an authorized Client representative in accordance with the OPM.
 - i. On a regular basis document methods to improve SAP system copies, builds and refreshes and review with Client for approval and implementation.
 - b) Migrate Basis-level configuration changes, upgrades and patches throughout the landscape to maintain consistent profiles of each SAP Software component across the landscape at a pace and schedule approved by an authorized Client representative.
 - c) Analyze and clean-up SAP system files (e.g., /usr/sap/trans, log files, ABAP short dumps) as required.
 - d) Manage lock and update records.
 - e) Create SAP clients and perform SAP client administration (e.g., copies, refreshes, exports, imports and deletes). and
 - f) Establish, schedule, and process Basis administrative batch jobs.
6. Perform J2EE systems administration.



7. Monitor, support and confirm system and database backups and restores for the SAP Software and Bolt-On Software and develop reporting indicating effectiveness in a format approved by Client.
8. Schedule and coordinate production readiness reviews with SAP AG (e.g., SAP AG's Early Watch and Go-Live programs).

4.3 SAP Transport Management

Supplier's responsibilities with respect to managing the promotion of SAP software changes throughout the landscape include the following:

1. Review existing Client transport management methods, tools and procedures.
2. Recommend any changes deemed necessary for the landscape for Client's approval.
3. Implement SAP Software changes in adherence to this standard process, unless otherwise agreed by Client.
4. Install and maintain the agreed transport management tools.
5. Configure and maintain SAP transport paths and automated scripts.
6. Promote changes throughout the landscape in accordance with a disciplined and controlled client/instance environment strategy, which includes:
 - a) Require authorization, according to Client-approved guidelines, prior to executing any transport.
 - b) Restrict the ability to promote changes to authorized members of the Basis support team.
 - c) Batch and move transports, other than Priority Levels 1 and 2, on a regular schedule with full back-out and failure recovery procedures in place in accordance with approved service levels, which includes:
 - i. For transports between non-Production environments, migrate transports, in approved status, on a first-in/first-out basis, unless otherwise authorized by Client, and
 - ii. For transports to Production, migrate approved transports in accordance with the Technology Change Management process.
 - d) Execute all Synchs (from Production to Release environments and from Release to Production environments) as requested by an authorized Client representative.
 - e) Report any failed transports to Client. and
 - f) Use both automated and manual methods as approved by Client.
7. Document lessons learned, develop improvement plans and review with Client for approval and implementation.

4.4 GUI Deployment Management

Supplier's responsibilities related to managing the deployment of the SAP GUI include the following:



1. Create and maintain a centralized master GUI installation server such that Client is able to access and deploy a packaged image of the SAP GUI to the End Users.
2. Package the SAP GUI front-end and load it on such master GUI installation server.
3. Such packaging shall be in accordance with SAP AG's current recommended methodology for central storing, packaging and automatic deployment of the SAP GUI.
4. Provide Release Management services for the SAP GUI front-end, which includes:
 - a) Provide change management services to keep the master GUI image current with new software patches.
 - b) Provide at least two (2) routine releases a year.
 - c) Advise Client on the availability of software patch releases for SAP GUI.
 - d) Provide an emergency release in mid-cycle if Client determines a critical software patch is required. and
 - e) Communicate changes in the master GUI image to Client.
5. Provide train-the-trainer services to Client as necessary to reasonably transfer knowledge.

4.5 Application Monitoring

Unless otherwise agreed through the Change and New Service Procedures, the Application monitoring and support responsibilities listed in this Section shall apply to all Application environments.

Supplier's responsibilities associated with Application monitoring and support include the following:

1. Monitor the resource utilization and processing workloads of the COTS Software including buffer usage, dialog steps, batch jobs, work process memory usage, system alerts, terminated updates, gateways, queues, spool performance, J2EE, batch data communication executions, Internet transaction server, etc.
2. Monitor interfaces to and from the COTS Software.
3. Monitor the resource utilization and processing workloads of the DBMS.
4. Monitor database workloads and performance.

4.6 Performance Data Collection

Unless otherwise agreed through the Change and New Service Procedures, the performance data collection responsibilities listed in this Section shall apply to the Production instances of the COTS Software only.

Supplier's responsibilities related to performance data collection include the following:

1. Utilize data collection routines for tracking resource consumption or the base capabilities of the Applications, including CPU, memory and disk space for the COTS Software and DBMS.
2. Utilize data collection routines for tracking workload statistics including user counts and transactions for the COTS Software and DBMS.



3. Execute the appropriate tools to gather performance indices and resolve performance degradation of the instances within the landscape as experienced and reported by Client or its third parties.
4. Collect, store and report to Client workload and performance data of the COTS Software and DBMS for alerts, trending, Client demand forecasting and Client budgeting purposes.

4.7 Peripheral Systems Administration

This Section includes Supplier's responsibilities with respect to peripheral Applications that support the processing of the core Applications.

4.7.1 General

Supplier's general responsibilities with respect to peripheral Applications include the following:

1. Supplier shall provide technical administration and support for the SAP COTS Software (e.g., EIA) equivalent to the SAP-related systems architecture, engineering, systems administration and operations responsibilities identified in Sections 4.1 through 4.7, to the extent such responsibilities are applicable to the SAP COTS Software and Client's use of such Software.
2. Comply with Client's documented standard operating procedures for such SAP COTS Software set forth in the OPM.

4.7.2 EIA System Administration and Development Support

Supplier's responsibilities with respect to EIA system administration and development support include the following:

1. Provide 24 x 7 application break/fix support and system administration for the EIA application environment, including all EDI interfaces into and out of the Applications.
2. Manage the EIA system operations, which includes:
 - a) Manage system logs.
 - b) Monitor business process threads.
 - c) Monitor messages.
 - d) Review system information.
 - e) Monitor node status. and
 - f) Manage system recovery.
3. Manage system performance, which includes:
 - a) Define performance concepts.
 - b) Develop and maintain a performance tuning methodology.
 - c) Collect and manage performance statistics. and
 - d) Diagnose, correct and document slow system issues.
4. Tune the Software for optimum performance, which includes:



- a) Develop and maintain a scheduling policy.
 - b) Configure the Software to capture diagnostics data and improve availability, stability, capacity and performance.
 - c) Change advanced file transfer settings. and
 - d) Resolve cache issues and memory issues.
5. Resolve failed or degraded business process issues and recommend actions to improve business process issue resolution time.
6. Resolve database issues, which includes:
- a) Correct failed database connection requests.
 - b) Track JDBC connections.
 - c) Research database maintenance availability. and
 - d) Track and analyze database statistics.
7. Control system security, which includes managing role-based security, permissions, groups, password policies, and user accounts as approved by Client.
8. Perform archiving and purging activities, which includes:
- a) Archive business process data in accordance with Client's documented requirements.
 - b) Configure archive settings. and
 - c) Execute archive processes.
9. Support perimeter servers, which includes:
- a) Configure perimeter servers. and
 - b) Modify business processes and adapters.

4.8 Applications Database Administration

Supplier's responsibilities with respect to applications database administration include the following:

1. Adhere to Clients standards and processes for performing Application Database Administration.
2. Develop process documentation where documentation does not exist or to introduce Supplier and or industry best practices and review with Client for implementation.
3. Provide applications database administration and development support (e.g., activities that are independent of the database technology or platform used, such as data modeling), as needed, to develop, Enhance, maintain and support the Applications.
4. Analyze database designs and their impact on the Applications by developing data models (using a common toolset and central repository), and translating logical models into physical designs so that the data model will meet performance requirements.



5. Identify and evaluate design considerations, including database performance for achievement of Service Levels.
6. Develop, maintain and communicate database backup and recovery requirements and database fail-over requirements.
7. Implement new data requirements and transactions in new or existing databases.
8. Coordinate with Client and third parties to provide design consistency across Applications and to identify data redundancies.

5.0 APPLICATION SERVICES MANAGEMENT

Supplier is responsible for the Services set forth in Common Exhibit 2.3 (Cross-Functional Services - Non-ITO) to the extent such Services are applicable to the Services.

This Section includes Supplier's additional management responsibilities in managing the Application Services across lifecycle phases and Application-related functions. Supplier is responsible for performing All Application Management Services related to Sustainment Services. All Application Management Services listed in this section 5.0 required for AD and or SI work will be provided under applicable Project Orders.

5.1 Application Resource Management

Supplier's responsibilities with respect to Application resource management include the following:

1. To the extent applicable and mutually agreed, make available to Client the necessary and appropriate Sustainment resources assigned to discretionary tasks for the performance of Project Services (to the extent that doing so does not adversely affect the performance of Supplier's Sustainment responsibilities). Sustainment resources shall not work on projects, other than providing advice and support as reasonably requested on an ad hoc basis, unless expressly approved by an authorized Client resource.
2. Manage the Supplier Personnel so that an individual's unavailability as the result of training, leave time, holidays, vacation, sick time or leave of absence will not degrade Supplier's ability to provide the Services and meet the applicable Service Levels.
3. Prepare a monthly report as defined in Exhibit 4 (Service Reports) detailing the work efforts with regard to the Services in sufficient detail to identify the hours and work activities directly performed for Client compared to current resource levels and planned capacity.
4. Provide to Client by the Effective Date, a proposed personnel organization chart and high-level staffing deployment plan for overall management and Service delivery to Client, including a staffing plan for the Services. The staffing plan should identify number of staff, geographical location(s), and high-level functions performed by the personnel.
5. Perform resource management functions for Supplier resources assigned to Client including: maintaining staffing plans, managing resource usage and utilization, monitoring performance of resources, performing activities associated with on-boarding or off-boarding of resources, and taking corrective action when the performance of Supplier resources is not acceptable to Client.



6. Attend Client IT resource management meetings, as requested by Client.
7. Process and fill resource requests including the following:
 - a) Work with Client to define the resource needs, technical and/or functional skills, industry or specialty background and any other pertinent criteria so that the resource will be able to perform his or her required role in connection with the Services. and
 - b) Provide a resource candidate list and resume packet, when so required, of potential candidates for Client to review.
8. Allow Client to telephone interview and mutually agree on Supplier Personnel proposed for Key Positions with significant Client personal interactions.
 - a) Notify Client in writing prior to changing or reassigning any such Supplier Personnel. and
 - b) Provide Client status updates on the resource(s) selected. Status updates would include information on resource availability, start date and travel requirements.
9. Provide a focal point to be the single point of contact for all resource requests and responses that flow from Supplier.
10. Perform all administrative activities associated with bringing resources onto Client's account.
11. Conduct an employee orientation training class, to include Client required training classes such as code of conduct and health and safety, within fifteen (15) Business Days for all new resources assigned to Client that would include the following:
 - a) Overview of Client.
 - b) Description of administrative processes such as time tracking and project management reporting. and
 - c) Overview of ADM environment and Application portfolio, Client IT vision, objectives and guiding principles, Client IT operations and infrastructure environment, ADM and IT standards, Client Policies, and the requirements of this Agreement (including any applicable Statements of Work), as appropriate.
12. Provide such employee orientation training material to Client for Client's use for orientation of new Client resources, and, to the extent reasonably possible without impacting Supplier's Service obligations or Service Levels, provide such orientation training to authorized Client resources.
13. Work with Client to resolve conflicting resource priorities.
14. Establish and maintain a knowledge management System that provides Supplier Personnel online access to work practices, Documentation, Client information, Supplier training material, tools and other information applicable to the Services and Client's environment.
15. Supplier to document the process, and gain Client approval, for conducting regularly scheduled joint resource planning meetings to monitor the resource demand forecast for Supplier Personnel. Such joint resource planning process shall:
 - a) Include a thirty (30), sixty (60) and ninety (90) day outlook.



- b) Attempt to minimize unplanned, ad hoc requests to increase or decrease the number of Supplier Personnel. and
- c) Monitor the status of requests for additional Supplier Personnel and escalate appropriately.

5.2 Cooperation with Third Parties

This Section includes Supplier's responsibilities to work with Client and Client's third parties in the performance of the ADM Services.

5.2.1 Third Party Supplier Communications

Supplier's responsibilities with respect to third party supplier coordination include the following:

1. Involve third party suppliers as required in providing the Services (e.g., Incident and/or Problem escalation, knowledge transfer, and interface development).
2. Communicate and coordinate with third party suppliers that are performing work with dependencies or impacts on the Applications and projects.
3. Perform integrated work prioritization, planning and coordination activities with third party suppliers as requested by Client.
4. Perform impact analyses of third party requests on existing work plans and Services, which may be subject to the Change and New Service Procedures if the analysis does not qualify as a Minor Enhancement.
5. Provide recommendations to Client on third party products which are intended to improve services and optimize costs on an annual basis or as requested by Client.

5.2.2 Third Party Developed Software

Attachment F (Third Party Acceptance Services) describes the procedure the Parties will follow for Applications and Minor Enhancements developed and/or implemented by Client or third parties to gain Supplier's acceptance for such Applications and Minor Enhancements to be included as a part of the Services. Until Supplier acceptance is so obtained, no such Application or Minor Enhancement will be part of Supplier's responsibilities.

As directed by Client, Supplier's responsibilities with respect to performing the Services for third party developed or enhanced Software include the following:

1. Provide third party Software developers with Client requirements and guidelines for Application support, standards, and methodology.
2. Cooperate with third parties who Client may engage to implement Supplier-developed Applications.
3. Accept COTS Software to be a part of the Services.
4. Responsibilities including communications, testing and acceptance as set forth in Attachment F (Third Party Acceptance Services).



5.3 Application Program and Project Management

This Section includes Supplier's responsibilities related to the management of programs and projects delivered by Supplier within the Services.

5.3.1 Application Program Management

Supplier's and Client's shared administrative responsibilities with respect to program management include the following:

1. Coordinate and align scope, resource requirements and schedules of Supplier's projects and initiatives across all Supplier, Client (including ADM and infrastructure) and third party teams.
2. Perform inter-group coordination activities related to the Services across all Supplier, Client (including ADM and infrastructure) and third party teams.
3. Coordinate the kickoff and closing activities (e.g., gate reviews) for each project phase as required by Client.
4. Summarize, track and report the budgeted vs. actual spend for each project based on the project specific reporting dates.
5. Develop project status reports on a regular basis in accordance with the program's standards and procedures.
6. Communicate project status as necessary to affected super users, End Users and third parties.
7. Develop a program scorecard summarized by project and work stream in a format approved by Client. The scorecard will at a minimum include, for each project or work stream:
 - a) Description.
 - b) Dashboard status (i.e., red-yellow-green indication) for the applicable schedule.
 - c) Brief description of key issues and risks.
 - d) Cost to date. and
 - e) Overall status.
8. Work closely with other project managers of related projects to streamline cross-functional processes and maintain open and productive working relationships.
9. Perform and coordinate the Agreement related governance activities described in Schedule 9.1 (Governance).
10. Perform additional program management responsibilities as agreed by Client Program Manager and Supplier Program Manager.
11. Provide Supplier-related information (e.g., level of effort, resource, duration, capacity and cost estimates) for AD and SI so Client can determine Application ROI and cost/benefit justification.
12. If authorized in a Project Request, Project Plan or Project Order, provide knowledge transfer to Client's program team members, as defined in the knowledge transfer plan that will be developed and approved by Client and Supplier. Such knowledge



transfer will be aimed at preparing Client program team members to sustain a solution beyond go-live.

13. Client Program Manager and Supplier Program Manager will track and periodically review the progress against the knowledge transfer plan.
14. Activities associated with the in-scope knowledge transfer plan will be authorized in advance by Client Program Manager and Supplier Program Manager.
15. Supplier will baseline Client resources' current knowledge, skills, and abilities, set targets for their development, and track progress towards those targets.

5.3.2 Application Project Management

Supplier's responsibilities with respect to Application project management include the following:

1. Upon receipt of a request for new Application development or Minor Enhancement services, prepare a proposal, which will include the following:
 - a) A plan describing the approach and associated timeline.
 - b) Cost and resource estimates for each phase of the development or Minor Enhancement (e.g., design, build, UAT, and implementation), including Client business (function/process) resources and Client technical (IT) resources. and
 - c) Cost estimates for the ongoing Application maintenance and support resource requirements and costs for the Application(s) post-implementation.
2. Apply project management principles, which includes:
 - a) Use Client's approved project management tools.
 - b) Recommend, maintain, and update a list of Supplier's work activities.
 - c) Develop, maintain, and update schedules.
 - d) Monitor, track, and report actual results versus forecasted results.
 - e) Perform variance analysis.
 - f) Identify, record, manage, track and report on issues from creation through resolution.
 - g) Monitor and report progress, and institute corrective action against the plan.
 - h) Hold status update meetings according to the plan.
 - i) Establish a critical employee list. and
 - j) Assess, with appropriate Client representatives, business and technology risks, including impacts.
3. Assign a project manager to each Development Project who will be responsible for the administrative management of one to multiple projects and will not have direct delivery responsibility for any activity, task or deliverable. The project manager role cannot be a role filled by an individual on the Development Project team (e.g., a team lead) without Client's written approval.



5.4 Work Scheduling

This Section includes Supplier's responsibilities related to managing the flow of work within the ADM Services including Request Management and Release control.

5.4.1 Request Management

Supplier's responsibilities with respect to Request Management include the following:

1. Process Service Requests in accordance with the types of work definitions specified in Attachment I (Types of Work).
2. Receive, monitor, and report Service Requests requested by End Users.
3. Maintain a change log and track the status of all Service Requests.
4. Estimate time and costs for changes.
5. Identify and communicate proposed changes to Client through Request Management procedures approved by Client.

5.4.2 Application Technology Refresh and Replenishment

Supplier's responsibilities with respect to Application technology refresh and replenishment ("TR&R") include the following:

1. Conduct ongoing, regular planning and recommendations for Application technology refresh and upgrades, updates, patches and service packs for Applications.
2. Develop and recommend plans and priorities for the development, testing and implementation of TR&R Application technology refresh and upgrades for Applications as Minor Enhancements or Projects, as appropriate.
3. Provide recommendations related to other technologies that impact or interface with Applications, e.g. hardware and messaging technologies.
4. Recommend and establish Application TR&R life-cycle management processes, and procedures appropriate for support of the End Users.
5. The Parties agree to the following provisions related to the technical currency of COTS Software included in the Application portfolio set forth in Attachment G (Application Portfolio).
 - a) Client shall have the right, but not the obligation, to install Upgrades or new Releases of, replace or make other changes to the COTS Software embedded in the Applications.
 - b) Supplier shall maintain the versions of such COTS Software as directed by Client.
 - c) If Client elects not to install any Upgrade or new or later Release so that the version of the COTS Software in use is no longer supported by the original third party Software licensor and such election may impact Supplier's provision of the Services, Supplier shall promptly notify Client and Client shall elect to either (i) Upgrade such COTS Software to a licensor-supported version or (ii) relieve Supplier of the Service Levels applicable to the impacted COTS Software. Such Service Level relief shall apply only:



- d) to the extent caused by the failure to install Upgrades or new or later Releases of the COTS Software in accordance with this Section, which shall be determined by the Root Cause Analysis, and
- e) provided that, in any event, Supplier uses best efforts to meet such Service Levels.
- f) Notwithstanding the prior Item (c), Supplier shall be relieved of Service Level failures if a third party vendor patch/change is available (even if such patch/change is part of a later, more current, version) for a Problem/Incident and such patch/change cannot be installed/implemented to the current version or if Client denies Supplier the ability to install/implement such patch/change.
- g) Unless otherwise agreed in this Agreement, a major Upgrade of COTS Software versions (e.g., 3.x to 4.x) is a Project authorized under a Project Order.
- h) Supplier shall establish a process to proactively review and evaluate the availability, dependencies, benefits and costs of Minor Enhancement and service pack-type Releases of the in-scope COTS Software.

5.4.3 Application Release Control

Supplier's responsibilities with respect to Application Release control include the following:

1. Work with Client to plan and schedule Upgrades of the COTS Software.
2. Package Applications and Minor Enhancements for Release.
3. Work with the Client IT infrastructure teams to plan the Release method and approach.
4. Support Client's process for priority setting, planning, and scheduling of Releases.
5. Monitor the Release schedule, and report schedule exceptions to Client as required by the Technology Change Management and Release Management processes.
6. Implement Releases as required by Client's Release Management process.
7. Maintain source code and version control throughout the Release process, and in any back-out activities as required.
8. Scan for and use best efforts to remediate Destructive Elements in new and modified Software as agreed in the OPM.
9. Support Client's Release Management process, which includes:
 - a) Assigning a Supplier single point of contact for each Release being requested.
 - b) Complete the proper testing for all Releases into the managed environments and
 - c) Assign individuals to participate in the Release Management process.
10. Support the functions and work activities associated with Client's Release Management, which includes:
 - a) Create Release plans and perform tracking and oversight functions to support the plan.



- b) Coordinate the design, build, and configuration of the Release.
 - c) Coordinate Release acceptance activities with End Users.
 - d) Develop and implement rollout plan for the Release.
 - e) Develop and coordinate Release communications, preparation, and training activities.
 - f) Coordinate distribution and installation of Releases. and
 - g) Provide updates to Client regarding Release status.
11. Provide advice on opportunities to improve Application release control processes and procedures and review with Client for approval and implementation.

5.5 Application Management Controls

This Section includes Supplier's responsibilities related to maintaining the appropriate levels of quality and security in the performance of the Services.

5.5.1 Operating Procedures Manual

Supplier's responsibilities with respect to the OPM include the following:

1. Develop and maintain ADM procedures as specified in the OPM, including but not limited to:
 - a) Application development and maintenance methodology and procedures.
 - b) Application Technology Change Management Procedure.
 - c) Application escalation procedures.
 - d) Application acceptance procedures- production promotion and source code management procedures. and
 - e) ADM contact information.
2. Maintain specific End User and technical documentation.
3. Maintain operation documentation and procedures.
4. Conduct technical reviews and provide documented recommendations for improvements to the Application development and maintenance lifecycle that increase efficiency and effectiveness and reduce costs to Client for Applications.

5.5.2 Application Documentation

Supplier's responsibilities with respect to Application related Documentation include the following:

1. Update and maintain Documentation related to the Applications developed, Enhanced, maintained and supported by Supplier.
2. Update and maintain Documentation related to the Services including work practices, coding standards, etc.



3. Where it is determined that Documentation is inaccurate, and such inaccuracy may affect the Services, correct such Documentation as part of normal day-to-day activities.
4. All Documentation developed or maintained by Supplier will be subject to review and approval by Client and will conform to Client's Documentation standards.
5. Develop, maintain, update and implement processes and procedures for the acquisition, retention and management of documents generated during the performance of the Services, subject to Client review and approval.
6. Provide one or more electronic repositories, backed up to ensure availability, for documents generated during the performance of the Services (e.g., Application related Documentation, operations Documentation, proposals, deliverables, Incident and Problem analyses, Service delivery reports, project management reports, etc.).
7. Provide documents to Client in an electronic, searchable and editable format.

5.5.3 Quality Management

Supplier's responsibilities with respect to quality management of the Services include the following:

1. Work with Client to improve service management procedures and tools for the Services and integrate those procedures and tools with similar and related procedures and tools used by Client and its third parties for other IT services.
2. Develop and document quality management processes and procedures for the delivery of Services.
3. Comply with Client's and Supplier's quality management procedures applicable to the Services.
4. Implement and manage quality management processes and procedures for the delivery of the Services, including processes to measure effort, size, schedule, and quality.
5. Improve work practices over time and report results to Client.
6. Systematically document and incorporate "lessons learned" into future work.
7. Set baselines for quality measurement, track performance to baselines and report to Client on a regular basis.
8. Perform jointly planned Quality Assurance reviews throughout the Application lifecycle (including design, build, test, implement and sustain), and provide Client with the results. Client reserves the right to participate in and observe such Quality Assurance reviews. For the avoidance of doubt, Supplier may complete internal Quality Assurance reviews that are not disclosed to Client.
9. Design and maintain Client satisfaction scorecards, conduct Client satisfaction surveys, and track and report the results of these surveys on a periodic basis in accordance with Schedule 5.4 (Client Satisfaction Surveys).

5.5.4 Application Data Integrity

Supplier's responsibilities with respect to Application data integrity include the following:



1. Develop and maintain the Applications to meet the applicable data integrity Specifications.
2. Provide advice on opportunities to improve Application data integrity and review with Client for approval and implementation.
3. Control access and provide backup and recovery for the information pertaining to Client Applications including development and test environments, conversion data, master data, Documentation, tools and libraries. Where Client retains the operational responsibility for such data, Supplier shall work with Client to establish such controls and operating procedures and monitor their effectiveness.
4. As required for compliance, maintain adequate security authorizations for Supplier Personnel, which have been approved by Client, to allow access to Client Data in Production support and Production environments to authorized Supplier Personnel only.

5.5.5 Non-Compliance

Supplier acknowledges that its compliance to Client's standard operating procedures applicable to the Services as set forth in the OPM is necessary due to Client's regulatory requirements.

Supplier's responsibilities with respect to an occurrence of non-compliance to such operating procedures include the following:

1. Notify an authorized Client representative in accordance with the time to respond standards for a Priority 1 Incident.
2. Register such non-compliance in the agreed manner as set forth in the OPM (e.g., Problem, non-conformance item, etc.)
3. Analyzed and report on such non-compliance occurrence in a manner equivalent to a Root Cause Analysis, which includes:
 - a) Establish a jointly agreed due date for such report with Client.
 - b) Identify and document the reason(s) for such non-compliance.
 - c) Develop an action plan to (i) remediate any effects of such non-compliance and (ii) prevent its reoccurrence. and
 - d) Measure and report status to Client on the status and progress of such action plan.
4. Submit final report, including signatures, to Client and store in a secure manner available to and approved by Client.

5.5.6 Master Data Management

Client will retain the responsibility to establish and maintain the master data standards. However, Supplier will play a critical role in supporting this activity.

Supplier's responsibilities with respect to master data management include the following:

1. Implement new developments and Minor Enhancements of the Applications conforming to Client's master data standards.



2. Conform to (and update, if requested by Client) the Client enterprise data model as it relates to the Applications.
3. Participate in the development, if requested by Client, and maintenance of Client data standards and definitions related to the Applications.

5.5.7 Software Configuration Management

Supplier will establish controls designed to adhere to Client-approved Software configuration management standards and procedures.

Supplier's responsibilities with respect to Software configuration management procedures include the following:

1. Maintain documentation of current Application configuration standards.
2. Maintain Application configuration information.
3. Maintain existing documentation for Application developer / maintenance including database or repositories.
4. Maintain Application monitoring parameters, security models and integrity guidelines.
5. Manage configuration of Applications, components and interfaces with documentation and source code in production, development, test and QA environments.
6. Adhere to Client product standards to provide for the on-going availability of Configuration Management Services as defined in the OPM.
7. Assist in the establishment of strict Software configuration management standards and procedures that:
 - a) Maintain a functionally consistent and controlled landscape throughout the development and Production environments. and
 - b) Require Client's authorization, according to Client-approved guidelines, prior to introducing changes into the development and Production environments of the Applications.
8. Assist in updating and revising source control standards and procedures when changes are made to the process.
9. Provide a copy to Client and obtain Client's authorization of such standards and procedures to the extent they vary from Client's enterprise standards and procedures.
10. Implement Software configuration changes in adherence to these standards and procedures, unless otherwise agreed by Client.
11. Assist in the performance of configuration management audits and provide results of those audits to Client.
12. Assist in installing and monitoring Client's standard source control tools as requested and authorized by Client.
13. Adhere to controls such that an Application developer is prohibited from promoting code into the Production environment.



5.5.8 Application Source Code Security

Supplier's responsibilities with respect to source code Security include the following:

1. Implement security access requests associated with Applications code and executable modules only as authorized by Client.
2. Align source code Security responsibilities with Software configuration management.
3. Install and maintain source control Software, to the extent such tools are provided by or supported by Supplier.
4. Monitor and restrict access to source code and data, as directed by Client.
5. Comply with annual audits of source code security and as requested by Client.
6. Perform data/source code security audits, and report test results to an authorized Client representative.
7. Report any security violations to an authorized Client representative.
8. Document Supplier and or industry best practices for managing source code and review with Client for approval and implementation.

5.6 Application IT Service Continuity Management

This Section includes Supplier's Application responsibilities related to the IT service continuity management.

5.6.1 Application Disaster Recovery Planning

Supplier's responsibilities with respect to Application disaster recovery planning include the following:

1. During the Transition Period, review the Application recovery portions of the Client DR Plan and recommend improvements as necessary.
2. Assist Client to determine data retention periods and to develop a data recovery plans consistent with data retention policies.
3. Provide a list of Supplier Personnel that need to be contacted to travel to the recovery site in case of disaster declaration.
4. Provide a Supplier single point of contact for Client DR Plan, related communications and other activities.

5.6.2 Application Disaster Recovery Plan Testing

Supplier's responsibilities with respect to Application disaster recovery plan testing include the following:

1. Perform the Application recovery responsibilities of the Client DR Plan as part of scheduled Client DR Plan tests.
2. Provide improvement recommendations based on Application recovery test results.
3. Implement approved Application recommendations in the Client DR Plan subject to the Change and New Service Procedures.



4. Perform Application recovery testing as agreed by the Parties and documented in the OPM.
5. Re-test any unsuccessful recovery test after conducting a Root Cause Analysis and implementing recommended changes within a timeframe specified by Client, but no later than ninety (90) days from the date of failure.
6. Present re-test findings and completion results for Client review and sign-off.

5.6.3 Application Disaster Recovery Plan Execution

Supplier's responsibilities with respect to Application disaster recovery plan execution include the following:

1. Report potential disasters to Client promptly upon identification.
2. Participate, as the Application recovery lead, in the Client DR Plan execution.
3. Execute the Application portion of the Client DR Plan.
4. Perform ADM Services during execution of the Client DR Plan until normal Services are restored.
5. Provide guidance to Client End Users for the Applications being recovered.
6. Participate in the restoration of Services to normal operation.
7. Following the occurrence of any disaster, participate in post-disaster meetings with Client and develop plans to eliminate or mitigate future occurrences and incorporate upgrades into Client DR Plan documentation.
8. Update Application disaster recovery procedures and data as well as integrating and refreshing existing procedures.
9. Work with Client and its designees to implement the Critical DR Plan for the DR Applications upon the occurrence of a disaster.

5.6.4 Application Disaster Recovery Plan Maintenance

Supplier's responsibilities with respect to Application disaster recovery plan maintenance include the following:

1. Maintain the Application recovery portions of the Client DR Plan for all in-scope DR Applications.
2. Maintain a list of key personnel contacts, associated roles, and notification procedures for the Client DR Plan.
3. Maintain/upgrade existing Client procedures to support disaster recovery for DR Applications.
4. Validate the content of the Client DR Plan, including the list of DR Applications, quarterly, and update such plans as required, subject to Client's approval.
5. Develop and update the Critical DR Plan as Applications are developed.
6. Develop and update the Critical DR Plan as Application or business needs change.



5.7 Application Methodologies, Standards and Architecture

Supplier shall align its methodologies, standards and tools with the applicable Client Policies. Unless agreed by an authorized Client representative, Applications developed and Applications maintained and supported by Supplier shall adhere to Client's architectural standards.

5.7.1 Application Methodologies, Tools, and Practices

Attachment L (Software Assets) lists the tools to be used by Supplier in the performance of the Services.

Supplier's responsibilities with respect to methodologies, tools and practices include the following:

1. Provide Software development methodologies and recommend technical and Application architecture and design standards for Client's review and approval when methodologies or standards do not exist.
2. Document and refine Application development methodologies.
3. Create and document methods, processes, and procedures for delivery of the Services.
4. Obtain Client approval, in advance, regarding use of Application development methodologies, tools and practices related to the Services.
5. Coordinate the implementation of such methods, processes, and procedures with Client.
6. Monitor and verify conformance to methods, processes, and procedures (e.g., programming standards).
7. Integrate Supplier's Application development methodologies, tools and practices with both Client's and third parties' Application development methodologies, tools and practices, where the processes interact, while adhering to Client's approved Application development methodologies, tools and practices. Where Client or third party supplier's methodologies, tools and practices prevent Supplier from maintaining Supplier's applicable CMMI certification level, Supplier shall utilize Supplier's development methodologies, tools and practices upon notification of Client.

5.7.2 Application Standards

Supplier's responsibilities with respect to Application standards include the following:

1. Conform to Client's user interface, machine interface, and programming standards for development, Minor Enhancement, and maintenance activities. Supplier may propose improvements to Client Application standards, and if approved by Client, then Supplier may revise such Application standards.
2. Provide recommended user interface, machine interface and programming standards to Client for review and approval by Client where standards do not exist.
3. Develop and communicate these Application standards to Supplier Personnel.



4. Review the impact of such Application standards on relevant Client Third Party Contracts.
5. Develop processes and procedures to meet the Applications standards.
6. Comply with Client's enterprise architecture or receive approval for variances that do not comply with such architecture.
7. Comply with Client's architecture variance process.

5.7.3 Application Architecture

Client will retain responsibility for Application architecture plans and associated ADM activities. Supplier will be an active participant and contributor to these activities. Client will approve Supplier's Application architecture activities and decisions related to the Services.

Supplier's responsibilities with respect to Application architecture include the following:

1. Work with Client and third party technology vendors so the Application architectures for the Applications meet Client-defined industry standards and exploit key information technologies available to meet the business requirements and strategies of Client.
2. Participate in Application and enterprise level architectural planning activities with Client.
3. Develop Application architecture solutions that comply with Client's architecture guidelines for review and approval by Client.
4. Participate in cross-functional Application architecture activities with Client's architecture team so that Supplier's Application architecture solutions integrate with other applications within the Client environment and take into consideration constraints provided by Client.
5. Recommend to Client ways to improve the Application and enterprise architecture strategy, standards and guidelines on a periodic basis.
6. Participate in Application architecture review and approval processes with Client for the Applications.
7. Recommend an architecture review and approval process if one does not exist, for Client's review and approval.
8. To the extent possible, reduce the number of interfaces, increase the number of reusable objects, enable Application portability and scalability, convert and migrate functionality of existing Client Software into the Applications, and recommend COTS Software products requiring little or no customization.



HYDRO ONE

EXHIBIT 1

SOW SERVICES DESCRIPTION

INFRASTRUCTURE MANAGEMENT SERVICES STATEMENT OF WORK



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1.0 INTRODUCTION

This Exhibit sets forth the Server, Storage, LAN, Desk Side and other Services that Supplier will be accountable for and must deliver (satisfy) as part of the Infrastructure Management Services. Supplier is required to provide the Infrastructure Management Services to Client as set forth in this Exhibit.

1.1 Attachments

The following Attachments are hereby incorporated into and deemed part of this Exhibit:

- a) Attachment A – Third Party Software.
- b) Attachment B – Third Party Service Contracts.
- c) Attachment C – Third Party Equipment Contracts.
- d) Attachment D – Sites.
- e) Attachment E – Equipment Assets.
- f) Attachment F – Third Party Acceptance Services.
- g) Attachment G – Application Portfolio.
- h) Attachment H – Support Levels.
- i) Attachment I – Types of Work.
- j) Attachment J – Priority Levels.
- k) Attachment K – Technical Architecture.
- l) Attachment L – Software Assets.
- m) Attachment M – Hours of Operation

1.2 Defined Terms

The following defined terms as set forth herein shall have the same meaning throughout the Agreement whenever capitalized:

- 1. "Backup Services" means the systematic and periodic backup of file, E-mail and other server configurations and server data.
- 2. "Backup and Recovery Services" means the combination of Backup Services and Recovery Services.
- 3. "Data Centre Services" means the Services set forth in this Exhibit.
- 4. "Desktop Services" means the Services set forth in Section 3 plus the applicable Services set forth in Section 5, Common Exhibit 2.1 Cross-Functional Services (General), and Common Exhibit 2.2 Cross-Functional Services (ITO).
- 5. "End User Services" means the combination of the Service Desk and Desktop Services.
- 6. "HA" means high availability.



7. "Infrastructure" means the hardware, software, networks, services and processes to support an organization with the merging of computing and high-speed communications links carrying data, sound and video.
8. "OPM" means the Operating Procedures Manual.
9. "Service Desk" means Supplier's function that delivers the Services set forth in Section 7 plus the applicable Services set forth in Section 9, Common Exhibit 2.1 Cross-Functional Services (General), and Common Exhibit 2.2 Cross-Functional Services (ITO).
10. "Recovery Services" means the restoration of entire server configurations and server volumes or the reinstatement of purged End User data files.

1.3 Document Conventions

Certain conventions with respect to the drafting of Supplier's shared responsibilities with Client shall be construed as follows.

1. References to standards, processes and procedures within the OPM include any such standard, process or procedure that is agreed by the Parties and made available to the Parties via a Client web site.
2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement including without limitation Exhibit 1 thereto.
3. Except as otherwise expressly stated, all section references in this Exhibit shall be to the sections of this Exhibit, unless another reference is provided.
4. Supplier's responsibility statements that begin with the following phrases indicate a shared responsibility with Client or third parties as follows:
 - a) "Assist in" indicates Client or a third party has the primary role in the performance of the task.
 - b) "Work with Client to" indicates Client and Supplier share the responsibility equally.
 - c) "..., with Client's assistance," indicates Supplier has the primary role in the performance of the task.
5. Regarding the responsibilities of Supplier or Client to provide assistance:
 - a) Statements within this Exhibit that identify Supplier's responsibilities as "Assist in ..." shall mean "Providing adequate numbers of qualified Supplier Personnel with suitable training, education, linguistic fluency, experience, qualifications and skill to assist Client or its third parties in ...".
 - b) Statements within this Exhibit that identify Client's responsibilities as "Assist in ..." shall mean "Providing the applicable knowledge of Client's work practices, organization, policies and standards to assist Supplier in ...".

1.4 General Obligations

Supplier will perform the Services in accordance with the following general responsibilities:



1. If a standard, process or procedure referenced in this Exhibit as “defined in the OPM” is not available, Supplier shall perform the responsibility using its best practice standard, process or procedure, as applicable.
2. Supplier shall use commercially reasonable efforts to support third party applications, Software and Equipment that is not covered under a vendor maintenance or support contract.
3. The Infrastructure Management Services
 - a) are based on a standard architecture and suite of technology products, tools and Services that can be deployed, maintained, upgraded and fixed in a consistent manner.
 - b) enable the deployment of optimized IT systems and provide Second Level and Third Level problem solving.
 - c) manage and operate Supplier-provided facilities, i.e., data centres that are secure, hardened facilities for which Supplier provides full facility management services.
 - d) groups the Services required to recommend, and design, with Client’s assistance, as well as manage the computer infrastructure servers and storage.
 - e) excludes management of the WAN and LAN infrastructure outside of Supplier-provided data centres.
4. Infrastructure Management Projects shall be performed in accordance with the Project Methodology specified in Schedule 3.1(a) (Project Methodology).

1.5 Document Layout

From a functional perspective, the Data Centre Services are categorized and defined, within this Exhibit, as follows:

- Section 2 – Server Management Services.
- Section 3 – Storage Management Services.
- Section 4 – Data Centre Network Services.
- Section 5 – SAP Basis and System Administration Services.
- Section 6 – Data Centre Services Management.
- Section 7 – Service Desk.
- Section 8 – Desktop Services.
- Section 9 – End User Services Management

2.0 SERVER MANAGEMENT SERVICES

This Section includes the management Services for planning, implementing, operating and maintaining servers



2.1 Server Operations

Supplier's responsibilities related to server operations include the following:

1. Operate and administer Client Servers, which includes performing:
 - a) Backup and recovery services in all data centres and Client branch office locations.
 - b) All account management in compliance with Client policies.
 - c) Security and access controls.
 - d) Capacity and performance monitoring and management.
 - e) Operational and sustainment activities.
 - f) Hardware and software maintenance.
 - g) Configuration and Technology Change Management/Revision Control.
 - h) Problem management and resolution.
 - i) Service Request management.
 - j) Timely notification of potential and actual issues with the Services based on events or service monitoring and other services supporting or interfacing with the Services.
 - k) Evaluation and recommendation for the engineering and implementation of architectural changes.
 - l) Decommission of and removal of data from all servers in compliance with Client policies, and
 - m) Implementation of additional physical and virtual servers.
2. Manage and administer corrective maintenance and repair, (warranty and non-warranty repairs) including:
 - a) Provision of parts, on behalf of Client, that are necessary to resolve hardware failure.
 - b) Taking necessary actions to repair the system, peripheral, or component to working order.
 - c) Use spares and hot-swap equipment as necessary.
 - d) Emergency services, as approved by the Client, to resolve extraordinary events.
3. Maintain, update and report on the database of hardware maintenance contracts and warranties, including Applications
4. Define and manage system maintenance windows and Application back-up windows.
5. Perform server shutdowns and restarts as required and executing customary utility functions.
6. Issue network and operator commands to control servers.
7. Monitor the processing executing on servers on a 24x7 basis.



8. Adjust the priorities for or terminate End Users or processes as approved by an Authorized Client representative.
9. Monitor the performance of servers and take appropriate action to resolve performance problems, including notifying the Service Desk and escalating (as appropriate) an Incident to the appropriate Level 2 Support group.
10. Monitor the environment, alarm systems and environmental controls.
11. Monitor the transmission of files between Client sites and any other parties as designated by Client.
12. Schedule batch jobs to optimize throughput in accordance with the scheduled batch completion times.
13. Complete Client-defined batch processing and backups in the correct sequence and within the time periods designated by Client.
14. Where practicable, automate the scheduled batch work and processes including backups.
15. Coordinate and process special processing requests as Authorized by Client.
16. Notify Client in accordance with the appropriate notification procedures in the event that applications do not execute properly.
17. Provide, administer and maintain automated tools and processes for systems management.
18. Configure and manage any software load balancing capabilities the Client has approved in the server infrastructure
19. Provide and maintain the backup server, systems management platforms and other utility Equipment as required to meet the Service Levels.
20. Provide administrative services. e.g., End User and print queue setup and print table setup rights.
21. Provide node/host information to Client or its service providers as required.
22. Check and reset server NIC interfaces if and when required
23. Perform system administration and operational support of high availability clusters using the Supplier Software set forth in Attachment L to Exhibit 1 - Software Assets.
24. Perform changes in accordance with the Technology Change Management procedures.
25. Provide assistance to Client or its service providers to identify and analyse End User computing and/or network problems that may be associated with the Services.
26. Produce trend reports to highlight production problems and establish contingency actions and escalation procedures when batch window problems are encountered.

2.2 Server Engineering and Technical Support

This Section includes Supplier's responsibilities associated with server engineering and technical support and includes the following:



1. Recommend, and establish, with Client's assistance, design specifications, operating practices and infrastructure policies used to provide Server Management Services.
2. Recommend, and design, with Client's assistance, the architecture for the Server Management Services.
3. Install, test and make available new releases of operating systems and related software in accordance with defined Client standards, Financial Responsibility Matrix, and applicable Change Control.
4. Proactively manage the server environment to optimize the balance between physical and virtual servers and make recommendations for consolidating Operating System Instances running on multiple physical servers onto fewer physical servers through virtualization or other similar technologies.
5. Maintain interfaces to the Capacity and Performance Management service to achieve service performance.
6. Perform server related changes in accordance with Technology Change Management methods and procedures.
7. Design, with Client's assistance, and deploy servers according to defined Client standards.
8. Support the server operations function, which includes:
 - a) Provide Level 2 and Level 3 support to problems through resolution on a 24x7 basis and as required to meet the Service Levels.
 - b) Escalate problems to Equipment and Software Suppliers as needed to meet the Service Levels.
 - c) Develop, document and improve operations support procedures.
 - d) Update OPM documentation, at least annually, to reflect changes approved through Change Control process.
 - e) Develop, install and maintain tools for automated and remote systems management for the efficient and proper delivery of the Services; such tools, as mutually agreed by Client and Supplier may include:
 - i. Performance measurement and tuning,
 - ii. Network monitoring and control protocols; e.g., SNMP,
 - iii. Backup and recovery.
 - iv. Server administration,
 - v. Server re-configuration, and
 - vi. Automatic alerting.
9. Install, maintain and support the System Software, which includes:
 - a) Comply with product, IT security and configuration standards recommended by Supplier and approved by Client.
 - b) Advise Client of generally available performance data and resource requirements related to System Software release-level upgrades.



- c) Prioritize and apply preventive and remedial maintenance and updates in accordance with the Technology Change Management procedures. Supplier shall fully test System Software (or updates thereto), obtain confirmation of test results from Client, and provide Client an implementation plan with sufficient notice before installing such System Software (or update thereto) for production use.
- d) Plan, manage and implement upgrades of the System Software in a manner that maintains a consistent system image across the system landscape in accordance with the Technology Change Management procedures.
- e) Install and maintain virus detection software on servers mutually agreed by the Parties to require virus protection and responding to virus outbreaks as required and in coordination with Client and its service providers;
- f) Monitoring the availability of, testing and installing security-related patches and fixes in a timely manner consistent with Client's security policies and standards;
- g) Design, implement and maintain file systems by assigning and initializing disk storage volumes and determining file, data set and volume placement;
- h) Maintain directories, directory structures and naming conventions.
- i) Purge records and file expired user accounts, as appropriate.

10. Plan, design and maintain the server environment, which includes:

- a) Develop and maintain requirements and specifications for the server environment and related interfaces subject to Client review and approval.
- b) Evaluate and recommend the processing landscape design and configuration to meet the Service Levels.
- c) Obtain Client's approval before using virtualization technologies or establishing logical partitions and verifying to Client such technologies or methods isolate Client Data from other Client environments of Supplier.
- d) Provide feedback regarding the Client's potential architecture and design changes.
- e) Establish standard configurations for servers and System Software.
- f) Establish and keep current a Configuration Management Database (CMDB).
- g) Tune the server Equipment and System Software to improve performance and cost efficiency.
- h) Report regularly to Client on system tuning efforts.
- i) Support the application tuning and efficiency improvements of Client and its service providers.



- j) Evaluate hardware and software product developments, directly relating to the Services, and recommend upgrade and technology refresh plans to Client.
- k) Consolidate the server environment where possible and approved by Client.
- l) Demonstrate reasonable efforts to maximize server efficiencies before recommending server upgrades to Client.

11. Provide support, advice and assistance to End Users as reasonably requested.

2.3 High Availability Design, Engineering and Operations

This Section includes Supplier's responsibilities associated with the design and configuration, testing and execution of high availability within the server environment.

2.3.1 HA Design and Configuration

Supplier's general responsibilities related to design and configuration of high availability:

1. Establish and maintain a standard and integrated design for implementing HA in the production environment, including required network connectivity for support of the HA environment.
2. Obtain Client's approval of HA design and changes thereto and approval for each production server to be configured with HA capabilities (the "HA Servers").
3. Provide, install, configure and maintain the System Software to monitor, control and execute the failover procedures for the HA Servers.
4. Develop and maintain the automated scripts controlling the monitoring and failover procedures for the HA Servers.
5. Establish and keep active a server image to be used as the target failover location for each HA Server (the "HA Nodes").
6. Use server virtualization capabilities to (i) minimize the processing resources used by each HA Node when dormant and (ii) expand such processing resources to a capacity equivalent to the HA Server failing over to the HA Node as required to meet the Service Levels.

2.3.2 HA Testing

Supplier's general responsibilities related to high availability testing include the following:

1. Validate the failover design for each new server which Client has agreed to be configured as an HA Server before such servers are released into the production environment.
2. Validate the failover procedures of an HA Server following scheduled maintenance to the HA Servers or the storage or network Equipment connected to the HA Servers.
3. Periodically, but no less often than once every twelve (12) months, test the failover procedures of each HA Server.



2.3.3 HA Operations

Supplier's general responsibilities related to failover to the high availability nodes include the following:

1. Detect each outage of an HA Server and validate the failover completed successfully as designed.
2. Monitor the performance of the HA Node while it remains in production.
3. Upon resolution of the original fault causing the outage to the HA Server, obtain Client's approval and execute the procedures to fall-back to the original HA Server and HA Node design in accordance with the Technology Change Management procedures.
4. Provide a summary report of each HA failover execution to Client within two (2) business days of the failover occurrence.

2.4 Virtualization Design, Engineering and Operations

This Section includes Supplier's responsibilities with respect to the design, engineering and operations of virtualization technologies:

2.4.1 Virtualization Technologies

Supplier's general responsibilities with respect to virtualization technologies include the following:

1. Implement, operate and maintain the virtualization of (i) Unix servers using operating system features (e.g., AIX partitioning) and (ii) Windows and Linux Servers using VMware vCenter, successor products of VMware, or similar technologies.
2. Assist Client in the architecture planning and design of the virtualization environment including the development of standard Operating System image templates.

2.4.2 Virtualization Operations

Supplier's general responsibilities with respect to virtualization operations include:

1. Perform the applicable Server Management Services for virtual hosts and virtual machines (e.g., monitoring, reporting, backups, etc.) as would be required for a physical Server.
2. Configure and maintain high availability / clustering for virtual hosts and virtual machines as required.
3. Configure and maintain dynamic resource scheduling / workload balancing among virtual machines to optimize CPU and memory utilization.
4. Configure and maintain the ability for capturing snapshots of virtual machines and execute snapshots as required.
5. Configure, develop, implement, and maintain recovery techniques for virtual hosts and virtual machines.



6. Install, configure, and update security patches for virtual hosts.
7. Install, configure, and test patches and updates for virtual hosts and virtual machines.
8. Maintain a consistent level of patching across virtual hosts and virtual machines.
9. Allocate storage for virtual hosts and virtual machines.
10. Configure and maintain virtual networking within the virtual environment.
11. Configure, maintain and operate the centralized management platforms for the virtual environment including security, performance, systems management and workload balancing (e.g., VMware's vCenter), which includes:
 - a) Provide steady state support including Problem identification and resolution.
 - b) Install and remove such platforms.
12. Configure virtual machines for optimum performance.
13. Configure and maintain clones of virtual machines (including persistent and non-persistent configurations and dedicated and shared configurations).
14. Measure and compare the performance of physical and virtual machines.
15. Provide the ability to move machines from physical-to-virtual and from virtual-to-physical.

2.5 Host-Based Intrusion Detection/ Prevention

Supplier's responsibilities with respect to host-based intrusion detection/prevention ("HIDS") for servers include the following:

1. Install, update, and configure HIDS Software on agreed to servers.
2. Monitor the HIDS Software from a central logging system, and provide appropriate response to alerts from HIDS devices based upon mutually agreed procedures.
3. Install ,as needed or as directed by Client, known high-risk updates, as defined by the HIDS Software manufacturer, to IDS-protection Software within twenty four (24) hours after such updates are made available to Supplier (or a qualified third party supplier selected by Supplier) , with allowance for any delays in authorization from Client.

2.6 Messaging Services

This Section includes Supplier's responsibilities associated with the design, implementation, operation and support of Client's messaging platforms.

2.6.1 General Messaging

Supplier's general responsibilities with respect to messaging include the following:

1. Evaluate, recommend, and design, with Client's assistance, deploy, operate and manage the global electronic messaging system, which includes:



- a) Assist in developing the global messaging domain architecture.
 - b) Synchronize messaging system directory service.
 - c) Support inter-system internal E-mail messaging gateways.
 - d) Administer End User accounts.
2. Operate and administer Client Servers that provide the E-mail Service, including:
 - a) Performance and capacity monitoring and management.
 - b) Problem management and resolution.
 - c) Service request management.
 - d) Timely notification of potential and actual issues with the messaging service based on events or service monitoring.
 - e) Recommendations for the engineering and implementation of architectural changes and
 - f) Implementation of additional servers required to accommodate changes in service volumes.
 3. Support and maintenance of alias addressing
 4. Provide support for the forwarding of mail from one account to another.
 5. Support and provide management of electronic messaging and scheduling integration and interoperability.
 6. Design and configure End User message storage space for all End Users.
 7. Administer centralized Distribution List function.
 8. Define a Distribution List administration and maintenance process and procedures.
 9. Establish design specifications, operating practices and infrastructure policies used to provide the E-mail Service.
 10. Perform the following services for the Messaging Services:
 - a) Backup and recovery services.
 - b) Account management, security and access controls.
 - c) Capacity and performance management.
 - d) Hardware and software maintenance.
 - e) Configuration and Technology Change Management/revision control.
 - f) Other services supporting or interfacing with the above listed services.
 11. Provide automatic email notification to Client End User stating that they have exceeded their capacity and that they need to clean up their folders.
 12. Recommend, and design, with Client's assistance, the architecture for the Messaging Services.
 13. Manage anti-spam protection in internal messaging services.
 14. Manage anti-virus protection for both internal and externally derived messages.



15. Manage secure email Connectivity by means of session encryption, specialized routing over secure network connections, or other means.
16. Provide Internet email alias management based upon Client's corporate directory.
17. Provide mailbox and calendar management for End Users, resources (such as conference rooms) and shared use.
18. Manage Web-based mailbox and calendar access from the Internet and Intranet.
19. Manage email and calendar address book and directory.
20. Manage Video Conference booking capability.
21. Provide distribution list and group management.
22. Manage Instant Messaging (IM) within Client and with designated external parties outside the Network.
23. Manage services from within the Instant Messaging environment.
24. Manage online collaboration / meeting space services for Client employees and third parties invited to meetings by Client
25. Implement and manage Messaging policy, security controls, and logging.
26. Manage pre-licensing for rights management content and services.
27. Manage, as applicable, unified messaging to integrate email, calendar, contacts and voicemail.

2.6.2 Messaging – Strategy, Architecture and Design

Supplier's responsibilities with respect to messaging strategy, architecture and design include the following:

1. Assist in design of Messaging Services and related Infrastructure.
2. Document and implement Messaging Services and related Infrastructure based on agreed design.
3. Implement policies and standards for all in-scope Messaging Services.
4. Assist in designing Architecture for integrating business applications with Messaging Services.
5. Assist in developing directory access methodology for End Users (for example, Outlook address book, IM user list and corporate directory) and required directory integration.
6. Proactively seek opportunities to deploy messaging technology in Client, including developing proposals for Client Businesses and functions.
7. Provide consulting on the effective use of messaging technologies.
8. Manage the operating procedures for the Messaging Services, which includes:
 - a) Develop, document, and implement procedures for managing Messaging Services.



- b) Provide operational training and documentation for supporting Messaging Services.
- c) Design and implement processes and Systems for Messaging Services account administration.
- d) Obtain Client approval for any new or updated procedures that impact End Users.

2.6.3 Messaging –Technical Support

Supplier's responsibilities with respect to the technical support of Messaging Services include the following:

1. Provide evaluation and testing support, which includes:
 - a) Maintain dedicated QA and development environment for Messaging Services testing, rebuilding as required.
 - b) Assist in the evaluation, recommendation, and deployment of new Messaging Services Systems where agreed.
 - c) Evaluate and test the compatibility and integration of new Messaging Services products or standards, Architecture, and design with existing Infrastructure and Applications, and
 - d) Test, certify, and coordinate the installation of patches, service packs, hot fixes, definition updates, and supporting Software for all Messaging Services related Systems.
2. Provide technical administration support, which includes:
 - a) Create administrative and service accounts for Messaging Services and assign roles to these accounts.
 - b) Manage Public Folder hierarchy if required.
 - c) Create, maintain and assign rights to the distribution lists and global distribution list management.
 - d) Provide support and implementation of certificates on Messaging Services systems.
 - e) Manage DNS records for all mail relays.
 - f) Manage DNS setting for split DNS infrastructure used by Messaging Services.
 - g) Manage ISA publication rules for Messaging Services.
3. Provide Messaging Services Server support, which includes:
 - a) Deploy and support the Messaging Services Environment within Client, including the underlying Infrastructure and Equipment necessary for use of the Messaging Applications.
 - b) Provide, install, configure, and maintain all messaging applications servers.



- c) Provide Backup and recovery of all messaging servers, including mailbox content per mutually agreed policy.
- d) Create, maintain, and delete End User and Authorized Administrative mailboxes.
- e) Create, maintain, and delete distribution lists.
- f) Create, maintain, and delete messaging applications forms and databases.
- g) Install and maintain messaging applications clients on end-user desktops and laptops as needed.
- h) Scan all Exchange email for Malware programs and take measures to protect the environment.
- i) Maintain and enforce "do-not-send" lists per Client policy.
- j) Provide attachment removal reports, which includes:
 - i. Strip: A daily/monthly Report containing the total and summary of the number and type of each attachment types removed.
 - ii. Screen: A daily/monthly/annual Report containing the total and summary of the number and type of each attachment types removed, and
- k) Provide support in updating metrics and assist Client in preparing additional reports for statistics and trends.
- l) Archive and retrieve email messages per Client policy.
- m) Create and manage all Messaging data replication topologies.
- n) Create and manage all Server high-availability and disaster recovery topologies.
- o) Administer and manage all agents supporting Messaging Services.
- p) Monitor, process, and respond to messages sent to administrative mailboxes, such as abuse or postmaster.
- q) Optimize Disaster Recovery automation and procedures for Messaging Services.
- r) Provide support to Messaging operations, which includes:
 - i. Monitor and manage logical security and access-related to Messaging Applications, and
 - ii. Immediately report potential security issues related to Messaging Applications to Client and take necessary steps to eliminate security breaches.
- s) Develop, implement, and maintain Messaging Services monitoring and alerting strategy.
- t) Optimize environment to respond to business Change, such as site growth and Changes.



- u) Maintain and troubleshoot mail routing and other Connectivity required by Messaging Services.
- v) Facilitate troubleshooting with Third Parties on email delivery and other Messaging Services Connectivity issues.
- w) Escalate Messaging Services issues to Third Party service providers as required.
- x) Manage Federation requests for Messaging Services.
- y) Provide SQL Server administration for Messaging Services backend databases.
- z) Provide monthly reports on the performance, utilization and use of Messaging Services, such as summary reports on email, IM and fax items sent, items received, viruses and spam detected, number of online meetings, and so forth.

2.6.4 Messaging – End User Support

Supplier's responsibilities with respect to End User support of Messaging Services include the following:

1. Administer and maintain user IDs and passwords to enable the use of Messaging Services.
2. Assist end-user support group(s) with installation, configuration, and troubleshooting of client access to Messaging Services.
3. Perform mailbox and mail item restores as requested by Client.
4. Support integration to applications that are using Messaging Services.
5. Move mailboxes within the infrastructure as necessary to optimize End User performance.
6. Implement End User account Changes for attributes operated by Messaging Services in the global address book.
7. Manage the provisioning, configuration and decommissioning of Messaging service accounts and mailboxes.
8. As requested by Client, perform authorized investigation and discovery.
9. Assist in coordination and processing of corporate wide messages.
10. Assist End Users with Incidents, or Service Requests (including questions) related to collaborative tools and Applications.

2.7 File and Print Services

Supplier's responsibilities with respect to file and print servers include the following:

1. Operate and administer Client Servers providing file and print services, which includes:
 - a) Backup and recovery.



- b) Performance and capacity monitoring and management.
 - c) Problem management and resolution.
 - d) Service request management.
 - e) Timely notification of potential and actual issues with the File Service based on events or service monitoring.
 - f) Recommendations for the engineering and implementation of architectural changes.
 - g) Implementation of additional servers required to accommodate changes in service volumes.
2. Upon Client approval, create and delete personal file space on servers in association with the creation of new End User accounts and removal of End User accounts.
 3. Provide operations and technical support for supported printers and print drivers.
 - a) Implementation of additional servers required to accommodate changes in service.
 4. Maintain print spool space on Servers associated with printing resources.
 5. Assist Client and its service providers install certified print drivers on End User systems.
 6. Grant access to workgroup printing resources with the express authorization of the identified workgroup printing resources owner.
 7. Maintain a repository of tested and certified print drivers authorized for use by Client within the Infrastructure.
 8. Maintain and update design specifications, operating practices and infrastructure policies used to provide the file and print services.
 9. Recommend, and design, with Client's assistance, the architecture for the file and print services.

2.8 Database Management Services

This Section includes Supplier's responsibilities associated with database management services, which include installation, upgrades, and maintenance and support services of database Software.

2.8.1 General Database Management

Supplier's responsibilities with respect to general database management include the following:

1. Assist in managing data storage pools, which include data placement, compression, and migration, as well as measurement and control of data storage use.
2. Assist in performing the configuration and customization for systems-level database management system ("DBMS") parameters.
3. Assist in performing logical DBMS activities for test and production.



4. Assist in backing-up, recovering and reorganizing of production databases, database catalogues, and logs.
5. Assist in performing integration and regression testing when required for maintenance activities.
6. Assist in providing systems database management support, including:
 - a) Supporting the design and installation of multiple production and test database subsystems.
 - b) Direct access storage management services;
 - c) Performing stress testing;
 - d) Database performance tuning, installation, maintenance, and monitoring of the database software products.
 - e) Providing technical advice and support to the software maintenance and development staffs.
7. Assist in providing tools and systems to monitor and tune database.
8. Assist in performing systems database administration functions, including:
 - a) storage management services;
 - b) installation, maintenance, tailoring and monitoring of database software products;
 - c) backup and recovery;
 - d) standards development, and support for the databases.
9. Assist in applying DBMS upgrades and software patches, as required, to maintain supportable environment.
10. Assist in performing physical DBMS database control functions to support existing systems and planned new systems development.
11. Assist in planning for changes in the size of databases due to business growth and on-going installations.
12. Assist in modifying operating system parameters as required enhancing the performance of the database management systems.
13. Assist in providing systems database management support including providing backups and restores of data in a timely manner.
14. Assist in maintaining, update, and install database journal/archive and other processes and procedures necessary to recover from an outage or corruption.
15. Assist in providing database administration support for the Client DR Plans.
16. Assist in proactively managing the database landscape and environments to optimize the balance between dedicated and shared database instances.
17. Assist in analysing the feasibility of consolidating database instances running on multiple servers onto a fewer number of instances through consolidation or other similar technologies.



2.8.2 Systems Database Management, Maintenance, and Support

Supplier's responsibilities with respect to systems database management, maintenance and support include the following:

1. Assist in providing operational database administrator support, including providing backups and restores of data in a timely manner.
2. Assist in installing and testing database environment changes.
3. Assist in maintaining, updating, and installing database journal/archive and other processes and procedures necessary to recover from an outage or corruption.
4. Assist in providing systems database support for the Client DR Plan.
5. Assist in providing capacity planning and correct situations caused by lack of capacity (including table space capacity events, full log files).
6. Assist in modifying operating system parameters and systems database characteristics as required to enhance the performance of the database management systems and notify Client of changes.
7. Assist in performing standard database housekeeping and maintenance scripts on a periodic basis, (including database re-indexing, stored procedure rebuilds, and database defragmentation).
8. Assist in purging obsolete database definitions per Client's approval.
9. Assist in performing operational DBMS database control functions to support current software and for new software to be developed.
10. Assist in maintaining, operating, and upgrading database performance monitoring tools.
11. Assist in performing database shutdowns and restarts.
12. Assist in performing reorganizations when required to optimize performance.

2.8.3 Database Administrative Support

Supplier's responsibilities with respect to database administrative support include the following:

1. Assist in performing database performance analysis to confirm systems database requirements are aligned with Client's rules.
2. Assist in providing documentation of files generated by the file management system, including name and utilization statistics.
3. Assist in providing Application database administrator support, including advice to the Application development and maintenance staffs and assist Application development and maintenance staff in performing stress testing, operating system software, and database performance tuning.
4. Assist in proposing, documenting, and maintaining systems database standards and procedures, including database tuning.
5. Assist in participating in determining systems database changes, review the impact of ADM work, and install necessary changes to relevant databases.



6. Assist in identifying available product enhancement opportunities for improved performance.

3.0 STORAGE MANAGEMENT SERVICES

This Section includes the management Services for planning, implementing, operating and maintaining shared storage platforms.

3.1 Storage Area Network Operations

Supplier's responsibilities with respect to storage area network operations include the following:

1. Provide storage management services for all equipment connected to Supplier storage environment in Supplier Service Locations.
2. Propose guidelines for storage and usage thresholds and standards that optimize storage and monitor under/over-utilization of disk space.
3. Manage, maintain, monitor storage environment and storage utilization based on a based on a Tiered Storage Model (1, 2, 3, 4).
4. Provide Client data as requested by Client to external parties to facilitate document searches and investigations.
5. Operate and administer the storage environment, including:
 - a) backup and recovery services.
 - b) Account management, security and access controls.
 - c) Capacity and performance management.
 - d) Hardware and software maintenance.
 - e) Problem management and resolution.
 - f) Timely notification of potential and actual issues with the Storage Management and Support Services based on events or service monitoring and other services supporting or interfacing with this service.
 - g) Configuration and Technology Change Management/revision control.
6. Establish design specifications, operating practices and infrastructure policies used to provide Storage Management and Support Services.
7. Recommend, design, and develop, with Client's assistance, the architecture for the Storage Management and Support Service.
8. Perform storage environment related changes in accordance with Client Technology Change Management methods and procedures.
9. Recommend, and design, with Client's assistance, and deploy storage according to defined Client standards.
10. Monitor storage device and storage media utilization and requirements and report to Capacity Management.
11. Perform disk/file management and reorganization.



12. Perform data migration management, including planning for lease expirations and planning the data migration.
13. Provide recommendations to software development and maintenance groups regarding data archiving or the removal of obsolete or unused data.
14. Establish, install, and maintain disk and directory placement.
15. Develop a process and perform the task of purging log files and old accounts as approved by Client.
16. Monitor End User directories for file inactivity and report the results to Client.
17. Allocate disk storage space as required for the performance of the Services.
18. Provide access to a dashboard of storage consumption/allocation to Client, based on data type and device.
19. Comply with and enforce the storage governance model for online storage.
20. Retain logs based on the Client Policies and data retention policies.
21. Manage up to four (4) tiers of online storage as mutually agreed to by the parties based on cost and performance measures.
22. Implement, configure and maintain Supplier-specific storage management software for external disk Equipment (e.g., SAN).
23. Manage the capacity and performance of the online storage which includes:
 - a) Establish and maintain SAN device configurations.
 - b) Configure online storage arrays by establishing RAID groups, mirrors, spares, etc.
 - c) Assign and initialize online storage volumes as required.
 - d) Establish and maintain online storage thresholds and data archives.
 - e) Monitor the online storage utilization and performance and take corrective actions (e.g., performance tuning of servers or System Software and file placement) as required to optimize performance and efficiency.
 - f) Manage online storage directories (e.g., monitoring directories for file inactivity and reporting such inactivity monthly).
 - g) Manage the expiration of data within the online storage environment - within a given volume, for a specific group of volumes and within a storage group/pool.
 - h) Manage data migration and archival.
 - i) Report the utilization and workloads on disk storage directories for review by systems engineering and database management staff.
 - j) Compress online storage as needed and as possible within production processing Exhibits.



3.2 Backup and Recovery

Supplier's responsibilities with respect to backup and recovery include the following:

1. Maintain and update backup media rotation procedures.
2. Provide technical support and assistance to Client employees at remote sites for Backup and Recovery Services for individual Client file recovery
3. Perform system backup and restore, including Backup and Recovery Services.
4. Deploy and maintain the Backup and Recovery Services.
5. Maintain Supplier provided Infrastructure hardware and software performing Backup and Recovery Services at vendor supported levels.
6. Recommend, and design, with Client's assistance, the Backup and Recovery Services solution, which includes:
 - a) Evaluation and engineering of the Backup and Recovery Services solution template(s).
 - b) Maintenance and update of operational procedures for service management and administration.
 - c) Maintenance of an audit procedure.
7. Operate and administer the Backup and Recovery Services, which includes:
 - a) Performance and capacity monitoring.
 - b) Problem management.
 - c) Service request management.
 - d) Optimize backup and recovery services to minimize backup storage volumes.
 - e) Notification of potential and actual issues with the Backup and Recovery Services implementation based on events or service monitoring.
 - f) Recommend the engineering and implementation of architectural changes and/or the need for additional backup devices required to accommodate changes in service volumes.
8. Perform Backup and Recovery Services software selection and deployment to Servers, subject to Client approval.
9. Provide media to support the Backup and Recovery Services defined on the Servers.
10. Perform engineering of Backup and Recovery Service solutions Supplier Service Locations.
11. Perform data restores in response to End User requests.
12. Establish design specifications, operating practices and Infrastructure policies used to provide the Backup and Recovery Service.
13. Perform regularly scheduled tests to maintain integrity of data and backup process.
14. Provide test results from random drive selection restore test to Client.



15. Utilize efficient and effective storage media, tools, and processes for Client's data and programs as approved by Client.
16. Perform backups of the operating software image and files on a schedule (i) reviewed and approved by Client, (ii) designed to meet the Service Levels and Client's information security policies, and (iii) documented in the OPM.
17. Re-execute any failed backups until each scheduled backup is completed successfully.
18. Mount and dismount offline storage media as requested by the console messages or programmer requests and reply to console commands associated with offline storage as appropriate.
19. Restore files and datasets in a timely manner as requested by Client.
20. Periodically (but not less often than quarterly) retrieve an agreed number of randomly selected data files as a test and verifying that the data can be restored in a usable fashion.
21. Monitor offline storage Equipment and, in case of malfunction, initiate corrective actions in accordance with established procedures.
22. Properly clean and maintain offline storage Equipment to minimize problems and outages.
23. Establish, update and comply with storage management procedures in the OPM (e.g., backup frequency, data retention, cycling/rotation of offline storage media).
24. Retrieve archived offline storage media from on-site and off-site facilities as required in the OPM and as required in an emergency.
25. Provide the Client with regular reports that outline all failed backup jobs within a given period

3.3 Media Management

Supplier's responsibilities with respect to media management include the following:

1. Maintain the integrity of the external storage media library systems (i.e. optical, automatic tape libraries and silos).
2. Manage, maintain and operate media storage library(s) and storage management systems to properly manage storage media.
3. Perform storage media management, which includes:
 - a) Monitor for incidents or problems
 - b) Correct potential incidents or problems, and
 - c) Perform reorganizations and perform catalog backups.
4. Recommend to Client any new and replacement storage media to achieve availability requirements.
5. Propose efficiency parameters and maintain storage media operations efficiency, including managing storage group thresholds.



6. Recommend and maintain procedures for cycling/rotation of external storage media, external storage media management and external storage media retention periods including the disposal of retired media at expiration of retention period.
7. Operate and comply with procedures for cycling/rotation of external storage media, external storage media management and external storage media retention periods including the disposal of retired media at expiration of retention period.
8. Manage the offline storage media, which includes:
 - a) Purchase and maintain adequate supplies of the offline storage media
 - b) Initialize new offline storage media.
 - c) Recycle offline storage media regularly, manage media replacement, and re-copy media to provide data integrity.
 - d) Dispose of retired offline storage media in an environmentally sound manner after purging any Client data by wiping/erasing the data and configuration information.
 - e) Maintain a database cataloguing the archival system for the offline storage media library.
 - f) Monitor and report offline storage media usage to comply with Client and regulatory requirements.
 - g) Protect backup media according to Client's data classification standards (e.g., highly restricted is encrypted at rest).
9. Provide off-site vault storage in a physically and environmentally controlled and protected area with appropriate fire protection and multiple layers of physical security designed to prevent unauthorized access.
 - a) Such off-site vault storage shall be at least ten (10) miles from any data centre.
10. Store offline storage media and disaster recovery-related paper documentation at a secure off-site vault storage in accordance with Client-defined requirements, which includes:
 - a) Prepare offline storage media for off-site storage.
 - i. Encrypt all storage media that will be placed in off-site storage
 - b) Transport materials to and from off-site storage in environmentally controlled vehicles operated by bonded personnel on a daily basis, or as required.
 - c) Track and monitor the offline storage media in transit to and resident at the off-site storage facilities.
 - d) Return offline storage media as required to the Data Centres.
 - e) Provide and execute an emergency offline storage media return process as requested by Client.
11. Maintain the rotation of the offline storage media that is required for off-site storage.



12. Audit the off-site storage supplier for compliance and control procedures and provide a report advising Client of any materially non-compliant issues and corresponding action items related to the Services.

3.4 Storage Architecture and Design

Supplier's responsibilities with respect to storage architecture and design include the following:

1. Develop and maintain requirements and specifications for the storage environment and related interfaces subject to Client review and approval.
2. Evaluate and recommend the storage landscape design and configuration to meet the Service Levels and disaster recovery requirements.
3. Provide feedback regarding the Client's potential architecture and design changes.
4. Establish standard configurations for storage Equipment.
5. Establish and keep current a configuration management database.
6. Configure (i.e., tune) the storage Equipment and software to improve performance and cost efficiency.
7. Report regularly on storage tuning efforts.
8. Assist the application tuning and efficiency improvements of Client and its service providers.
9. Evaluate storage hardware and software product developments and recommend upgrade and technology refresh plans to Client.
10. Consolidate the storage environment where possible and approved by Client.
11. Demonstrate reasonable efforts to maximize storage Equipment efficiencies before recommending storage Equipment upgrades to Client.
12. Provide support, advice and assistance to End Users as reasonably requested.

3.5 Data Synchronization Design, Engineering and Operations

Supplier's responsibilities with respect to data synchronization design, engineering and operations include the following:

1. Design, implement, operate and maintain data synchronization processes from the primary data centre to the secondary data centre.
2. Monitor data replication between the data centres on a 24x7 basis.
3. Respond to an outage in the data replication between the data centres as a P1 incident priority.



4.0 DATA CENTRE NETWORK SERVICES

4.1 Internet Gateway Services

Supplier's responsibilities include the following:

1. Assist Client's administration of external DMZ networking which includes: :
 - LAN/WAN HW/SW
 - External and Internal Firewalls
 - External DNS namespace and servers
 - Global site selector Load Balancing
 - Email Messaging Scanning and AV
 - Internet carrier circuits and Bandwidth
 - Client and Third Party VPN connectivity
2. Operate and administer Client Infrastructure components such as servers/applications that may reside within the Client's external DMZ architecture.
3. Work with Client to operate and administer the supplier provided problem management and resolution services.
4. Operates and administer infrastructure components, supplier provides.
 - a) Performance and capacity monitoring and management.
 - b) Service request management.
 - c) Recommend the engineering and implementation of architectural changes.
 - d) Implement additional servers.
5. Manage hardware maintenance, working with hardware vendors and co-ordinate the installation, upgrade and maintenance of hardware.
6. Establish design specifications, operating practices and infrastructure policies used to provide the Internet services for supplier managed external DMZ servers/applications in agreement with Client Approval.
7. Perform administration of Client Servers, which includes:
 - a) Perform backup and recovery services.
 - b) End User account management.
 - c) Security and access controls.
 - d) Capacity and performance management.
 - e) Hardware and software maintenance.
 - f) Configuration and Technology Change Management/Revision Control.
 - g) Other services supporting or interfacing with the above listed services.



8. Recommend, and design, with Client's assistance, and publish client system settings necessary to access the global WWW proxy server infrastructure and the global Internet.
9. Maintain Internet Services ("INET") hosting infrastructure hardware and software at vendor supported levels except networking infrastructure.
10. Manage, configure and administer production, development and staging environment for providing INET static site hosting.
11. Perform administration of Client Servers, including:
 - a) Backup and Recovery services;
 - b) End User account Management;
 - c) Security and Access Controls;
 - d) Capacity and Performance Management;
 - e) Hardware and Software Maintenance;
 - f) Configuration and Technology Change Management/Revision Control.
 - g) Other services supporting or interfacing with the above listed services.
12. Administer access for secure sites.
13. Generate and report monthly management information reports.
14. Use mechanisms provided to promote changes from staging to production site.
15. Test functional and content updates in staging environment.
16. Promote updates from staging to production.
17. Back updates out of production if required.
18. Monitor system/service availability for providing INET Infrastructure Enhancements.
19. Implement new Applications to utilize INET Features.
20. Configure the intrusion detection software and LDAP to read and analyse the data, and supply the reports to Client for action.
21. Configure the security node and LDAP according to Client's specifications and enable data encryption capabilities.
22. Manage, configure and administer an environment for centralized security and directory authorization managements.
23. Support the technology required to maintain this environment.
24. Assist in providing Internet connectivity to End Users, which includes:
 - a) Provide VPN and direct, third party access.
 - b) Assist in providing authentication, authorization, and accounting ("AAA") services in each data centre using the following technologies:
 - i. RSA ACE server;
 - ii. SecurID tokens must be used to pass to the ACE Server.



- iii. RADIUS authentication protocol (two-factor authentication).
 - iv. Client user and machine certificates.
 - c) Assist to providing encrypted internet communication for the End User to Client Applications via HTTPS, which adds an additional secure transport layer (SSL-Secure Socket Layer).
25. Assist in designing, implementing, operating and maintaining an application delivery infrastructure permitting selected End Users to access Client Applications without the use of client software resident on their personal computer.

4.2 Data Centre LAN Design, Engineering and Operations

A Third Party manages and operates the client's Data Centre LAN, WAN and internet facing networks.

Supplier's responsibilities with respect to the design, engineering and operations of (i) LANs within data centres at Supplier Service Locations performing the Services and (ii) any Supplier-provided WAN link between such data centres (jointly the "Supplier Network") include the following:

1. Assist in coordinating service and support activities with the Client and the Client's Third Party manager of the Data Centre LAN.
2. Assist in establishing operating practices and infrastructure procedures to support and provision the Client managed and operated Data Centre Networks
3. Document and specify the Supplier Network under Supplier's responsibility according to Client documented architectures and standards, with assistance from Client as appropriate and applicable.
4. Work with hardware vendors and co-ordinate the installation, upgrade and maintenance of the Supplier Network.
5. Allow Client and its third parties to test the effectiveness of Client's network configuration, subject to prior notification to Supplier, including:
 - Penetration testing;
 - Application security assessment.
 - IDS effectiveness.
6. Design and maintain software load balancing across Client's environments to meet the Service Levels.
7. Design and maintain dynamic routing between Client environments.
8. Provide IP services required for the Services, which includes:
 - DNS management.
 - Device configuration based on Client-provided IP addresses. (Client will work with Supplier to define a mutually agreeable IP address range as required).
9. Assist to detect and correct LAN performance problems to meet the Service Levels.



10. Record LAN performance Incidents in the Incident Management System and manage changes to Client's LAN in Client's Technology Change Management System.
11. Administer and manage LAN Equipment and Software.
12. Monitor and report the LAN utilization and workloads including:
13. Maintain compliance to Supplier's and Client's (to the extent such recommendations and standards have been provided to Supplier) LAN security standards, policies and procedures in meeting configuration and usage requirements.

4.3 Wide Area Network Demarcation

Supplier's responsibilities with respect to the demarcation point from the data centre LANs to Client's WAN include the following:

1. Make at least two (2) physically diverse telecom entry points and network POPs available to each Supplier data centre.
2. Provide two (2) physically diverse paths for network connectivity between the two (2) network entry points and Supplier's raised floor space dedicated to Client's processing environment.
3. Provide diverse power sources to the wide area network entry points.
4. Assist in providing, operating and maintaining a secure WAN link between the Supplier data centres in accordance with the Client DR Plan and Client architecture with sufficient bandwidth and reliability to meet the Service parameters (i.e., RTO, RPO) for disaster recovery detailed in the Client DR Plan.

4.4 Directory Services Administration

Supplier's responsibilities with respect to directory services administration include the following:

1. Operate and administer Client DNS Intranet servers responsible for the hydroone.com level of the DNS name-space, which includes:
 - a) Performance and capacity monitoring and management;
 - b) Problem management and resolution;
 - c) Service request management;
 - d) Timely notification of potential and actual issues with the DNS based on events or service monitoring;
 - e) Recommend the engineering and implementation of architectural changes.
 - f) Implement additional servers required to accommodate changes in service volumes.
2. Maintain, update and publish, as requested, DNS operational procedures to be used within the hydroone.com name-space.



3. Maintain a current list of domain and sub-domain custodians and implement a communications process to inform the custodians of changes, trouble reports/activity and/or other relevant information in a timely manner.
4. Manage domain and sub-domain naming in accordance with Client procedures.
5. Maintain and update design specifications, operating procedures and infrastructure policies to be used by Client organizations accessing DNS Services.
6. Operate and administer AD Services on domain servers, which includes:
 - a) Performance and capacity monitoring and management;
 - b) Problem management and resolution;
 - c) Service request management;
 - d) Timely notification of potential and actual issues with the AD Service based on events or service monitoring;
 - e) Recommend the engineering and implementation of architectural changes.
 - f) Implement additional servers required to accommodate changes in service volumes.
7. Perform maintenance and updating, deployment and execution of processes, procedures and methods to be used on-site by site address coordinators and central administration team to enable device name and address management, including address allocation, tracking, and recapture of unused addresses.
8. Deploy and/or upgrade DHCP Services.
9. Operate and administer Client Servers that provide the DHCP Services, which includes:
 - a) Performance and capacity monitoring and management.
 - b) Problem management and resolution.
 - c) Service request management.
 - d) Timely notification of potential and actual issues with the DHCP implementation based on events or service monitoring.
 - e) Recommend the engineering and implementation of architectural changes.
 - f) Implement additional servers required to accommodate changes in service volumes.
10. Design and develop, in agreement with the Client, the architecture for DHCP services in accordance with Client service requirements, architectural guidelines and templates developed in conjunction with Client.

5.0 SAP BASIS AND SYSTEM ADMINISTRATION SERVICES

This Section includes the architectural, engineering, administrative and operational roles associated with the SAP Basis function and similar roles for additional in-scope COTS Software.



Supplier will perform the technical services related to managing the SAP landscape as set forth in this Section 5.

5.1 Systems Architecture and Engineering

Supplier's responsibilities with respect to the architecture and engineering of the landscape include the following:

1. Review existing Client architectures and standards including system configuration settings, installation procedures, landscapes and client/instance strategies, etc.
2. Recommend any changes deemed necessary for the landscape for Client's approval.
3. Establish and maintain system configuration standards for COTS Software, such as:
 - Database parameter settings.
 - File system management.
 - SAP system profile adjustments.
 - SAP system kernel settings.
4. Establish and maintain standard installation procedures for COTS Software components, such as:
 - SAP-related file systems.
 - Base-level-installed database configuration.
 - SAP system instance profiles.
 - Additional languages, localizations and licenses.
 - Database backup schedules.
 - SAP-supported printer setups.
5. Recommend version Upgrades and patch Releases of the COTS Software to Client and obtain Client's feedback and approval.
6. Design and maintain the system landscape and instance strategy as approved by Client.
7. Maintain system interfaces in accordance with Client's architecture and as authorized by Client.
8. Manage COTS Software system performance including:
 - a) Analyse system performance data routinely and proactively;
 - b) Identify system performance trends;
 - c) Tune parameters to optimize performance;
 - d) Recommend changes in the systems architecture to improve performance and/or reduce costs;
 - e) Forecast capacity requirements for the systems.
 - f) Proactively identify long-running transactions and batch jobs, database/memory/ processing-intensive custom code, and work with



Application teams to identify and implement such performance corrections.

9. Provide performance data and analysis to Client's functional and technical support teams for the Applications including:
 - a) Perform SQL cursor cache analysis of selected programs;
 - b) Execute traces and provide results to developers;
 - c) Collect regenerate statistics.
 - d) Conduct other performance analyses for selected transactions or programs as requested.
10. Work with the functional and technical support teams for the Applications to identify and implement performance corrections.
11. Develop and maintain Documentation of the systems architecture and provide such Documentation to Client.

5.2 Systems Administration

Supplier's responsibilities with respect to systems administration of the landscape include the following:

1. Support the Applications operations function, which includes:
 - a) Develop, maintain and communicate COTS Software start-up and shutdown and other operational procedures;
 - b) Define SAP operations modes;
 - c) Start and stop the COTS Software as required;
 - d) Terminate hung processes or user sessions as required;
 - e) Resolve Basis and database-related problems with SAP software products and their interaction with the DBMS, Equipment and Systems Software;
 - f) Work with Client and its Application service providers to resolve problems related to the COTS Software including general processing, specific transactions, custom ABAP and Java programs, interfaces, and initial data loads; such efforts shall include the research of technical notes published by COTS Software vendors (e.g., SAP AG's OSS Notes).
 - g) Verify the backup/recovery, batch scheduling and other operations architecture components are established and performed for the landscape.
2. Install, configure and manage changes to the COTS Software, which includes:
 - a) Install and maintain the COTS Software;
 - b) Work with Client's IT infrastructure team to implement the file systems and the necessary operating system level modifications;
 - c) Establish procedures and execute changes in accordance with Client standards and procedures so that the landscape adheres to Client's standards;



- d) Configure, execute and resolve problems with any archiving procedures, if and when required.
 - e) Configure and resolve problems with any interface procedure (e.g., SAP AG's ALE, APIs and Workflow);
 - f) Configure, execute, and resolve problems with any necessary SAP client administration (e.g., client copies), which includes the administration and support of any related tools.
 - g) Apply COTS Software error corrections (e.g., SAP AG's support packs) and enhancement packs to known problems (e.g., SAP AG's OSS notes).
 - h) Track the availability of hot packages from COTS Software vendors and proactively work with the Client and its third parties to schedule maintenance;
 - i) Manage and execute version upgrades and patches for correction or maintenance of the SAP system kernel;
 - j) Plan, manage and implement upgrades of the COTS Software in a manner that maintains a consistent system image across the landscape in accordance with the Change Control Procedures.
 - k) Work with Client's IT infrastructure team to maintain SAP infrastructure-level configuration settings at SAP AG's recommendations and Client's own standards, to the extent such recommendations and standards have been provided to Supplier;
 - l) Install and maintain the language support of COTS Software products.
 - m) Create and manage SAP logon groups in a multi-tiered production environment to facilitate load balancing;
 - n) Create and maintain SAP router connections;
 - o) Verify COTS Software instances are installed under the appropriate Client license agreements.
 - p) Establish and maintain the security configuration for COTS Software products including the length of passwords, the frequency of required password changes, and the type of characters required in a password, as instructed by Client.
 - q) Provide security support at the JDEE, Java and NetWeaver level as needed.
3. Manage SAP printing functions, which includes:
- a) Maintain the procedure for adding, deleting and changing printer definitions in the SAP systems;
 - b) Create and maintain printer definitions in the SAP systems in accordance with the standard procedure;
 - c) Manage SAP print queues.
 - d) Resolve Incidents and Problems involving printing from SAP Software.

4. Manage and control systems-related changes within the landscape (including all environments and SAP Software components), which includes:
 - a) Perform SAP system copies, builds and refreshes as requested by an authorized Client representative in accordance with the OPM;
 - b) Migrate Basis-level configuration changes, upgrades and patches throughout the landscape to maintain consistent profiles of each SAP Software component across the landscape at a pace and schedule approved by an authorized Client representative;
 - c) Analyse and clean-up SAP system files (e.g., /usr/sap/trans, log files, ABAP short dumps) as required;
 - d) Manage lock and update records;
 - e) Create SAP clients and perform SAP client administration (e.g., copies, refreshes, exports, imports and deletes).
 - f) Establish, schedule, and process Basis administrative batch jobs.
5. Perform J2EE systems administration.
6. Monitor, support and confirm system and database backups and restores for the SAP Software and Bolt-On Software.
7. Monitor, support and validate disaster recovery plans, tests and executions.
8. Schedule and coordinate production readiness reviews with SAP AG (e.g., SAP AG's Early Watch and Go-Live programs).

5.3 SAP Transport Management

Supplier's responsibilities with respect to managing the promotion of SAP software changes throughout the landscape include the following:

1. Review existing Client transport management methods, tools and procedures.
2. Recommend any changes deemed necessary for the landscape for Client's approval.
3. Implement SAP Software changes in adherence to this standard process, unless otherwise agreed by Client.
4. Install and maintain the agreed transport management tools.
5. Configure and maintain SAP transport paths and automated scripts.
6. Promote changes throughout the landscape in accordance with a disciplined and controlled client/instance environment strategy. In addition,
 - a) Require authorization, according to Client-approved guidelines, prior to executing any transport;
 - b) Restrict the ability to promote changes to authorized members of the Basis support team.
 - c) Batch and move transports, other than Priority Levels 1 and 2, on a regular schedule with full back-out and failure recovery procedures in place in accordance with approved service levels, which includes:



- i. For transports between non-Production environments, migrate transports, in approved status, on a first-in/first-out basis, unless otherwise authorized by Client, and
- ii. For transports to Production, migrate approved transports in accordance with the Technology Change Management process;
- d) Execute all Synchs (from Production to Release environments and from Release to Production environments) as requested by an authorized Client representative;
- e) Report any failed transports to Client.
- f) Use both automated and manual methods as approved by Client.

5.4 GUI Deployment Management

Supplier's responsibilities related to managing the deployment of the SAP GUI include the following:

1. Create and maintain a centralized master GUI installation server such that Client is able to access and deploy a packaged image of the SAP GUI to the End Users.
2. Package the SAP GUI front-end and load it on such master GUI installation server.
 - a) Such packaging shall be in accordance with SAP AG's current recommended methodology for central storing, packaging and automatic deployment of the SAP GUI.
3. Provide release management services for the SAP GUI front-end by:
 - a) Provide change management services to keep the master GUI image current with new software patches;
 - b) Provide at least two (2) routine releases a year;
 - c) Advise Client on the availability of software patch releases for SAP GUI;
 - d) Provide an emergency release in mid-cycle if Client determines a critical software patch is required.
 - e) Communicate changes in the master GUI image to Client.
4. Provide train-the-trainer services to Client as necessary to reasonably transfer knowledge.

5.5 Application Monitoring

Unless otherwise agreed through the Change Control Procedures, the Application monitoring and support responsibilities listed in this Section shall apply to the environments.

Supplier's responsibilities associated with Application monitoring and support includes the following:

1. Monitor the resource utilization and processing workloads of the COTS Software including buffer usage, dialog steps, batch jobs, work process memory usage, system alerts, terminated updates, gateways, queues, spool performance, J2EE, batch data communication executions, Internet transaction server, etc.



2. Monitor interfaces to and from the COTS Software.
3. Monitor the resource utilization and processing workloads of the DBMS.
4. Monitor database workloads and performance.

5.6 Performance Data Collection

Unless otherwise agreed through the Change Control Procedures, the performance data collection responsibilities listed in this Section shall apply to the Production instances of the COTS Software only.

Supplier's responsibilities related to performance data collection include the following:

1. Utilize data collection routines for tracking resource consumption, to the extent provided by tools set forth in Attachment L to Exhibit 1 Software Assets or the base capabilities of the Application Software, including CPU, memory and disk space for the COTS Software and DBMS.
2. Utilize data collection routines for tracking workload statistics including user counts and transactions for the COTS Software and DBMS.
3. Execute the appropriate tools to gather performance indices and resolve performance degradation of the instances within the landscape as experienced and reported by Client or its third parties.
4. Collect and store workload and performance data of the COTS Software and DBMS for alerts, trending, demand forecasting and budgeting purposes.

5.7 Peripheral Systems Administration

This Section includes Supplier's responsibilities with respect to peripheral Applications that support the processing of the core Applications.

5.7.1 General

Supplier's general responsibilities with respect to peripheral Applications include the following:

1. Supplier shall provide technical administration and support for the non-SAP COTS Software (e.g., EIA) equivalent to the SAP-related systems architecture, engineering, systems administration and operations responsibilities identified in Sections 5.1 through 5.7, to the extent such responsibilities are applicable to the non-SAP COTS Software and Client's use of such Software.
2. Comply with Client's documented standard operating procedures for such non-SAP COTS Software set forth in the OPM.

5.7.2 EIA System Administration and Development Support

Supplier's responsibilities with respect to Enterprise Integration Architecture (EIA) system administration and development support include the following:

1. Provide 24 x 7 application break/fix support and system administration for the EIA application environment, including all EDI interfaces into and out of the Applications.



2. Manage the EIA system operations, which includes:
 - a) Manage system logs;
 - b) Monitor business process threads;
 - c) Monitor messages;
 - d) Review system information;
 - e) Monitor node status.
 - f) Manage system recovery.
3. Manage system performance, which includes:
 - a) Define performance concepts;
 - b) Develop and maintain a performance tuning methodology;
 - c) Collect and manage performance statistics.
 - d) Diagnose, correct and document slow system issues.
4. Tune the Software for optimum performance, which includes:
 - a) Develop and maintain a scheduling policy;
 - b) Configure the Software to capture diagnostics data and improve availability, stability, capacity and performance.
 - c) Change advanced file transfer settings.
 - d) Resolve cache issues and memory issues.
5. Resolve failed or degraded business process issues and recommend actions to improve business process issue resolution time.
6. Resolve database issues, which includes:
 - a) Correct failed database connection requests;
 - b) Track JDBC connections.
 - c) Research database maintenance availability;
 - d) Track and analyse database statistics.
7. Control system security, which includes managing role-based security, permissions, groups, password policies, and user accounts.
8. Perform archiving and purging activities, which includes:
 - a) Archive business process data in accordance with Client's documented requirements.
 - b) Configure archive settings.
 - c) Execute archive processes.
9. Support perimeter servers, which includes:
 - a) Configure perimeter servers.
 - b) Modify business processes and adapters.



6.0 DATA CENTRE SERVICES MANAGEMENT

Supplier is responsible for the Services set forth in Common Exhibit 2.1 Cross-Functional Services (General), and Common Exhibit 2.2 Cross-Functional Services (ITO) to the extent such Services are applicable to the Data Centre Services.

This Section includes Supplier's additional management responsibilities in managing the Data Centre Services across data centre technology platform and Infrastructure-related functions.

6.1 IT Service Management

6.1.1 Incident and Problem Management

Supplier's responsibilities with respect to Incident Management and Problem Management include the following:

1. Provides Second Level and Third Level technical support.
2. Analyse Infrastructure Operations problem trends to proactive recommend solutions to recurring problems.
3. Manage the escalation process for escalated Infrastructure Operations problems.
4. Identify key personnel in the escalation process.
5. Open Incident tickets with the Service Desk on End Users' behalf for Incidents identified proactively by the technical support staff prior to End User awareness.
6. Update Incident tickets with diagnostics and resolution information.
7. Recommend, and design, with Client's assistance, deploy and support Incident and Problem Management in accordance with Client approved standards as defined in of the OPM.
8. Manage technical computing hardware and software maintenance:
 - a) Work with hardware and software vendors and co-ordinate the installation, upgrade and maintenance of hardware and software.
 - b) Monitor, as per agreed-to problem management procedures, vendors' service and performance quality on equipment and software.
9. Manage and administer corrective maintenance and repair, (warranty and non-warranty repairs) including the provision and or acquisition of parts, on behalf of Client, that are necessary to resolve hardware failures. Take necessary actions to repair the system, peripherals and/or components to working order.
10. Maintain the records necessary to support warranty repair service for equipment and software and provide maintenance services so as not to void the warranty status.
11. Perform problem identification and problem management and problem resolution for hardware and software maintenance services.
12. Manage hardware and software maintenance vendor relationships.
13. Coordinate the installation, upgrade and maintenance of hardware and software.
14. Follow Client escalation procedures as defined in the Schedule 9.1 (Governance).



15. Monitor software vendors' communication facilities made available to Supplier for updates, patches and fixes.

6.1.2 Technology Change Management

Technology Change Management activities include acceptance, classification, assessment and planning, coordination and evaluation.

Supplier's responsibilities with respect to Technology Change Management include the following:

1. Develop and maintain Technology Change Management processes and measures that facilitate timely and controlled change.
2. Accommodate appropriate business notice periods and maintain appropriate business representation.
3. Utilize standard methods and techniques for efficient handling of changes, so that change related problems are prevented.
4. Recommend, and design, with Client's assistance.
5. Deploy and support services in accordance with jointly defined Client standards as defined in the OPM.
6. Manage the storage of authorized software in both the server and on the client desktop.
7. Determine a release strategy and control and co-ordinate the release of software into the production environment.
8. Assess and regulate the deployment and use of software, which may adversely impact the Client infrastructure or any of its components.
9. Operate and administer Supplier processes and support tools as required.
10. Develop and confirm operational readiness assessments.
11. Perform vendor upgrades and patches.
12. Distribute software upgrades, patches, and new Applications to servers consistent with prevailing Client technology, architecture and standards.
13. Installation, configuration, and support of client software required to use the selected Client standard software that provides network connectivity.
14. Acquisition and/or development, deployment and maintenance of software and other automated tools that Supplier may elect to implement to operate and administer infrastructure Services for Client.
15. Notify Client upon detection of suspected license violations of software.
16. Maintain a documented process for the promotion of Projects from build to production.
 - a) This process shall address the requirements that the Application development domain has provided including documentation, training and schedules for the Infrastructure Operations domain to support the Application.



- b) Verify and validate upon request that the process is followed.
- 17. Provide process, deliverables and documentation to Client upon their request for the Services.
- 18. Schedule changes and conduct an operational readiness review meeting for changes or Projects that are conducted by a third party service provider, once the Project is ready for production.

6.1.3 Availability Management

Supplier's responsibilities with respect to availability management include the following:

- 1. Manage on-going in scope hardware and software operational maintenance and provide purchasing recommendations in accordance with the OPM.
- 2. Maintain server and related equipment per vendor provided guidelines (does not include LAN/WAN equipment that are supported by Client Telecom).
- 3. Monitor vendor's service and performance quality on in scope equipment.
- 4. Monitor error log and take corrective actions.
- 5. Recommend design changes for improved availability.
- 6. Plan for, monitor and control the availability of infrastructure Services.

6.1.4 Capacity Management

Supplier's responsibilities with respect to capacity management include the following:

- 1. Provide advice and support to Client in the development of the annual demand forecast.
- 2. Operate and administer the Capacity and Performance Management function, which includes:
 - a) Maintain and update such processes by monitoring, refinement, and problem management.
 - b) Proactive and reactive service re-design efforts that are considered "maintenance" by Client and which do not require Client funding or approval.
- 3. Forecast workload and performance trends.
- 4. Operate and administer processes and support/reporting tools required.
- 5. Notify Client of capacity and performance issues.
- 6. Participate in LAN/WAN capacity and performance management with Client Telecom or third parties.
- 7. Develop recommendations for increased capacity and submit to Client to allow for acquisition of adequate IT capacity.
- 8. Use existing capacity in a cost-effective way, which is matched to the needs of the supported business.



9. Identify and recommend opportunities to leverage available server and storage capacity to meet increased capacity requirements without adding or upgrading server and storage capacity.
10. Maintain design specifications, operating practices, and Infrastructure policies used to provide Capacity and Performance Management Services.
11. Perform capacity planning and monitor for database management systems at the systems/instance or subsystems level.
12. Provide yearly cost planning estimates during the Client budget cycle for changes to Data Centre Services as a result of capacity and performance trends and implemented Projects.

6.1.5 Performance Monitoring

Supplier's responsibilities with respect to performance monitoring and tuning include the following:

1. Provide direction for performance monitoring and tuning tools.
2. Acquire and/or develop, deploy and maintain software and other automated tools that Supplier may elect, subject to Client's approval, to implement to operate and administer the Data Centre Services.
3. Provide performance monitoring and tuning services for all in scope equipment and systems.
4. Report utilization, tuning for server and storage performance.
5. Identify, correct and report processing slowdowns, malfunctions and abnormalities.
6. Leverage available server and storage capacity to improve performance.
7. Verify that equipment resources are effectively balanced.
8. Install tools/products to improve the delivery of the server and storage services.
9. Identify opportunities to reduce costs and/or improve server and storage performance.
10. Identify requirements and provide input for server and storage upgrades and other configuration design changes, and coordinate these changes through Technology Change Management.
11. Manage emergency systems maintenance, in accordance with procedures established, to avoid disruptions to Client's normal business processes and services.
12. Provide on-call support for the performance monitoring tool.
13. Develop and maintain performance monitoring strategies and architecture with supporting documentation.
14. Define, test, maintain and installing performance monitoring rules with Client approval.
15. Perform monitoring of server and storage hardware, operating systems, and Supplier provided LAN network switches at the Supplier Service Locations.



16. Perform monitoring of applications identified in Attachment G to Exhibit 1 (Application Portfolio).
17. Provide a real-time dashboard or extracts of the data for server and storage performance for use by Client IT personnel.

6.1.6 Configuration Management

Supplier's responsibilities with respect to configuration management include the following:

1. Document and maintain Client's Data Centre Services configurations strategies, architectures and standards that have been awarded to Supplier.
2. Adhere to Client's Data Centre Services configurations strategies, architectures and standards.

6.1.7 Security Management

Supplier's responsibilities with respect to security management include the following:

1. Adhere to Client's IT security policies as specified in Schedule 9.1 (Governance) and procedures.
2. Adheres to Client's IT security procedures for logical set-up of server access with input and assistance from Client as appropriate.
3. Maintain the integrity of the Client environment by developing and supporting Infrastructure processes, services and components supporting Client security policies.
4. Support security management services including:
 - a) Reporting security incidents observed by Supplier.
 - b) Incident resolution and escalation.
5. Maintain virus and malware checking software and processes for all servers and data centre workstations.
6. React to and resolve security incidents caused by viruses, hardware and software failures, or external parties, subject to:
 - a) Notify Client regarding any security incidents caused by external parties.
 - b) Assist Client in reacting to and resolving any external party caused security incident.
7. Provide Client Security Operations copies from Supplier reports as requested, e.g., inactive accounts, IP addresses of servers, domain names.
8. Report on and rectify security incidents or audit reports that identify gaps in security.
9. Perform systems administration of files and resources for financial and administrative servers.
10. Take corrective actions as required based on Client Security Operations' direction.
11. Escalate problems to Client Security Operations.



12. Ensure access to Client systems is available for monitoring of specific security incidents and security breaches.
13. Implement or configure server virus scanning capabilities on all servers.
14. Proactively check sites and download and apply patches as provided by vendor as per the vulnerability management process.
15. Verify security policy compliance, which includes:
 - a) Design and deploy a Client-approved security policy verification process.
 - b) License, if required, install and operate security policy verification software with Client's review and approval.
16. Keep software at current security maintenance levels, which includes:
 - a) Monitor the availability of software updates associated with high-severity security advisories applicable to the Equipment and Software;
 - b) Implement security software updates in accordance with the Technology Change Management procedures;
 - c) Maintain records to demonstrate such software updates are performed within the CMDB.
 - d) Scan the CMDB to verify the currency of security patch levels at least once every twelve (12) months.
17. Establish and use technologies and practices to monitor and remediate malware within Client's processing environment at the Supplier data centres.
18. Restrict physical access to Client's network entry point, Equipment and Client Data to authorized Supplier personnel, which includes:
 - a) Establish and maintain formal requisitioning and approval process for such access rights.
 - b) Monitor and report such access rights to Client monthly.
19. Provide environmental protection for storage media by storing such media in a safe, encrypted, and secure environment, in accordance with manufacturer specifications and data classifications.
20. Establish and retain security logs in accordance with the following standards:
 - a) Log Client-authorized third party access to Client's allocated space and the Equipment;
 - b) Log security relevant events, including login failures, use of privileged accounts, changes to access models or file permissions, modification to installed software, or the operating system, changes to user permissions, or privileges or use of any privileged system function.
 - c) Provide security event logs in approved formats to the Client's Security Event Management System.
 - d) Restrict access to security logs to persons authorized by the Client.
 - e) Synchronize system clocks to an agreed standard to align the timing among various audit logs.



- f) Retain privileged user access logs for no less than ninety (90) days and other security logs for no less than sixty (60) days.

- 21. Reporting security incidents to Client as soon as reasonably possible.
- 22. Detect and correct network security issues within and between the Supplier data centres, as necessary and as approved and directed by the Client.
- 23. Implementing policy/routing network security changes as required by Client, as necessary.
- 24. Assisting in troubleshooting Application problems related to network access controls.
- 25. Assist Client's handling of network security incidents.

6.1.8 Security Administration

The Parties acknowledge that Supplier's responsibilities related to security administration refer to user accounts required for the System Software or DBMS, and they do not include security administration associated with the Client Applications or network services.

Supplier's responsibilities related to security administration include the following:

- 1. Provide logical access controls to system resources as approved by Client.
- 2. Support End User access to all IT services, which includes:
 - a) Work with Client to establish and maintain an integrated End User authentication and authorization process.
 - b) Execute the approved End User authentication and authorization process to establish in-scope access rights to authorized End Users.
- 3. Provide Level 2 and Level 3 support for issues related to End User authentication and authorization.

6.1.9 Service Continuity Management

Supplier's responsibilities with respect to Business Continuity and Disaster Recovery include the following:

- 1. Develop and maintain the Supplier Business Continuity Plan(s), as defined in Part 6A – Attachment D to the Common Exhibit 2.2 – Cross Functional Services (ITO), and Supplier Disaster Recovery Plan(s), as defined in Part 6A – Attachment B to the Common Exhibit 2.2 – Cross Functional Services (ITO), with Client's assistance.
- 2. Develop, maintain and test business continuity and disaster recovery plans and documentation for all Services.
- 3. Develop, maintain and test business continuity and disaster recovery plans and documentation for other services, at Client's request.
- 4. Identify time-scales within which the service(s) must be re-started and perform a Supplier Business Impact Assessment as defined in Part 6A – Attachment C to the Common Exhibit 2.2 – Cross Functional Services (ITO).
- 5. Follow the disaster declaration process in accordance with Schedule 9.1 (Governance).



6. Execute the recovery after a disaster is declared, based on the approved Supplier Disaster Recovery Plan(s) as defined in Part 6A – Attachment B to the Common Exhibit 2.2 –Cross Functional Services (ITO).
7. Perform disaster risk assessment and mitigation options in light of the Client Business Impact Assessment, with Client's assistance, which includes:
 - a) Identify threats and vulnerabilities and conduct risk assessment;
 - b) Propose risk reduction procedures and preventative measures;
 - c) Provide guidance on preventing incidents from becoming disasters;
 - d) Propose alternative measures;
 - e) Identify cost justifiable recovery options.
 - f) Provide guidance on declaring a disaster and invoking the contingency plan.
8. Conduct testing of the Supplier Business Continuity Plan(s), as defined in Part 6A – Attachment D to the Common Exhibit 2.2 – Cross Functional Services (ITO), and Supplier Disaster Recovery Plan(s), as defined in Part 6A – Attachment B to the Common Exhibit 2.2 – Cross Functional Services (ITO), at Client request.
9. Report details of changes and updates to the plan, as a result of DR testing.
10. Redeploy and or align existing resource levels to provide disaster recovery Services.
11. Maintain the specific technical elements for Supplier's portion of the Client DR Plan.
12. Complete a successful test of the Supplier Disaster Recovery Plan(s) as defined in Part 6A – Attachment B to the Common Exhibit 2.2 –Cross Functional Services (ITO) once (1) per year or as warranted by business and/or technical changes.
13. Schedule disaster recovery tests in conjunction with Client and include Client as an observer and participant in such tests.
14. Provide the Client with an exercise results document for each disaster recovery test.
15. Report disasters (or potential disasters) to Client immediately upon identification based on parameters defined in the Client DR Plan and consult with Client for an official declaration of a disaster as appropriate.
16. Notify Client of situations that may escalate to disasters based on parameters defined in Supplier Disaster Recovery Plan(s) as defined in Part 6A – Attachment B to the Common Exhibit 2.2 –Cross Functional Services (ITO) Plan.
17. Execute the Supplier Disaster Recovery Plan(s) as defined in Part 6A – Attachment B to the Common Exhibit 2.2 –Cross Functional Services (ITO) including the restoration of normal Services at a time agreed to by Client.
18. Conduct a post-disaster meeting with Client in order to understand the cause of the disaster and develop plans to eliminate or mitigate future occurrences.
19. Report such findings to the Client Conitnuity Services Manager within thirty (30) days of Service restoration.



6.2 Standard Service Requests

Supplier's responsibilities with respect to standard Service Requests include the following:

1. Process standard Service Requests, which are facilitated and managed through the Service Desk, as End User IMAC-type requests for:
 - a) Network naming and addressing services;
 - b) Client remote dial access services;
 - c) Print services;
 - d) File services;
 - e) Messaging services;
 - f) Batch scheduling services.
 - g) Shared workgroup service.
 - h) Provide technical support for end-user problems including:
 - i) Workgroup printing resources;
 - j) Client VPN and 3rd party VPN requests
 - k) Client WebEx and audio conferencing requests
 - l) Client Wi-Fi access requests

6.3 Data Centre Facility Management

6.3.1 Client Requirements

The Services shall meet the minimum requirements for the data centre facilities outlined in this Section.

1. Number
 - a) Two facilities – one for production and one for non-production and disaster recovery;
2. Location
 - a) Based in Ontario
 - b) Supplied with electrical power from distinct power grids;
 - c) Are located away from a hurricane, flood, or earthquake prone area;
 - d) Have at least two (2) physically diverse telecom entry points and network POPs available to each Supplier data centre and have a minimum of two distinct carrier entrances into the facility.
 - e) Provide two (2) physically diverse paths for network connectivity between the two (2) network entry points and Supplier's raised floor space dedicated to Client's processing environment.
3. Safety and Security
 - a) Locate the Equipment in a physically secure facility with badge access;



- b) Restrict and allow badge access to the data centre room(s) housing the Equipment and Client Data to individuals directly performing or providing necessary support to the Services;
- c) Review and update authorized access lists to the data centre at least on a quarterly basis;
- d) Require a satisfactory background check for all data centre personnel;
- e) Maintain one or more posted guards on a 24x7 basis for access and egress;
- f) Log all physical access to the data centre and log any unauthorized access as detected;
- g) Design and maintain the following security procedures:
 - i. Man traps for access/egress to data centre,
 - ii. Guests sign-in and out and are escorted,
 - iii. Card reader access to entrance, and
 - iv. Video images of physical access digitally recorded and retained for at least sixty (60) days;

4. Site Infrastructure

- a) Two data centre sites
 - i. One of which must be a Tier 3 or better facility providing for concurrent maintenance of electrical systems (generator, UPS, switchgear, etc.) and HVAC (chillers, compressors, pumps, piping, etc.);
 - ii. One of which must be a Tier 2 or better facility.
- b) Redundant, diverse, high-bandwidth telecommunication access, as further detailed in Section 4.3;
- c) Electrical generators and UPS able to provide electrical power for a minimum of three (3) days;
- d) Backup water supply or onsite storage for a minimum of three (3) days;
- e) Fire detection system;
- f) Fire extinguishing system;
- g) Policies prohibiting any combustible materials (e.g., shipping boxes and pallets) in raised floor areas;
- h) Water detection system under any raised floor;
- i) Redundant power and cooling capacity of no less than [200 watts (probably dated)] per square foot.
- j) Raised floor power and cooling available 100% of the time.



6.3.2 Services

Supplier's responsibilities with respect to facility management of Supplier's a data centre performing the Services include the following:

1. Establish and document facilities management policies.
2. Notify Client of changes to Supplier data centre(s) facilities management policies.
3. Adhere to Supplier security policies and communicate known exceptions as identified, with respect to security access, and enable site access for Client personnel. Client agrees to adhere to Supplier security policies when accessing a Supplier data centres.
4. Control physical access to facilities in accordance with industry practice for a secure, hardened facility.
5. Process requests for access to Supplier facilities, determine level of access needed, and grant access(s) with appropriate approvals.
6. Conduct periodic audits of security accesses granted in respect of Supplier facilities, and furnish results to auditors as required.
7. Conduct security reviews of Supplier facilities.
8. Operate and support Client hardware, software and systems at Supplier data centre(s) equipped with adequate and technologically current facilities infrastructure and that are consistent with secure, hardened data centre facilities.
9. Test the operation and failover of Supplier data centre contingency systems (i.e. UPS, electrical generators) and report results to Client.
10. Manage space requirements to meet Client Infrastructure Operations requirements.
11. Perform all data centre facilities changes subject to Client Technology Change Management Procedures and prior Client approval.
12. Monitor and advise Client on facility resource constraints, evaluate alternatives and recommend changes to Client.
13. Coordinate the installation, upgrade and maintenance of equipment with the appropriate vendors.
14. Specify design requirements for the maintenance of the current infrastructure for the site floor plan, placement of computer hardware, cables and layouts.

6.4 Equipment and Systems Software

6.4.1 Installation and Maintenance

Supplier's responsibilities with respect to the installation and maintenance of Equipment and Systems Software include the following:

1. Coordinate the installation, upgrade and maintenance of hardware and software.
2. Apply vendor software patches and upgrades as required.
3. Install, configure, and support client software required to provide Internet Services and E-mail Services.



4. Notify Client upon detection of suspected license violations of software.
5. Provide on-going hardware and software operational support activities.
6. Perform problem identification and problem management and problem resolution for hardware and software maintenance services.
7. Manage hardware and software maintenance, which includes:
 - a) Work with hardware and software vendors and coordinate the installation, upgrade and maintenance of hardware and software;
 - b) Monitor, as per agreed-to incident and problem management procedures, vendors' service and performance quality on equipment and software;
 - c) Monitor vendors' service and performance quality on equipment and software.
 - d) Manage hardware and software maintenance vendor relationships.
8. Manage and administer corrective maintenance and repair (warranty and non-warranty repairs), which includes:
 - a) Provision of parts, on behalf of Client, that are necessary to resolve hardware failure.
 - b) Take necessary actions to repair the system, peripheral, or component to working order.
 - c) Use spares and hot-swap equipment as necessary.
9. Maintain, update and report on the database of hardware and software maintenance contracts and warranties.
10. Maintain the records necessary to support warranty repair service for storage equipment and software and provide maintenance services so as not to void the warranty status.

6.4.2 Platform Integration Testing

Supplier's responsibilities with respect to testing the installation and maintenance of Equipment and Systems Software include the following:

1. Develop test completion criteria and objectives.
2. Perform integration and regression testing of supported infrastructure components.
3. Maintain and archive platform integration test results, including operational support documentation for the new hardware and/or software system.
4. Maintain and update platform integration test reports, which, at a minimum, include the following details:
 - a) Platform integration analysis - interoperability assessment and recommendation of integration with current Client standard hardware and software.
 - b) Platform implementation design.
 - c) Platform installation and configuration instructions.



- d) Operational service delivery model and documentation as necessary - linkages to support organizations and operational support roles, responsibilities, and service delivery parameters.
5. Perform the maintenance, operation, and administration for the commissioned platform integration testing environments.

7.0 SERVICE DESK

The Service Desk provides the End User interface to the functional areas of IT support whereby End Users report problems and submit information requests and Service Requests (including access). The Service Desk provides Incident Management, Problem Management and Technology Change Management Services to End Users of IT Services. The Service Desk provides the call management infrastructure as well as the Incident, Problem and Technology Change Management systems used to support the Incident, Problem and Technology Change Management requirements across the ITO domain. The Service Desk provides management information to stakeholders and to other support groups. The availability and reliability of the Services provided within this domain are integral to the business operations of Client and need to be closely aligned with Client's business objectives. In particular, these services need to be reliable and responsive to business demand.

This Section includes Supplier's contact management, Incident and Problem management, Standard Order management and other responsibilities directly associated with the Service Desk.

7.1 Contact Management

Supplier's responsibilities related to Service Desk contact management include the following:

1. Provide a single point of contact to the End User who contacts the Service Desk via phone, email or chat, on a reactive basis, for IT Services including Desktop Services, Data Centre Services, and Application Development, Network Services, and Maintenance Services.
2. Provide a point of contact for LAN/WAN calls, including incidents, Standard Order Requests, and Service Requests.
3. Using and implementing the capability for Authorized Users to submit Contacts via phone, electronic mail, online chat and/or a secure Website; also continuously educating Authorized Users on the use of such media.
4. Maintain ACD menu content including user-friendly menu selection options for Services and outage notifications.
5. Maintain intranet browser based current and historical outage notifications.
6. Maintain application support database mapping teams to applications.
7. Evaluate and recommend methods for reducing call volumes.
8. Provide support to End Users on both a reactive and a proactive basis.



9. Manage Incidents from End Users in conformance with Incident Management as set forth in Common Exhibit 2.1 Cross-Functional Services (General), and Common Exhibit 2.2 Cross-Functional Services (ITO).
10. Manage Standard Orders and Service Requests from End Users relating to IT services in conformance with Service Fulfilment and Change Management as set forth in in Common Exhibit 2.1 Cross-Functional Services (General), and Common Exhibit 2.2 Cross-Functional Services (ITO).
11. Manage access requests from End Users relating to all IT Services in conformance with Access Management as set forth in , Common Exhibit 2.1 Cross-Functional Services (General), and Common Exhibit 2.2 Cross-Functional Services (ITO)
12. Communicate to End Users in English using terms that are clearly understood by the End Users and consistent with those used by Client.
 - a) Have suitable service management skills and understanding of the ITIL delivery framework.
 - b) Possess the appropriate competencies, including verbal and written communication skills, to provide Client End User services.
13. Seamlessly integrate the Service Desk — including tools, interfaces, technology and processes — with the Service Desk(s) or Level 2 Support organizations of third-party suppliers providing services to Client.
14. Provide a Service Desk with service management processes that conform to ITIL and Customer standards, which includes:
 - a) Provide Service Desk Services in accordance with the time periods set forth in Attachment H – Hours of Operation.
 - b) Locate the Service Desk in an off-site location from Client (approved by Client), except for periods where:
 - i. Calls are overflowed to a different Service Desk location for after hour coverage as set forth in Attachment H – Hours of Operation, or
 - ii. Calls are overflowed to a different Service Desk location to handle major outages or Business Releases.
 - c) Calls that overflow to a different Service Desk location are handled by Service Desk personnel who have been trained and are knowledgeable on the Client Environment.
 - d) Provide Service Desk personnel that are dedicated to Client and are not supplying services to multiple Clients of the Supplier, except in call-overflow situations, or in the Business Continuity Plan, or in the Disaster Recovery Plan set forth in Common Exhibit 2.1 Cross-Functional Services (General), and Common Exhibit 2.2 Cross-Functional Services (ITO)
 - e) Where more than one Site is proposed for the delivery of Service Desk Services, any switching between the Sites must be transparent to callers to the Service Desk.
 - f) Provide Supplier Service Desk personnel that:



- i. Understand Client's Business and its Business Customers and respond appropriately.
 - ii. Understand Client's technology, applications, and sourcing arrangements.
 - iii. Are adequately trained to provide support for the Services.
 - iv. Possess the appropriate competencies to provide Service Desk Services.
 - v. Have adequate training on new products and services, as they become part of Supplier's responsibilities from time to time.
 - vi. Are provided support tools with relevant role based access whenever available to directly support users.
- g) Provide a single, local (in-country) telephone number for external telephone calls to the Service Desk from End Users.
- h) Effectively implement and support End Users who submit Incidents via electronic mail, facsimile, a secure Web site, or other means approved by Client. Continuously educate End Users on the use of such media.
- i) Enable users to utilize a Supplier's Self-Service portal, or its equivalent, to:
- i. Provide a role-based functionality in order to supply Authorised Users with access to those self-service portal functions applicable to their authority level, as defined by Client.
 - ii. interface directly with the Suppliers ticketing tool, whether it be to create tickets, close their own tickets, update tickets, re-open tickets or to check the status of a ticket
 - iii. Enable users to view the status of their CI's (H/W and S/W) in the ticketing tool CMDB
 - iv. Provide discussion forum based internally hosted site administered by the Supplier and allowing access to discussions by Supplier staff and Client staff for support discussions.
 - v. Provide Authorised Users with the ability to:
 - 1. Request password resets;
 - 2. Submit and perform lookups of incident and service request submissions;
 - 3. Access the user knowledgebase via a search capability;
 - 4. Access frequently asked questions (FAQs), known errors, workarounds and current 'hot topics';
 - 5. Access information on changes and outages;
 - 6. Order hardware from the approved technical service catalogues and business service catalogues;
 - 7. Order software from the approved technical service catalogues and business service catalogues;

8. Order other pre-approved products;
 9. Request authorised user account management (creation / deletion, password reset);
 10. Request changes to security permissions;
 11. Perform ad-hoc reporting from the CMS and other integrated supplier maintained databases (such as capacity management, security, service level and other databases); and
 12. Request IMACS (of all types).
- vi. Provide and maintain the self-service portal application and infrastructure;
 - vii. Provide the agreed features and functionality of the self-service portal;
 - viii. Define the standards for the addition of content to the self-service portal;
 - ix. Validate the currency of self-service portal content and published material; and
 1. Validate the inclusion of all client-approved technical service catalogue and business service catalogue items in the integrated supplier catalogues available through the self-service portal
- j) Provide and continuously update a list of frequently asked questions (FAQs) in self-service portal regarding the Services, which includes:
- i. Publish answers to the FAQs using a media that is efficient, easy to use, and easily accessible for End Users, as well as subject to approval by Client,
 - ii. Compile lists of FAQs where recommended solutions can be made available to End Users to increase End Users' ability to resolve Incidents, which includes:
 1. Publish FAQ lists for Client, and
 2. Provide FAQs in a format that can easily be published on Client's internal systems and the SKMS, and
 - iii. Track the use of the FAQs and report usage statistics to Client on a monthly basis, or as requested by Client.
15. Identify potential End Users' training requirements (e.g., basic skills in Microsoft Windows), and provide Knowledge Management recommendations for training actions to Client End Users.
16. Conduct random surveys of End Users immediately after they have used the Service Desk, and report the results to Client each month. Monthly surveys must include a minimum survey sample of ten percent (10%) of the Incidents reported.
17. Analyse Incident trends, and recommend and implement actions, with Client's approval, to reduce Incidents, which includes:

- a) Increase the Availability of self-help capability, such as through providing on-line FAQs and help documentation for common issues across Service Desks.
 - b) Keep End Users regularly updated with Alerts advising of any new or changed information.
 - c) Collate Incident information from End Users regarding suggested improvements to the Supplier's Service.
 - d) Develop an action plan on a quarterly basis to address suggested improvements.
 - e) Review the action plan for Client's approval.
 - f) Report on progress and improvements made.
18. Provide updates back to the affected End User regarding the reported Incident.
19. Subject to Client's review and approval, develop and update Incident and Problem escalation procedures, and distribute such procedures to designated End Users.
20. Develop, document, and support/execute processes regarding interfaces, interaction, and responsibilities between Level 1 Support personnel, Level 2 Support personnel, and any other internal or external persons or entities that may either submit an Incident or receive an Incident.
21. Provide and maintain instructions for End Users to access the Services, especially for access to Services provided by on-site Supplier personnel, which includes:
- a) Make such instructions available to End Users via various media.
 - b) Obtain media approval from Client.
 - c) Such media may include regular internal newsletter distribution, access via the Client Intranet, or inclusion in Client staff induction training, etc.
22. Update the CMDB/CMS in cooperation with Service Asset and Configuration Management.
23. Update the CMDB with the results of all support and IMAC processes
24. Update the SKMS in cooperation with Knowledge Management.
25. Provide VIP or Executive Support, which includes:
- a) Provide 2 FTE to provide VIP or Executive Support at the Client's [REDACTED]
 - b) Provide VIP or Executive service as agreed and set forth in the OPM.
 - c) Allow Client to identify, at its sole discretion, VIP or Executive End Users who will require VIP or Executive support services.
 - d) Notify Desktop Services to provide on-site support when required or as requested by the VIP or Executive End User.
 - e) Verify that Incidents to the Service Desk from VIP or Executive End Users are recognized as such at the receipt of the Incident to provide VIP or Executive Users immediate response from the Service Desk.



7.2 Incident Management

Supplier's responsibilities with respect to Incident Management include the following:

1. Create call tickets for contacts received as calls, emails, voice messages and self-serve automated requests.
2. Verify accuracy of End User configuration information on each contact.
3. Classify calls into Incidents, Standard Order Requests or Service Requests.
4. Provide status message for customers calling into the Service Desk regarding known Incident / Problem status, resolution and outages (ACD menu update).
5. Provide status message on the Supplier-hosted Service Desk intranet web page regarding known incident/problem status, resolution and outages.
6. Conduct Service Desk customer satisfaction surveys of selected End Users following contacts by those End Users ("trailer surveys") and report results.
7. Perform Level 1 call assessment and assign Priority Level.
8. Perform problem determination, recovery and resolution where appropriate (Level 1 Support).
9. Classify Incidents as Problems based on Client-approved Problem guidelines (see Problem Management below).
10. Transfer unresolved Incidents (Problems) to the appropriate Level 2 or 3 support staff.
11. Close call tickets when resolved and communicate resolution to requestor.

7.3 Problem Management

Supplier's responsibilities with respect to Problem Management include the following:

1. Provide Client communications (notification to Client regarding Incident and Problem status, resolution and outages).
2. Monitor Incident and Problem resolution activities to time criteria and escalate problem in accordance with established escalation procedures as defined in the OPM.
3. Allow end users to user process quickly joint trending incidents / new problems for impact metrics.

7.4 Technology Change Management)

Supplier's responsibilities with respect to Technology Change Management include the following:

1. Create Change tickets for Client requests requiring a Change.

7.5 Standard Order Management

Supplier's responsibilities with respect to Standard Order management include the following:



1. Monitor and operate smart contextual web form system (and front end, if necessary) and other channels for receipt of Standard Orders, including:
 - Hardware and software procurement requests.
 - Infrastructure Operations, Desktop Support IMAC requests.
 - Telecom IMAC requests.
 - Security IDs and access requests.
2. Convert Standard Orders to Change requests or tickets as appropriate.
3. Forward requests to authorized Level 2 Support groups as appropriate for execution or approval.
4. Communicate status to End User upon request.
5. Provide configuration support to set up local printer drivers.

7.6 Business Telecom and Provincial Mobile Radio Service Desk

Supplier's responsibilities with respect to contacts related to business telecom services or mobile radio services include the following:

1. Request information for Incident / Problem tickets from third party vendors.
2. Provide Service Desk agents knowledgeable in business telecom and Provincial Mobile Radio Service, and perform contact management functions including:
 - a) Receive End User requests (via phone, email, chat, or web request).
 - b) Provide initial call support services (similar to Services described in Section 7.0 of this Exhibit).
 - c) Record requests as tickets in the Incident Management system.
 - d) Keep the End User informed of the status / progress of their request.
 - e) Perform initial assessment of requests and manage through to resolution.
 - f) Provide the End User with advance notification of requests that cannot be completed by Supplier in the standard service delivery time-frame.
 - g) Close tickets after confirming with the Client that their request has been resolved/ completed to their satisfaction.
3. Monitor performance and service quality provided by Client Telecom and third party telecom providers and report Incidents and open Problem tickets and route tickets as appropriate for Incident and Problem resolution.

7.7 Mobile Devices

Supplier's responsibilities with respect to Service Desk handling of mobile devices include the following:

1. Push Mobile Device Client Applications to End Users.
2. Direct End User with "how to" questions on Mobile Devices.
3. Perform password resets/recovery of Mobile Devices during normal Business Hours.



4. Grant membership to a group for software advertisement or access, subject to Client approval.
5. Perform end user mobile device provisioning.

7.8 Project Request

Supplier's responsibilities with respect to Service Desk handling of mobile devices include the following:

1. Subject to the approval of the Client provide a Project Request Fulfillment Tool including interfaces to for Cross-Supplier Project Request Fulfillment Tool and integration of applicable components (e.g., Software, Equipment, electronic mail, telephony, facsimile, Web technologies).

8.0 DESKTOP SERVICES

Desktop Services includes support for desktop, laptop, tablets, network printers, Blackberry / wireless email devices, Smartphone/air cards, and setup support for locally attached printers. Services include maintenance, problem diagnosis and resolution, and installs, moves, adds, and changes (IMACs) for desktop equipment, peripherals, software and connectivity.

This Section includes Supplier's responsibilities directly associated with the Desktop Services.

8.1 General Desktop Services

Supplier's general responsibilities with respect to the Desktop Services including the following:

1. Follow non-warranty procedures as defined in the OPM.
2. Manage proactive printer/plotter maintenance setups and maintenance including but not limited to toner/fusers/waste bottle/transfer belt/pick roller replacements and other non-paper related maintenance.
3. Provide Desktop Services for all Authorized Users.
4. Provide means and process to resource high volume IMACs (office moves, major deployments, one time project related activities), known as "Project IMACs".
5. Adhere to proactive printer standard procedures as set forth in the OPM including:
 - Proactive printer maintenance.
 - Desk-side schedule.
 - Pre-booking of visits.
 - Device handling.
6. Provide customer service training for desktside technicians at least on a yearly basis.



7. Perform facilities activities relating to departmental moves, relocations or decommissioning of Client sites as agreed through the Change Control procedures.
8. Perform proactive and reactive refresh activities as agreed through the Change Control Procedures.
9. Provide onsite support or dispatch of support specialists as necessary to provide End Users with operational and technical support and to meet specified Service Levels.
10. Coordinate activities with the Service Desk, and provide Level 2 and Level 3 Support to the Service Desk and/or End Users as necessary.
11. Resolve Incidents and Problems associated with EUS Equipment and Software, and provide break/fix support, advice, and assistance to End Users. The Supplier is ultimately responsible for resolving all Incidents and Problems associated with failure or degradation of Services related to EUC Equipment and Software.
12. Coordinate efforts with Third-Party service and maintenance providers as necessary to keep EUC Equipment and Software in good working order.
13. Perform proactive and reactive troubleshooting to effectively identify potential Incidents or Problems, and attempt to eliminate them before they occur.
14. Identify the scope of an Incident or a Problem, and provide operational and technical assistance to remedy the Incident or Problem.
15. When Supplier must replace Equipment and/or Software in order to conduct a repair, copy data and perform backups, except for unique requirements related to mobile access and support.
16. Assist End Users with support to enable the correct use of EUC Equipment and Software, as well as access to and use of related technologies and Services.
17. When End Users are connected (or attempting to connect) to the Client network, coordinate activities with other Supplier personnel or Third-Party Vendors in order to fulfill the following responsibilities:
 - a) Assist with access to LAN, print, and file services.
 - b) Assist with connection to Client's WAN.
 - c) Assist with access to the appropriate LAN segment.
 - d) Assist with electronic mail replication.
 - e) Assist with access to Applications.
18. Provide support for End Users who are traveling or remotely accessing LAN-based services or a non-connected site, including access to the Service Desk technical support, which includes:
 - a) Provide the ability for roaming Client End Users to seamlessly connect from all Client Sites.
 - b) Provide the ability for Client End Users to seamlessly use file and print services while moving in the Client environment.
 - c) Support and further develop a solution for self-service printer administration.



- d) Support and further develop a solution for data backup and data replication for mobile and remote End Users.
 - e) Provide Software updates in emergency situations to remote and mobile End Users (for example, Malware, security threats, etc.). The distribution of these Software updates to mobile End Users will be automatically executed during dial-up sessions into to Client's network.
 - f) Provide Software deployment and patch distribution for mobile and remote End Users in a timely fashion.
 - g) Support and further develop a solution for local data encryption for mobile and remote End Users.
 - h) Provide a process for replacement of stolen or damaged machines used by mobile End Users, including installation of End User-specific software portfolio and pre-loading of End User-specific databases.
 - i) Support and further develop a solution to protect machines that are directly connected to the Internet by use of a local firewall that meets or exceeds industry standards.
 - j) Deploy and support all standard applications in a mobile environment, as well as applications that require End User-specific databases (for example, CRM, etc.).
19. Provide repair and maintenance Services for mobile Equipment and Software utilized by mobile End Users (e.g., laptops, portable printers, etc.), which includes:
- a) Wherever possible, support and repair the defective unit using remote system management tools, in which corrective maintenance can be performed on an End User's machine via remote access to the unit by the Supplier.
 - b) Provide the tools to enable such remote access and support.
 - c) Supplier's responsibilities on a mail-in basis include the following:
 - i. Immediately upon determination that an Equipment or Software Incident cannot be fixed remotely and that the Incident is a Priority-1 level, send an entire spare unit (or peripheral, if possible) via overnight delivery to the End User and verify that any peripheral component that will be sent is compatible with the End User's unit,
 - ii. If an entire Equipment configuration needs to be sent, verify that the configuration is in accordance with Client's Standard Product configuration (including all authorized Software that has been recorded in the Asset Register for the defective unit),
 - iii. Provide support to the End User in order to enable the data to be copied, and send any necessary media that facilitates the copying of data along with the replacement. If possible, the End User will retain responsibility for copying data from the hard drive of the defective unit to the replacement unit,
 - iv. Enclose the necessary packing material and self-addressed mailing materials with the replacement unit, so that the End User can return



the malfunctioning unit to the Supplier via mail after the data has been copied from the malfunctioning unit to the replacement unit, and

- v. Upon repair of the malfunctioning unit, return the repaired unit to the End User for replacement and provide for and coordinate the return of the loaner/replacement equipment that was issued to the End User.

8.2 Installations, Moves, Adds and Changes

Supplier's responsibilities with respect to installations, moves, adds, and changes ("IMACs") in Client's desktop environment include the following:

1. Provide or oversee, as appropriate, all installations, de-installations, cascades, moves, adds, and Changes for all EUC Equipment, Software, and related Services at designated Client Sites.
2. Coordinate, plan, and schedule IMACs with all affected IT functions (whether the function is included within the Services provided by Supplier, as a Client-retained function, or a Third Party).
3. Coordinate all internal and external functions and activities to achieve high-quality execution of the IMACs, to meet Service Levels, and to minimize any operational interruption or disturbance to Client.

8.2.1 IMAC Pre-Execution

Supplier's responsibilities with respect to preparing for IMAC execution include the following:

1. Create and document the processes to enable IMAC execution for each Software and/or Equipment component, and obtain Client's approval for such processes and documentation.
2. Obtain from Client a list of individuals authorized to approve IMAC and Project IMAC Service Requests, including specific approval and authorization required for IMACs that include Changes to Software. This list may change from time to time and should be updated on a regular basis.
3. Receive IMAC related Service Requests from End Users and validate the IMAC request for correctness and proper authorization.
4. Communicate with End Users if there is any issue with an IMAC related Service Request.
5. Coordinate and communicate with designated Client personnel or other Third Parties, concerning scheduling and requirements so as to minimize the business impact on End Users.
6. Conduct or confirm a Site survey to determine the location(s) of the IMAC and any special requirements at the location(s), coordinate physical space requirements.
7. Confirm that all Equipment, Software, parts, Network, cabling, or any other services necessary to execute the IMAC will be available as of the date(s) scheduled for the IMAC.



8. Confirm the new and/or existing configuration of the Equipment and Software associated with performing the IMAC. Supplier will conform to configurations approved by Client.
9. Confirm the installation and/or de-installation procedures associated with performing the IMAC, including backup, contingency, and test procedures.
10. Coordinate the scheduling and dispatching of appropriate technicians, including Third-Party Vendors.
11. Place orders for the installation of network transport services, including LAN and WAN connectivity.
12. Track the progress of network transport orders and manage the installation prior to the IMAC, from order origination through final testing, implementation, and use.
13. Cancel network transport services that are no longer required after completing the IMAC.

8.2.2 IMAC Execution

Supplier's responsibilities with respect to IMAC execution include the following:

1. On receiving and verifying a valid IMAC Service Request, perform all necessary pre-work before an IMAC is executed.
2. Provide the necessary technical support to complete the IMAC, including onsite support as necessary.
3. Support Third-Party Vendors in the execution of IMACs, and coordinate such activities with the applicable designated Client personnel or Third-Party Vendors.
4. Perform any required backup procedures in accordance with Change Management guidelines.
5. De-install and re-install any existing Equipment, Software, or other related services as necessary to execute the IMAC.
6. Physically move Equipment, as required, related to a de-installation, an installation, a move, or a cascade.
7. Install Equipment and Software, including new Equipment and Software or upgrades. All installations and configurations will be performed according to standards and Change Management procedures.
8. Re-load data or back up files as necessary.
9. Set up security, file access, and other administrative procedures associated with the IMAC.
10. Connect Equipment to network facilities (for example, LAN and/or WAN connectivity).
11. Coordinate and install Changes to the cabling infrastructure for which Supplier is otherwise responsible hereunder.
12. Modify routing tables, add or delete protocols, and modify protocol prioritization schemes, as appropriate.



13. Update network configuration databases within the network management system, after completion of an IMAC, in accordance with the timeframes set forth in the Service Levels.
14. With respect to Changes in the network, obtain from Client a list of personnel authorized to issue Requests for Change (RFCs) and following the Change Management process.
15. Test the Equipment, Software, and related Services after the implementation of the IMAC to include network access (for example: file open and print routing capabilities, remote connectivity, Internet/intranet access, etc.).
16. Provide desk-side orientation training not to exceed thirty (30) minutes appropriate to the End User(s) receiving the IMAC.
17. Affix an Asset identifier tag to the Asset and update the Asset Register in a timely manner when any Equipment or Software Changes are implemented by Supplier or reported by Client.
18. Monitor Client satisfaction and closely monitor Service Levels throughout the IMAC activity and following the delivery at predetermined intervals.
19. Meet the IMAC-related Service Levels.
20. Confirm correct implementation of the IMAC with the designated Client personnel as appropriate.
21. For network printers:
 - a) Install network printers in Client locations, making sure that they are connected to the network and can be used by Applications (central and remote).
 - b) Maintain a list of network printers and resources (such as electronic forms required, etc.) used by printers.
 - c) Provide a mechanism to distribute common data (for example, fonts, electronic forms, etc.) to printers in Client locations.
 - d) Coordinate with ADM groups to provide access to printing resources for End Users.
 - e) Utilize administration software to monitor and collect metrics (SNMP) on network printers and
 - f) Define automated incident reporting and ticket creation for resolution of current or potential service issues (i.e., Paper jam, low toner).
 - g) Deploy universal print drivers, as provided by the Client, for all protocols as agreed to by Client.
 - h) Configure network printers with the specified configuration as defined by Client.
22. For multiple End Users sharing workstations:
 - a) Support workstation sharing among multiple End Users.



- b) Support multiple accounts on single workstations (for example, having a user and an administrative account on one workstation is needed for Application developers, etc.).
 - c) Make available on shared workstations the End User-specific software configurations of all installed applications.
 - d) Ability to define shared workstations in asset management tool CMDDB.
23. Prepare asset for disposal or cascading Equipment and Software no longer required that conforms to Client asset tracking, financial, security and green initiatives.

8.2.3 Project IMACs Additional Responsibilities

Supplier's responsibilities with respect to Project IMACs include the following:

1. Perform all tasks associated with Hard and Soft IMACs as described in this Exhibit, with additional responsibilities and coordination based on the scale required for activities associated with Project IMACs.
2. Develop and submit to Client a written Project IMAC plan, including a timeline and milestones, to complete the Project IMAC within the schedule of the Client project scope.
3. Provide appropriate Supplier project management personnel to interface with the Client personnel, including facilities managers; and supervise and manage the implementation of the Project IMAC.
4. Develop a comprehensive contingency plan for Project IMACs, including back-out procedures, notification and escalation lists, work-around plans, affected resources, and risk assessments.
5. Coordinate prioritization and resource allocation with Client for approved Project IMACs.
6. Record, track, and manage Project IMAC Service Requests.
7. Provide Project IMAC status reports as appropriate and participate in Client Project IMAC planning meetings.
8. Provide appropriate information to Client for non-recurring expenses and for recurring billing related to the Project IMAC.
9. As required, perform post-implementation reviews or analyses of Project IMACs (for example, establish the degree to which the Project IMAC meets acceptance criteria).
10. Provide a mechanism for expedited handling of Project IMACs that are of high business priority to Client, so that such Project IMACs are completed within the required timeframe.

8.2.4 IMAC Services Management

Supplier's responsibilities with respect to the management of IMAC Services include the following:

1. Track the IMAC Service Request from initiation to completion, using an automated system to track IMAC activity.



2. Provide a single point of contact for End Users and the Service Desk for activities associated with IMACs.
3. Provide close coordination and support to the Service Desk for all matters pertaining to IMAC Service Requests and status reports.
4. Perform IMACs for Supplier Personnel without additional charge to Client, and without including such IMACs when comparing actual IMAC volume to any Resource Baseline.

8.3 Software Support

Supplier's responsibilities with respect to Software support include the following:

1. Monitor recommended and required corrections to Software from Third-Party Vendors.
2. Install Third-Party-supplied corrections and patches to all Software as necessary.
3. Confirm compatibility or special requirements before widespread installation.
4. With respect to Client-developed applications, distribute Software, install Software, and install upgrades as required by Client.
5. Wherever possible enable software that has been distributed, advertised and installed to be fully uninstalled by the user.
6. Periodically scan of software that has not been certified and packaged.
7. Maintain collection of Software, which has been approved by the Client for advertisement, and distribution.
8. Provide Level 1 and Level 2 Support for EUC Software from the Service Desk, as well as Level 2 and Level 3 Support for EUC Software from the Service Desk, and/or dispatch an on-site technician, as necessary.
9. Tailor support to the individual needs of End Users and to meeting Service Levels.
10. Provide periodic reporting (at least monthly) to Client on the installation of all software based on actual installed metrics and advertised metrics.
11. Maintain a library of documentation that reflects the complexity and diversity of the environment and that enhances the Software support process.
12. Utilize productivity tools and utilities, create batch files, and customized scripts.
13. Maintain versioned master copies of the Software associated with Standard Products in a secure, central location with location links in software database.
14. Maintain Definitive Software Library of all licensed software products and approved supported applications (Office documents, etc.) as provided by the Client.
15. Maintain software currency on user PCs relative to security patches, updates to software with maintenance agreements, and OS compatibility.
16. Prior to the start of each calendar quarter, give notice to Client of all major installations and upgrades of Software that are planned to occur in the quarter for which notice is being given.



17. Consult with Client on the timing for implementing Software upgrades, to be determined by Client.
18. Generate quarterly report of licensed software distribution versus purchased software licenses for "true up" licensing purposes.
19. To the extent enabled by the Client-approved enterprise management system provided by Supplier:
 - a) Define and check for particular Software signatures.
 - b) Monitor the use of Software developed by the ADM group.
 - c) Check the presence and version of Software on specific devices.
 - d) Monitor the use of licensed Software, including license metering and tracking.
 - e) Update Asset Register.

8.4 Standard Order or Service Request Management

Supplier's responsibilities with respect to Standard Order management include the following:

1. Communicate status to Client upon reasonable request.
2. Coordinate third party providers required to provide timely availability of equipment.
3. Execute approved Standard Order Requests.

8.5 Full-Service Depot

Supplier's responsibilities with respect to providing a full-service depot include the following:

1. Work with the Client to determine configurations, lead times for supply and repair of spares, as well as end-of-life analysis for contracted equipment.
2. Maintain a target stock level for local spare parts inventories with recommendation to the Client.
3. Manage a pool of End User computing device spares, and report inventory and requirements to Client.
4. Collect Tablet fleet as required at end of season, refurbish fleet and redeploy fleet.
5. Configure and ship replacement End User computing devices to End Users.
6. Repair failed End User computing devices, and return to Full-Service Depot.
7. Manage third party vendors providing replacement / repair services for End User computing device.
8. Manage and maintain End User computing device peripheral stock inventory with sufficient stock on hand to deal with most requests based on Client approval.

8.6 Self-Service Depot (site specific)

Supplier's responsibilities with respect to providing a self-service depot include the following:



1. Provide and manage a Self-Service Depot stocked with peripherals for End User computing devices.
2. Provide a Self-Service Depot during Client's normal office business hours.
3. Maintain a stock of Client-provided loaner laptops, data projectors, cellular data modems for temporary/short term requirements or other items as authorized by the Client.
4. Open a Service Request for each item sourced from the Self-Service Depot.
5. Collect any used or non-working item at the time of swap for new item in the Self-Service Depot.
6. Provide and update a service pamphlet for End Users that explains the Self-Service Depot and items available.
7. Document the procedures for Self-Service Depot as defined in the OPM.

8.7 Inventory Management

Supplier's responsibilities with respect to inventory management include the following:

1. Maintain an efficient solution to spares stocking of Desktops, Laptops, Tablets and peripherals in conjunction with the Client business needs.
2. Work with the Client to purchase whole units and parts to maintain the production Desktop equipment.
3. Work with Client to determine configurations, lead times for supply and repair of spares, as well as end-of-life analysis for contracted equipment.
4. Maintain a target stock level for local spare parts inventories with recommendation to the Client.
5. Maintain a catalogue of standard hardware and software.
6. Manage IT assets through the asset life cycle from cradle to grave (i.e., order and receipt through disposal)
7. Maintain audit controls over Supplier-managed IT assets.

8.8 Desktop Systems Management

Supplier's responsibilities with respect to desktop systems management ("DSM") include the following:

1. Provide Desktop Systems Management as part of Desktop Support, which includes:
 - a) Software certification/packaging.
 - b) Hardware certification.
 - c) Level 3 support of Incidents and Problems.
 - d) Configuration/Infrastructure Services.
 - e) Deployment Services.



- f) Management of End User provisioning tools.
 - g) AD/security management.
 - h) Base image builds and management.
 - i) End User anti-virus deployment and Management.
 - j) Monthly reports, including the number of active End Users, the number of active assets, the numbers of active and inactive accounts, and number of PCs as defined in Exhibit 4 Reports.
2. Implement and use tools that allow automated and remote systems management and monitoring of the EUC environment, such tools will be used to assist End Users by allowing the Supplier to remotely monitor, manage, or restore EUC Equipment and Software.
 3. Implement tools with the goal of moving Client's environment from reactive to proactive monitoring, and implement management tools to enhance the stability and function of the environment.
 4. Work with Client to define software packaging standards.
 5. Maintain and publish certified hardware database for all users including decommissioned hardware, driver requirements, platform compatibility.
 6. Maintain and publish certified software database linked to CMDB including hardware dependencies, license information, platform compatibility, LOB ownership, UAT and test script links, packaging method.
 7. Implement software self -service portal for the automated advertisement of non-licensed optional software to users.

8.9 Product Stewardship

Supplier's responsibilities with respect to the stewardship of desktop technologies include the following:

1. Work with Client to develop and maintain product road maps for Client's standard desktop technologies ("Client Technologies").
2. Process approved Requests for non-standard hardware and software deployed within the Client environment in accordance with procedures set forth in the OPM.
3. Provide a central point of contact for vendors of Client technologies.
4. Research and recommend new Client technologies for deployment within the Client environment.
5. Work with to select, introduce and manage Desktop/laptop systems, network printers and Desktop software.



8.10 Electronic Software Distribution

This Section includes Supplier's responsibilities associated with the design, engineering and operations of an Electronic Software distribution (ESD) Service.

8.10.1 ESD Design and Engineering

Supplier's responsibilities with respect to the design and engineering of an ESD Service include the following:

1. Design the architecture for the ESD system.
2. Maintain design specifications, operating practices and infrastructure policies used to provide the ESD Services.
3. Perform capacity and performance management of the ESD system.
4. Recommend changes to the architecture and configuration of the ESD system.
5. Implement an ESD system that effectively and efficiently distributes new Software to LAN-connected workstations located at Client Sites and to remotely connected workstations in a timely manner. This may require alternative transport methods due to size and bandwidth parameters.
6. Employ an automated Software distribution solution that provides consistent and efficient Software deployments for Software configuration Changes.
7. Provide Software distribution processes to support different End User environments in an automated way (for example, Client LAN and WAN, home offices, End Users working remotely, etc.).
8. Support the automated installation of the software.
9. Provide a transparent deployment mechanism independent from the distribution media (for example, LAN, WAN, dial-up, CD ROM, etc.).
10. Provide automated distributions so that the automated Software deployment during a dial-up session does not require End User input.
11. Provide processes to link Software distributions and workstation inventories in order to verify the success of local and global deployments and to provide the ability to implement and track configurations.
12. Provide to Client, and as required by Client, software distribution device target counts, installed counts and advertised software counts.

8.10.2 ESD Operations

Supplier's responsibilities with respect to the operation of the ESD Service include the following:

1. Install, configure, and support the Client software required to provide the Electronic Software Distribution Services.
2. Perform Electronic Software Distribution Services, which include:
 - a) Develop, create and maintain Client images.



- b) Monitor distributions.
 - c) Refine and improve procedures.
 - d) Operate and support the services platform.
 - e) Adhere to Problem Management processes, practices and administration.
3. Operate and administer existing processes and support / reporting tools.
4. Operate and administer Servers that support the Electronic Software Distribution Services, including:
 - a) Performance and capacity monitoring and management.
 - b) Problem management and resolution.
 - c) Service request management.
 - d) Timely notification of potential and actual issues with the Electronic Software Distribution Services implementation based on events or service monitoring.
 - e) Implement additional servers required to accommodate changes in service volumes.
5. Perform the systems administration of Client Servers operating and controlling the ESD system, which include:
 - a) Perform backup and recovery services.
 - b) Perform End User account management.
 - c) Security and access controls.
 - d) Hardware and software maintenance.
 - e) Configuration and Technology Change Management/Revision Control.
 - f) Other services supporting or interfacing with the above listed services.
6. Schedule Software distributions to minimize End User disruption, and without End User assistance and interaction, in order to support time-critical release upgrades, to deploy urgent patches, and to maintain current projects.
7. Remove unadvertised software that the Authorized User or the Client identifies as longer required.
8. Perform Software distributions consistent with the configurations associated with Standard Products, as applicable, independent from the distribution media (for example, LAN, WAN, dial-up, CD ROM, etc.).
9. Wherever possible, install Software via an automated installation package without End User interaction needed to verify a harmonized installation globally and to reduce lost productivity due to a missing or wrong application configuration.
10. Resolve all Incidents for each End User where the software distribution failed.
11. Continually review and improve the percentage of EUC devices that can be reached and updated with the electronic Software distribution system.



8.11 Mobile Wireless Devices

Supplier's responsibilities with respect to the mobile device support include the following:

1. Provide break-fix services for Mobile Device Client Applications.
2. Implement, maintain and manage Client MDM solution for administration and support
3. Implement maintain and manage Wireless Device management tool to aid in troubleshooting and defining source of mobile device connectivity and synchronization issues.
4. Provide support for wireless synchronization to the Enterprise email system.
5. Provide application support for Mobile Device Client Applications.
6. Provide tethering or AP hotspot support (i.e., connecting the Mobile Device to a workstation).
7. Package Mobile Device Client Applications for End Users.
8. Assist in Client's mobile device support responsibilities, which includes:
 - a) Assist in Client provision of mobile device functionality and technical documentation.
 - b) Assist in Client executive support.
 - c) Assist in Client support for Mobile Device equipment issues.
 - d) Assist Client user guides and job aids for Wireless Devices.
 - e) Conduct Mobile Device Client Application training. and
 - f) Define Mobile Device security standards and procedures.

8.11.1 Mobile Services

Supplier will provide management of Client's mobile environment, including wireless voice, data and messaging services and the support of Equipment and accessories required for those services.

Supplier's general responsibilities with respect to all Mobile Services include the following:

1. Manage an inventory of mobile devices that is validated regularly against information received directly from the mobile services carriers.
2. Manage approved Client orders for Mobile Services and provision mobile devices and services as required to fulfil such orders.
3. For third-party mobile carrier services identified for which as Supplier is not financially responsible, which includes:
 - a) Negotiate mobile carrier contracts for Client's approval.
 - b) Track End User usage and usage patterns and perform rate plan consolidation and optimization on an End User basis to minimize End User's and Client's mobile carrier services costs.
 - c) Manage invoices, which includes:



- i. Verify the invoice for accuracy, and
 - ii. Aggregate invoices into a common form and integrated system.
4. Provide a management and reporting platform that provide Client Users with a normalized view of usage and spend across the entire Mobile Services environment by consolidating call detail records into a single system.
5. Provide a Web-based portal for Client End Users, managers, and administrators to view usage information.
6. To the extent of the capability of the Mobile Equipment or mobile carrier services, provide the ability for End Users to flag personal calls.
7. Manage Equipment, Software, and service solutions to enable personalized, real-time access to Internet data and enterprise Applications from a mobile IP network roaming service.
8. Provide a Level 1 Support Service Desk for End Users of Mobile Services.
9. Provide on-site support at Client Sites for End Users of Mobile Services.

8.11.2 Mobile Phone Services

Supplier's responsibilities to provide Mobile Phone Services include the following:

1. Activate and deactivate mobile phone equipment, accessories, and services.
2. Provide support for lost, stolen, and warranty report of mobile phone Equipment.
3. Enable and support synchronization of personal information management (PIM) information between the End-User's PC and mobile phone, including address book, task list, and calendar.
4. Process requests from End Users to create, modify or delete cellular distribution lists.
5. Notify End Users of behaviour that may lead to potential toll fraud.
6. Distribute recommended operating system and application updates automatically. Where this is not possible, notify End Users of the need to initiate an update and provide user documentation and support for the update process.
7. Port cellular numbers to alternate carriers and/or between corporate-liable and personal-liable phones as requested.
8. Support the integration of text messaging features of Mobile Phone Services with Client's collaborative applications.
9. Establish processes that enable employees to use corporate-liable phones for personal use (for example, enable employees to personally fund a portion of the usage).
10. The Supplier will provide Mobile Short Messaging Services in addition to the Common Network Services.

8.11.3 Mobile Devices

Supplier will administer Mobile Devices to enable remote data and voice access for End Users.



Supplier's responsibilities with respect to Mobile Devices include the following:

1. Work with Client Third-Party Vendors to certify and distribute any required workstation software necessary for the operation or integration of Mobile Devices.
2. Provide remote management of Mobile Devices and their Apps, data, and communications.
3. Instruct End Users on the use of Mobile Devices.
4. Maintain, with appropriate security controls, an on-site or nearby inventory of Mobile Devices to be issued on short notice or on an emergency basis as needed to meet the Service Levels.
5. Maintain a listing of all Mobile Devices (active and inactive) on the Network asset management system and/or the Asset Register, to include a complete profile of the End User.
6. Provide monthly usage reports to Client as directed.
7. Upon receipt of an employee separation or termination notice, determine if the former employee was assigned a Mobile Devices and take corresponding action.
8. Change billing plans and addresses accordingly should Client request that a former employee retain a Mobile Devices.
9. Provide and maintain Web-based content for End Users to obtain current support information in accordance with Schedule 9.1 (Governance).
10. Assist End Users in migrating from one Mobile Devices to another (for example: migrate phone book information).
11. Where weak network coverage areas are identified, work with third-party carriers to evaluate the possibility of installing radio frequency repeaters to eliminate dead zones.
12. Notify End Users when eligible for upgraded equipment.
13. Provide coordination and control of roll outs of Software for Mobile Devices, including scheduling, trend analysis, and crisis management.
14. Make suitable arrangements to accept notification of separation/termination notices through hard copy or e-mail from Client's HR department.
15. Coordinate the repair of Mobile Devices, which includes:
 - a) Contact the appropriate Third-Party service provider(s) to arrange repair.
 - b) Obtain a RMA (return materials authorization) if required.
 - c) Obtain quotes for time and materials (T&M) repairs, and subsequently obtain Client approval for those T&M repairs.
 - d) Package the Mobile Devices for shipment at Sites with on-site Supplier personnel, or assist and provide instructions to Client staff for Sites not staffed by Supplier Personnel.
 - e) Track all repair requests and, upon request, provide a report to Client on repairs coordinated by Supplier.
 - f) Follow up on delayed repairs where necessary.



16. Administer Mobile Devices to enable remote data and voice access for End Users, which includes:

- a) Procure Mobile Devices for Client-approved End Users.
- b) Deploy Mobile Devices, with custom configuration and data.
- c) Verify the name and address of the requester and/or End User, and the billing address.
- d) Coordinate the issuance of new Mobile Devices and the replacement of lost or stolen devices.
- e) Instruct End Users on the use of Mobile Devices.
- f) Maintain, with appropriate security controls, an on-site inventory of Mobile Devices to be issued on short notice or on an emergency basis in accordance with Service Levels.
- g) Provide break fix in accordance with Client's procedures.
- h) Maintain a listing of all Mobile Devices (active and inactive) in the Asset Register, including a profile of the device's End User.
- i) Make suitable arrangements to accept notification of separation/termination notices through hardcopy or e-mail from Client's Human Resources (HR) department.
- j) Upon receipt of an employee separation or termination notice, determine if the former employee is assigned a Mobile Devices and take corresponding action.

17. Provide management of Mobile Devices, which includes:

- a) End-to-end solution enterprise integration.
- b) Mobile virtual data network management.
- c) Authentication and firewall access management.
- d) Mobile application platform management integration with the Network.
- e) Client Approved User Software installation and training.
- f) User remote support.
- g) Service management reports.
- h) Service plan administration.

18. Provide break/fix Equipment life-cycle Services for Mobile Devices.

19. Provide Software distribution and management tools, including application packaging, over-the-air provisioning, application distribution, policy management, and associated reporting.

20. Provide security management, including password management, remote device wipe, data encryption, anti-Malware protection, firewall protection, VPN connectivity, Incident management, and associated reporting.



21. Ensure that all parties involved in the delivery of communications services in support of Mobile Devices Services are notified regarding mass Outages hindering messages being received.
22. Provide features and options for pagers to be selected by the End User with appropriate approvals from Client, which includes:
 - a) Ability to send pre-programmed messages to a group of 100 (at a minimum) End Users.
 - b) Two-way paging, which should include at a minimum:
 - Numeric and alphanumeric paging,
 - Two types of messages — normal and urgent,
 - Two message indicator types for the pagers — audio alert and vibration alert modes, and
 - A message size of 256 characters.
 - c) The capability to forward a pager address to any other pager address in the system.
 - d) The ability to send a page from a secure, network-accessible channel.
 - e) The ability to define simulcast transmitter groups and service areas.
 - f) Optional pager features for End Users who require an additional level of security, which includes:
 - Compliance with existing federal government policies, such as CJIS NCIC 2000, and
 - Availability for two-way interactive paging.

8.12 Security Administration

The Parties acknowledge that Supplier's responsibilities related to security administration refer to user accounts required for the Applications and network services, and they do not include security administration associated with System Software or DBMS.

Supplier's responsibilities with respect to security administration include the following:

1. Provide logical access controls to Applications and network resources as approved by Client.
2. Support End User access to all IT services, which includes:
 - a) Work with Client to establish and maintain an integrated End User authentication and authorization process.
 - b) Provide Level 2 and Level 3 support for issues related to End User authentication and authorization.
3. Execute the approved End User authentication and authorization process to establish in-scope access rights to authorized End Users.
4. Maintain Nortel Connectivity profiles/policies and the associated user database replication health (DC & DRP AAA).



5. Provide End User access to Applications, which includes:
 - a) Execute the approved user authentication and authorization process to establish Application access rights to End Users in accordance with Client's rules for mapping roles and user profiles established for each such Application, and for such access to SAP Applications:
 - i. Perform the risk analysis step within the SAP GRC/CUP tool, and
 - ii. Perform the access provisioning step within the SAP GRC/CUP tool.
 - b) Maintain user profile configurations within the Applications as approved by Client.

8.13 Remote Access Services

Remote Access Services provides an End User outside Client's Network access to Client's Network and vice versa, as well as the Network security controls required for such a connection. It includes Remote Access Connectivity and Strong Authentication Services.

Supplier's responsibilities with respect to remote access connectivity include the following:

1. Maintain the remote access Client package on End User machines.
2. Process remote access solutions request form and grant access by distributing remote access Client package.
3. Support/troubleshoot/resolve/escalate Client remote access issues.
4. Work with third party vendors to provision dialup access where applicable.
5. Provision remote security access ("RSA") token for authorized End Users.
6. Work with Client Telecom and third party vendors in Incident Management.
7. Manage capacity/inventory of RSA tokens and report to Client as requested.
8. Communicate any outages to the Service Desk in accordance with Incident Management procedures.
9. Comply with Client policies for remote access, which includes providing periodical review of the solutions supplied and developing new solutions in line with new technologies available
10. Provide security standards for remote access that conform to Client internal control requirements and ensure continuing compliance with those standards.
11. Provide the Services, Equipment, Software, and Transport required to deliver Remote Access Services.
12. Develop and maintain Client interfaces and End User modifications — or develop and implement functional equivalents — in installed systems required to deliver the required Remote Access Services.
13. Provide information and data as requested to satisfy Client internal or external business, audit, and governmental requirements.
14. Provide dial up, Wi-Fi, and hotel access points that are globally available to the majority of locations where Client has a business presence, which includes:



- a) The use of Strong Authentication by means of IP VPN or equivalent technology.
 - b) Manage Client updates for the global dial-up Remote Access Service as needed, including Changes to POPs within the dialer and integration within the Client standard workstation, laptop, and handheld environments.
 - c) Provide End User support, including testing of POPs, Third-Party Vendor escalation, and provisioning Services.
 - d) Provide monthly reporting to monitor the Service and ensure compliance with Client connectivity requirements.
 - e) Provide functionality as required to address Client continuing business requirements in terms of coverage and technology.
 - f) Monitor usage to ensure that the most cost-effective solution available is being provided and to detect fraudulent use.
 - g) Where global dialup access is not available or not cost-effective, provide local dialup ISP VPN connectivity.
 - h) Maintain a tracking process to identify Client End Users of local ISP IP VPN solutions that will include volume and cost analysis.
 - i) Implement local dialup ISP solutions that conform to Client internal controls security requirements.
 - j) Maintain a monthly tracking process to match End Users with the most effective Service type.
 - k) Provide End User support, which will include testing of POPs and Third Party Vendor escalation.
15. Provide VPN and authentication Equipment, Software, and Transports for roaming ISP access.
16. Provide Strong Authentication Services, which includes:
- a) Provide, maintain, support, and administer the back-end infrastructure and Applications for Strong Authentication Services.
 - b) Make certain that non-Client accounts can be identified within the database used to manage Strong Authentication.
 - c) Create, maintain, and support automated compliance for authorized shared token exceptions for remote Network access.
 - d) Provide Client security staff with read and report access to the Client realm.
 - e) Obtain Client security staff approval before the purge or deletion of the access monitoring log file for the Client realm.
 - f) Manage a process to identify and unassigned tokens that are assigned and have been in new pin mode for 72 hours or more. Notification of this action should be sent to the End User or their sponsor.
 - g) Manage the process to identify and correct any discrepancies between Strong Authentication database records and the tokens each End User has in their possession.



- h) Manage a process to identify assigned, active tokens that have not been used within the last six (6) months so computer security administrators can follow up with End Users or sponsors and deactivate as appropriate.
- i) Provide reporting or query functionality for Client security staff and administrators to look up Strong Authentication database record content by logon ID or serial number.

9.0 END USER SERVICES MANAGEMENT

Supplier is responsible for the Services set forth in Common Exhibit 2.1 Cross-Functional Services (General), and Common Exhibit 2.2 Cross-Functional Services (ITO) to the extent such Services are applicable to the Data Centre Services.

This Section includes Supplier's additional management responsibilities in managing the Data Centre Services across data centre technology platform and Infrastructure-related functions

9.1 Service Desk Service Management

9.1.1 Capacity and Performance Management

Supplier's responsibilities with respect to capacity and performance management of the Service Desk include the following:

1. Provide hardware as capacity is required to provide effective performance of the Service Desk and meet the Service Levels.
2. Monitor performance and capacity for Service Desk infrastructure within Supplier responsibility.
3. Perform performance tuning for Service Desk infrastructure within Supplier's financial responsibility.
4. Retain Service Desk operations and performance data live for the current year plus one (1) year for trending and analysis.

9.1.2 Service Continuity Management

Supplier's responsibilities with respect to the Service Continuity Management of the Service Desk and the Desktop Services include the following:

1. Notify Client of any problem or situation that may require the declaration of a disaster related to the Service Desk.
2. Develop, test, maintain the Supplier Business Continuity Plan (Part 6A – Attachment D to the Common Exhibit 2.2 – Cross Functional Services (ITO)) and the Supplier Disaster Recovery Plan (Part 6A – Attachment B to the Common Exhibit 2.2 – Cross Functional Services (ITO)) for Service Desk recovery.
3. Provide the Supplier Business Continuity Plan (Part 6A – Attachment D to the Common Exhibit 2.2 – Cross Functional Services (ITO)) and the Supplier Disaster Recovery Plan (Part 6A – Attachment B to the Common Exhibit 2.2 – Cross Functional Services (ITO)) for Service Desk recovery to Client for Client's review and approval.



4. Follow the business disruption or the disaster declaration process in accordance with the Supplier Business Continuity Plan (Part 6A – Attachment D to the Common Exhibit 2.2 –Cross Functional Services (ITO)) and the Supplier Disaster Recovery Plan (Part 6A – Attachment B to the Common Exhibit 2.2 –Cross Functional Services (ITO)).
5. Execute the Supplier Business Continuity Plan (Part 6A – Attachment D to the Common Exhibit 2.2 – Cross Functional Services (ITO)) and the Supplier Disaster Recovery Plan (Part 6A – Attachment B to the Common Exhibit 2.2 –Cross Functional Services (ITO)) for Service Desk recovery as required.
6. Support and communicate Supplier Business Continuity Plan (Part 6A – Attachment D to the Common Exhibit 2.2 – Cross Functional Services (ITO)) and the Supplier Disaster Recovery Plan (Part 6A – Attachment B to the Common Exhibit 2.2 – Cross Functional Services (ITO)) processes and procedures as appropriate.

9.2 Desktop Services Management

9.2.1 Incident Management

Supplier's responsibilities with respect to the Incident Management include the following:

1. Provide desk-side support for sites listed in Attachment D - Sites.
2. Notify Client regarding Incident and Problem status, resolution and outages.
3. Escalate unresolved Incidents to the appropriate Level 3 Support staff, as appropriate, in accordance with the OPM.
4. Provide timely resolution and escalation to meet the Service Levels.
5. Communicate to Service Desk that problem tickets should be closed when they confirmed as resolved. Track and manage Incident resolution through to completion.

9.2.2 Problem Management

Supplier's responsibilities with respect to Problem Management include the following:

1. Perform Problem identification, Problem Management and Problem resolution for Desktop hardware.
2. Manage and perform Desktop hardware and software maintenance Services.
3. Manage and coordinate Desktop hardware and software vendor activities related to the installation, upgrade and maintenance of Client hardware and software.
4. Perform corrective maintenance and repair, (warranty and non-warranty repairs) including the provision and / or acquisition of parts, using the non-warranty parts and service budget and mechanics, that are necessary to resolve Desktop equipment hardware failures.
5. Repair the system, peripheral, or component to working order.
6. Manage records necessary to support warranty repair service for equipment and third party software; provide maintenance services so as not to void the warranty status.



7. Perform root cause analysis (including identifying the number of End Users that are or could be impacted by the same Problem) and Problem determination.
8. Develop solutions for recurring Problems and deploy these solutions to affected End Users.
9. Change processes are required to provide integrity and stability of the current Infrastructure.
10. A Problem ticket can be initiated from the Service Desk, or created by Desktop Services staff utilizing the Problem Management System. A Problem can be defined by the following:
 - An Incident with no work around.
 - A number of related Incidents, normally affecting a number of End Users (e.g., E-mail outage). or
 - Problems identified through call analysis.
11. Provide Level 2 Problem management for Problems affecting Desktop Services, including:
 - E-mail service.
 - Office productivity tools installation and optimization.
 - Print services including multi-function devices (MFDs) e.g., network printers.
 - PC-connected peripherals.
 - Internet Access services.
 - Remote Access services.
 - Remote Access support to assist the End-User in setting up Remote Access capabilities.
 - End User administration of Remote Access accounts.
 - End User directory services.
 - Wireless email devices.
 - Virtual desktops (VDI) e.g., OGCC corporate. .
 - Desktop or laptop performance.
12. Respond to Problem tickets in accordance with the Priority Levels.
13. Create Problem tickets as required.
14. Respond to VIP Problem tickets in accordance with procedures set forth in the OPM.
15. Provide Problem status upon reasonable request from Client.
16. Record trouble shooting and resolution data into Problem ticket for analysis and reference.
17. Initiate a Change ticket to initiate any required Change.
18. Track and manage Problem resolution through to completion.



9.2.3 Technology Change Management

Supplier's responsibilities with respect to Problem Management include the following:

1. Enforce Change policies and escalate policy breaches to Client.
2. Create desktop Change requests and submit to Technology Change Management for approval.
3. Plan activities and requirements to execute requested Changes (e.g., schedule resources to perform the tasks).
4. Complete Change request within agreed upon timeframes.

9.2.4 Configuration Management

Supplier's responsibilities with respect to Configuration Management include the following:

1. Provide the Software and Equipment Configuration Items and store them in the CMDB/CMS in order to define, maintain, and report the EUC configurations utilized by each End User and/or within the Client environment. If a separate database is used to maintain Software and Equipment Configuration Items, the Supplier must demonstrate the ability to link and update information between the database and the Asset Register to the satisfaction of Client.
2. Set up and maintain Software and Equipment Configuration Items that contain information regarding the entire configuration, including the individual Equipment and Software components.
3. Design and maintain the Software and Equipment Configuration Items to designate whether the configuration meets the requirements of a Standard Product.
4. For Software and Equipment Configuration Items, include the name and location of the End User(s) utilizing the Software and Equipment, and designate whether the Software and Equipment is a shared infrastructure item.
5. Maintain as a Configuration Item information and documentation for any existing, new, enhanced, or modified System Software (for example, initial purchases, upgrades, patches, etc.).
6. Review the Client Workstation images, develop a set of standardized images, and use the remote software distribution system to deploy those images to all Workstations (where Workstation is Laptop, Desktop, etc.).
7. Create, test, maintain, and update EUC device images to meet Client needs.
8. Work with Hardware vendors to deliver those images installed on all applicable EUC devices (such as desktops and laptops).
9. Continually review Software and Hardware products and configurations of the images for compatibility with Client's current and planned environment, and take appropriate action.

9.2.5 Conference Support Services

Supplier's responsibilities with respect to Conference Support include the following:



1. Provide support of meeting room A/V equipment, and Video conference equipment (Tandberg/ Polycom/ Cisco Telepresence) including training and training material.



HYDRO ONE

EXHIBIT 1

SOW SERVICES DESCRIPTION

PROGRAM AND PROJECT DELIVERY STATEMENT OF WORK



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- 1.2 Document Conventions..... 3
- 1.3 General Obligations 4
- 1.4 Cross-Functional Services..... 4
- 1.5 New Works..... 4
- 2.0 PROGRAM AND PROJECT DELIVERY SERVICES..... 4**



1.0 INTRODUCTION

This Exhibit sets forth the Program and Project and other Services that Supplier will be accountable for and must deliver (satisfy) as part of the PPD Services. Supplier is required to provide the PPD Services to Client as set forth in this Exhibit.

1.1 Attachments

The following Attachments are hereby incorporated into and deemed part of this Exhibit:

- a) Attachment D – Sites.
- b) Attachment G – Application Portfolio.

1.2 Document Conventions

Certain conventions with respect to the drafting of Supplier's shared responsibilities with Client shall be construed as follows.

1. References to standards, processes and procedures within the OPM include any such standard, process or procedure that is agreed by the Parties and made available to the Parties via a Client web site.
2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement including without limitation Common Exhibit 1 (Definitions) thereto.
3. Except as otherwise expressly stated, all section references in this Exhibit shall be to the sections of this Exhibit, unless another reference is provided.
4. Supplier's responsibility statements that begin with the following phrases indicate a shared responsibility with Client or third parties as follows:
 - a) "Assist in" indicates Client or a third party has the primary role in the performance of the task.
 - b) "Work with Client to" indicates Client and Supplier share the responsibility equally. and
 - c) "..., with Client's assistance," indicates Supplier has the primary role in the performance of the task.
5. Regarding the responsibilities of Supplier or Client to provide assistance:
 - a) Statements within this Exhibit that identify Supplier's responsibilities as "Assist in ..." shall mean "Providing adequate numbers of qualified Supplier Personnel with suitable training, education, linguistic fluency, experience, qualifications and skill to assist Client or its third parties in ...".
 - b) Statements within this Exhibit that identify Client's responsibilities as "Assist in ..." shall mean "Providing the applicable knowledge of Client's work practices, organization, policies and standards to assist Supplier in ...".



1.3 General Obligations

Supplier will perform the Services in accordance with the following general responsibilities:

1. If a standard, process or procedure referenced in this Exhibit as "defined in the OPM" is not available, Supplier shall document their best practice standard, process or procedure for Client's review and approval. Lack of a defined standard, process or procedure in the OPM does not limit the Suppliers responsibility for the performance of the Service.
2. Client requires Service Supplier to deliver quality PPD services, as measured by the achievement of Service Level requirements identified in Exhibit 2 (Service Levels).
3. Client and Supplier will use the third party acceptance process described in Attachment F (Third Party Acceptance Services) to manage the transition of Client and third party developed Software to be a part of the Services.
4. Client and Supplier will execute Project Orders to authorize Services (e.g., discretionary Projects) in accordance with the Agreement. Each Project Order will identify the Sections of the ADM SOW Exhibit#1 or IM SOW Exhibit #1, as necessary, that are applicable to the Services authorized by such Project Order plus any additions, modifications or exceptions.

1.4 Cross-Functional Services

Supplier shall provide the Services in Common Exhibit 2.1 (Cross Functional Services General) and Common Exhibit 2.2 (Cross-Functional ITO Services), in conjunction with, and in addition to, the Services described in this Exhibit.

1.5 New Works

The Parties agree that all Deliverables and made, conceived or reduced to practice by Supplier, its Affiliates or its subcontractors during the performance of the Services for Client under this Statement of Work are "New Works" as defined in the Agreement.

2.0 PROGRAM AND PROJECT DELIVERY SERVICES

This Exhibit consists of 3 major Sections:

- 1) Portfolio Management consists of all the activities that the Supplier is performing to manage the Services in this Exhibit. Supplier shall provide a Report on resource utilization based on Program and Project demand and by Lines of Businesses (i.e. Corporate Systems, Customer Service).
- 2) Program Management

This Section includes Minor Enhancements for the ADM SOW and IM SOW Services (previously referred to as DCS and EUS Minor Project Hours in the IM SOW). Minor Enhancements are defined in Attachment I to this Exhibit. Supplier shall perform approved Minor Enhancement activities as requested by Client. Client will prioritize the work to be



performed based upon Clients' forecast of demand for Minor Enhancement hours as per the Demand Management process.

3) Project Management

This Section includes Projects for the ADM SOW and IM SOW Services. Projects are defined in Attachment I to this Exhibit. Supplier shall perform approved Project activities as requested by Client. Client will prioritize the work to be performed based upon Clients' forecast of demand for Projects as per the Demand Management process. All Projects will comply with the Project Delivery Model as defined by the Client (i.e. Five-Stage Project Delivery Model). Supplier will provide estimates to Client to complete Projects. Supplier will utilize the best practice methodology (i.e. GREAT tool) to continually improve the Project estimation.



HYDRO ONE

ATTACHMENT A TO EXHIBIT 1

THIRD-PARTY SOFTWARE

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND

INFRASTRUCTURE MANAGEMENT (IM) SERVICES

STATEMENT OF WORK



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1.0 GENERAL

A current listing of and copies of Client's Third-Party Software Contracts may be accessed through the data room. Client reserves the right to make changes to Client's Third-Party Contracts from time to time.

2.0 THIRD PARTY SOFTWARE

1. Intentionally Blank.

Vendor Name	Product / Module / Description	Version #



HYDRO ONE

ATTACHMENT B TO EXHIBIT 1

THIRD PARTY SERVICE CONTRACTS

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND

INFRASTRUCTURE MANAGEMENT (IM) SERVICES

STATEMENTS OF WORK



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1.0 GENERAL

A current listing of and copies of Client's Third-Party Service Contracts may be accessed through the data room. Client reserves the right to make changes to Client's Third-Party Service Contracts from time to time.

2.0 THIRD PARTY SERVICE CONTRACTS

1. Intentionally Blank.

Vendor	Service / Description



HYDRO ONE

ATTACHMENT C TO EXHIBIT 1

THIRD-PARTY EQUIPMENT MAINTENANCE CONTRACTS

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND

INFRASTRUCTURE MANAGEMENT (IM) SERVICES

STATEMENT OF WORK



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1.0 GENERAL

A current listing of and copies of Client's Third-Party Equipment Maintenance Contracts may be accessed through the data room. Client reserves the right to make changes to Client's Third-Party Contracts from time to time.

2.0 THIRD PARTY EQUIPMENT MAINTENANCE

1. Intentionally Blank.

Vendor	Equipment / Description



HYDRO ONE

ATTACHMENT D TO EXHIBIT 1

SITES

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM),

INFRASTRUCTURE MANAGEMENT (IM) AND

PROGRAM PROJECT DELIVERY (PPD) SERVICES

STATEMENTS OF WORK



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1.0 CLIENT SITES

As of the Effective Date, Services are performed at the following Client locations:

Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



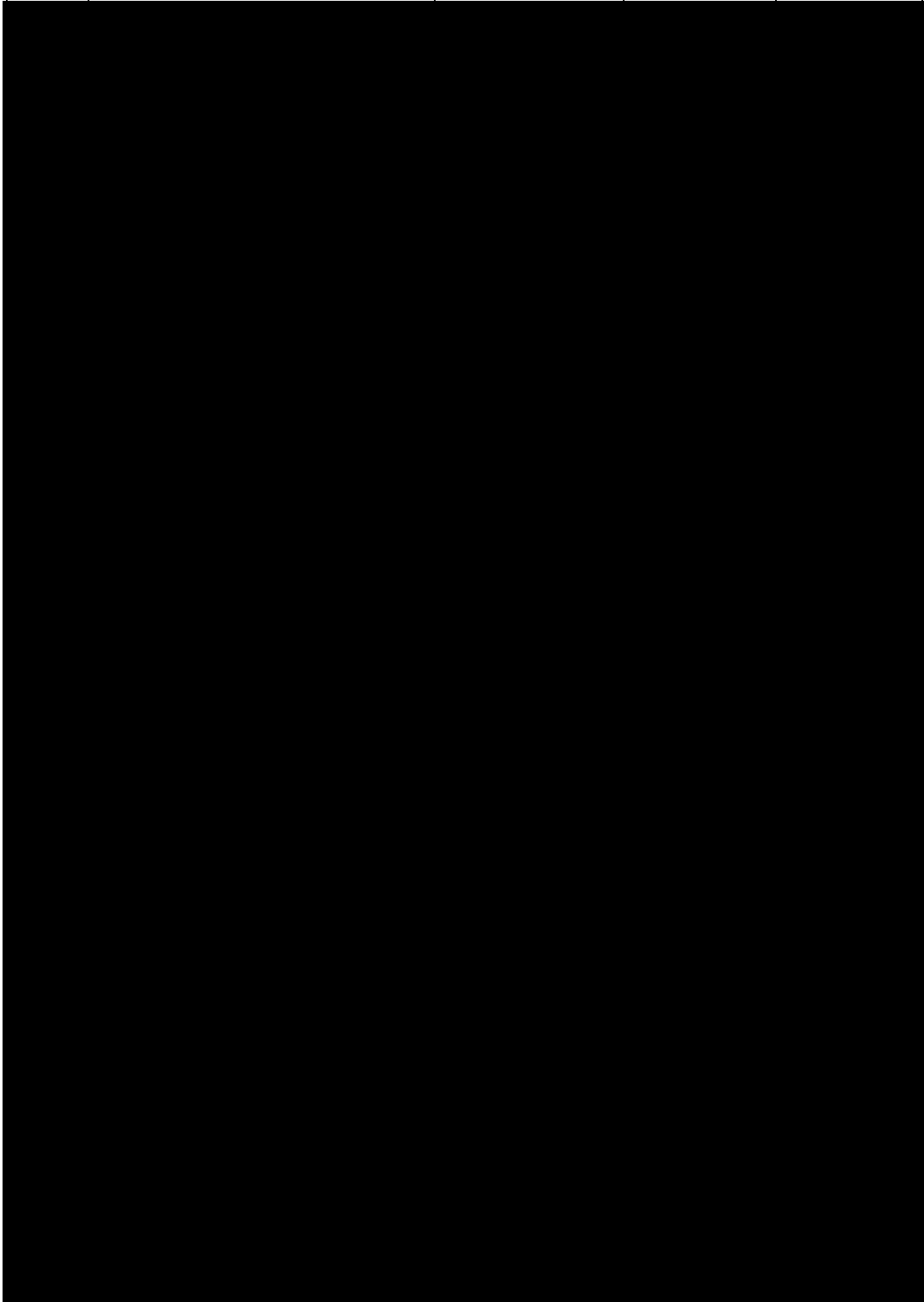
Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				

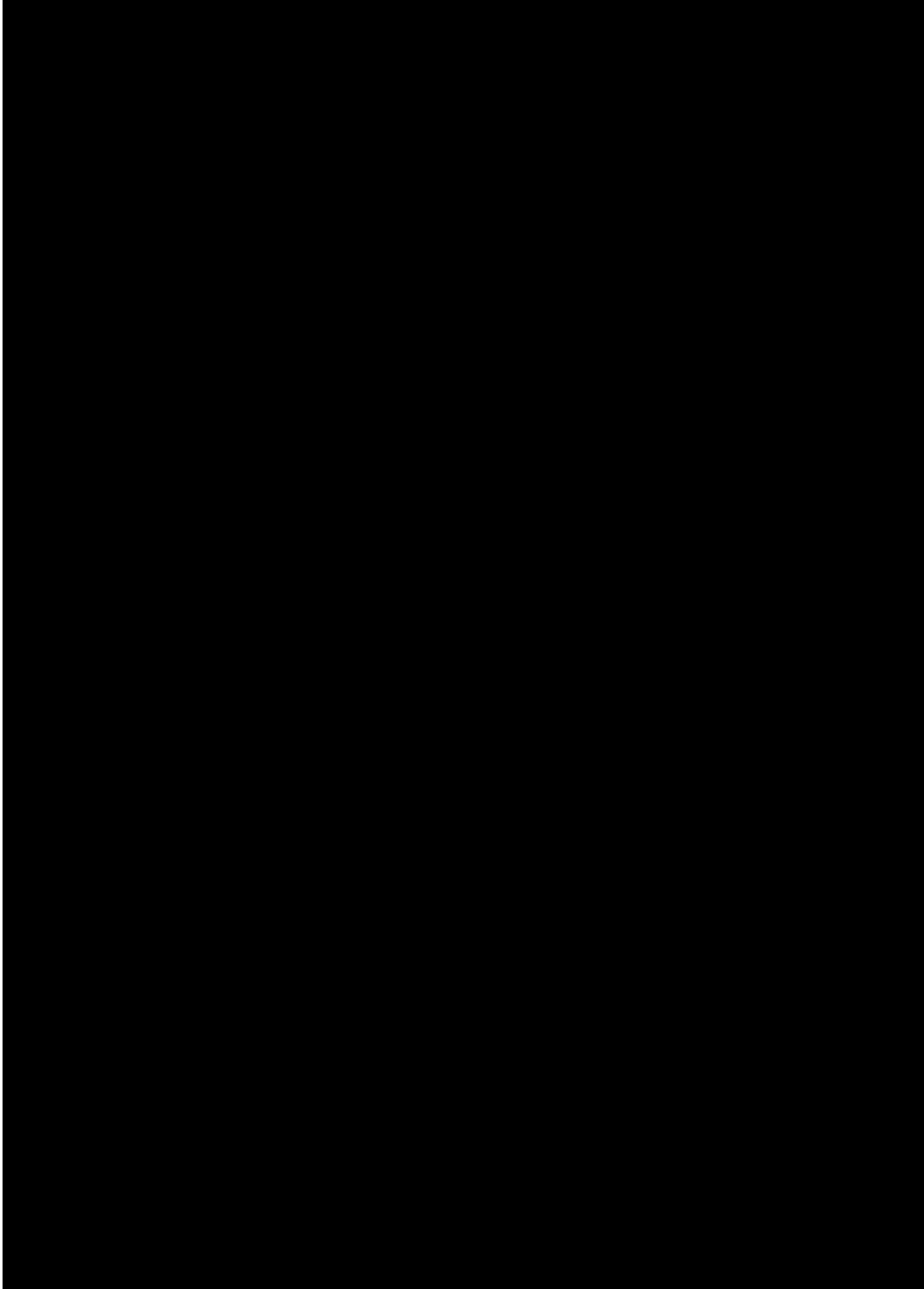


Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
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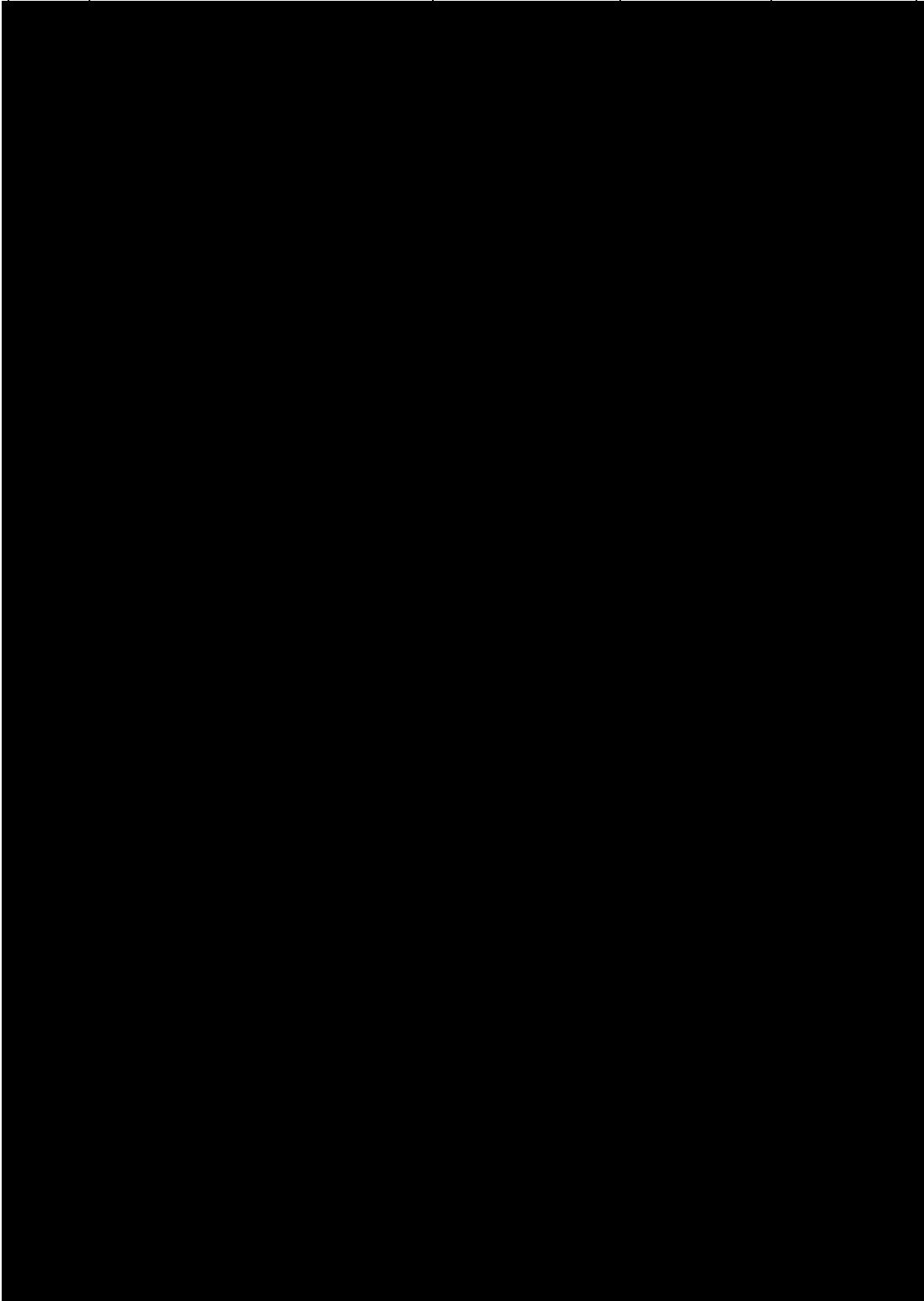


Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
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Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
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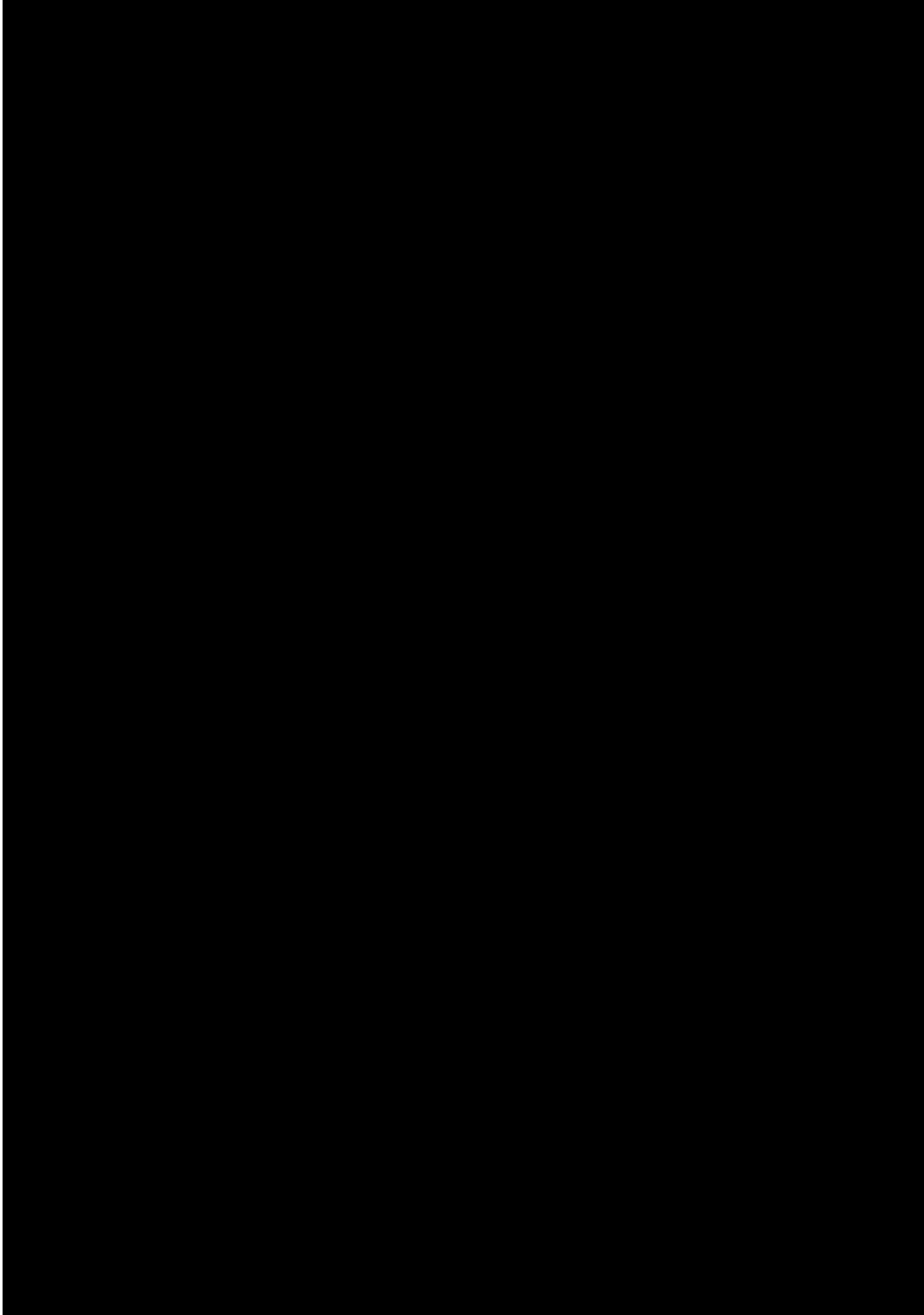
Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
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Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



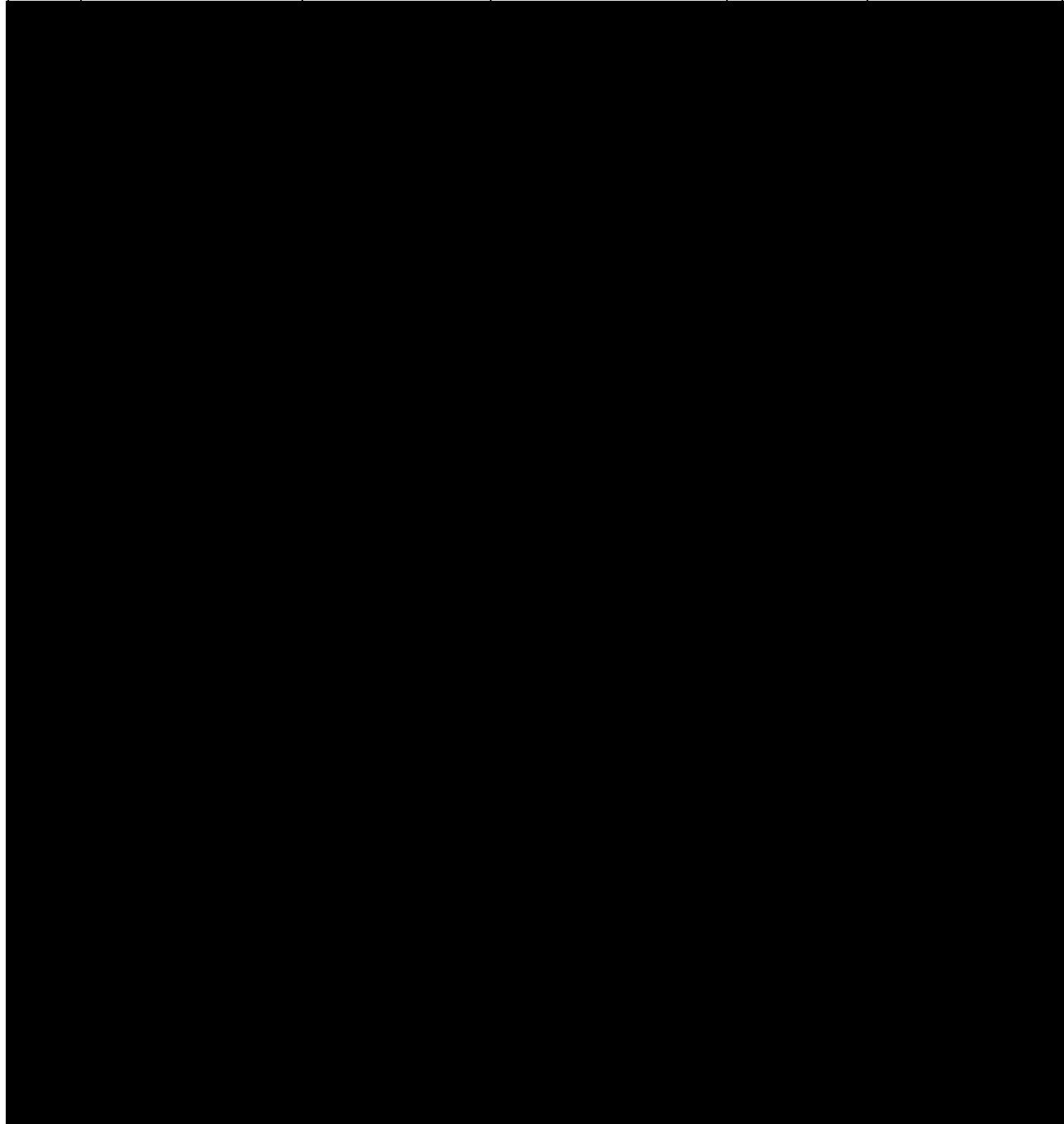
Ref.	Facility / Address / Location Type	Application Maintenance	Data Center Services	End User Services
[Redacted Content]				



2.0 SUPPLIER SERVICE LOCATIONS

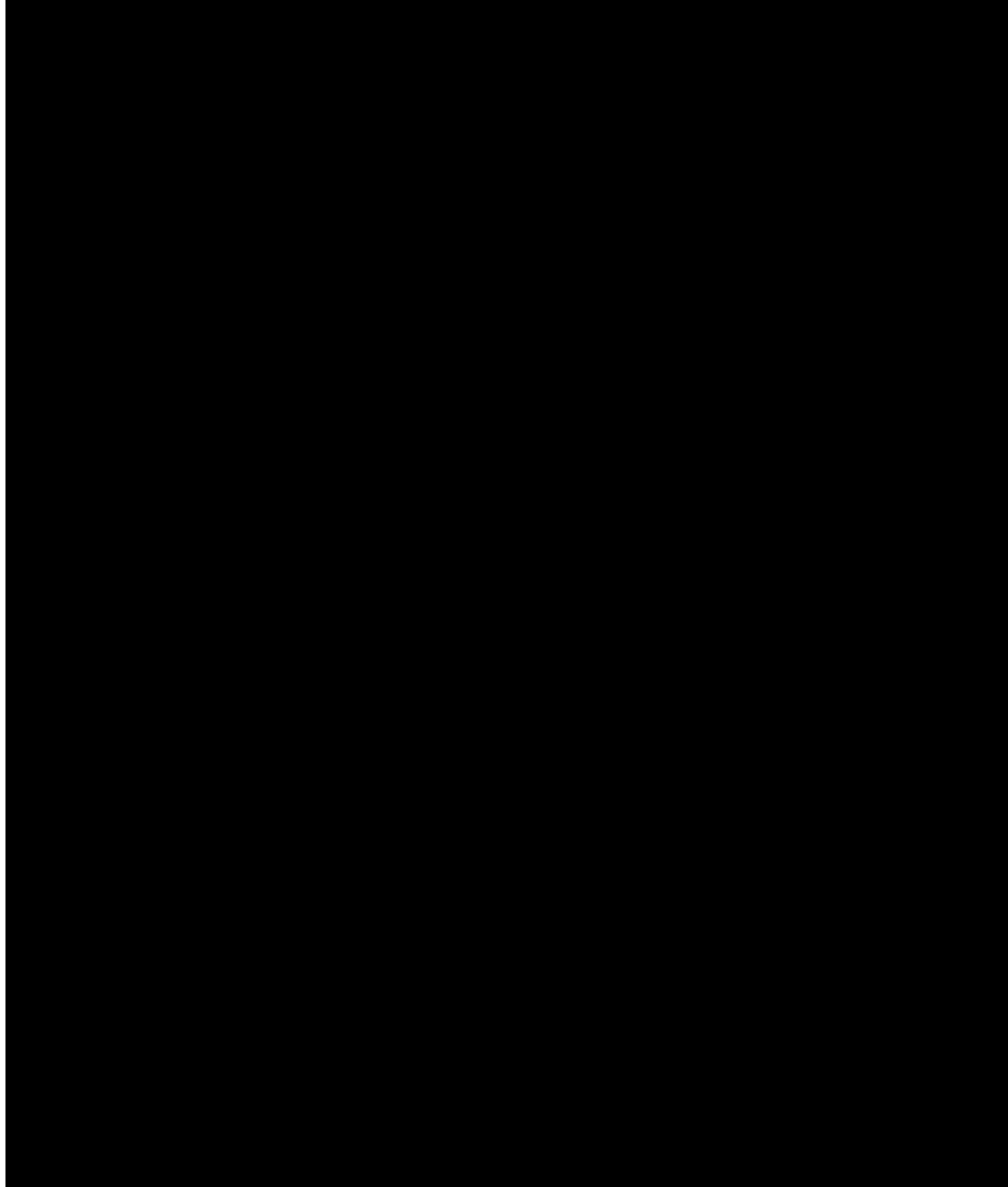
Supplier will provide Services for Client at the location(s) listed below:

Ref.	Facility & Address	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications
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Ref.	Facility & Address	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications
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Ref.	Facility & Address	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications
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Ref.	Facility & Address	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications



Ref.	Facility & Address	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications



HYDRO ONE

ATTACHMENT E TO EXHIBIT 1

EQUIPMENT ASSETS

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND

INFRASTRUCTURE MANAGEMENT (IM) SERVICES

STATEMENT OF WORK



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1.0 INTRODUCTION

The Parties will provide the assets as defined in section 2.0 and 3.0 below during the Term.

2.0 CLIENT PROVIDED EQUIPMENT ASSETS

A current snapshot, point in time, of Client's equipment assets may be accessed through the data room. The point in time snapshot of Client's equipment assets is meant to provide Supplier with an understanding of the current equipment asset inventory. Client reserves the right to make changes to Client's equipment assets from time to time. Supplier shall maintain the equipment in good working order.

Ref.	Vendor Name	Model Number	Type	Quantity	Location
1	Intentionally Blank				

3.0 SUPPLIER PROVIDED EQUIPMENT ASSETS

This section sets forth the equipment assets that Supplier shall provide and use in delivering the Services to Client during the Term.

Ref.	Vendor Name	Model Number	Type	Quantity	Location
1	Nokia	IP530	Network	2	
2	Cisco	FWSM	Network	4 contexts	
3	Cisco	4507	Network	2	
4	IBM	Model E5620	Server	2	
5	Unify	RG 8708 Gateway	ACD Gateway device	1	
6	Unify	RG 8708 Gateway	ACD Gateway device	1	



7	HP	DL380	Server	9
8	HP	BL480	Server	14
9	HP	C7000	Server	1
10	VMWare	Virtual	VM	37
11	HP	DL380	Server	4
12	HP	BL480	Server	6
13	HP	C7000	Server	3
14	VMWare	Virtual	VM	53
15	EMC	DD990	Storage	1
16	EMC	DD990	Storage	1
17	Spectra Logics	T950	Storage	1
18	Spectra Logics	T950	Storage	1
19	HP	RX2800	Storage	2



HYDRO ONE

ATTACHMENT F TO EXHIBIT 1

THIRD PARTY ACCEPTANCE SERVICES

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND

INFRASTRUCTURE MANAGEMENT (IM) SERVICES

STATEMENTS OF WORK



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1.0 INTRODUCTION

This Attachment includes (i) Supplier's responsibilities with respect to the acceptance of Software developed by Client or a third party into the Application portfolio as a part of the Application Support Services, and Program and Project Delivery Services and (ii) a procedure for resolving issues with such acceptance.

2.0 SUPPLIER RESPONSIBILITIES

Supplier's responsibilities with respect to acceptance of Software developed and/or configured by a Third Party or Client as a part of the Services include the following:

1. Perform Third Party Software acceptance activities on Software developed by Client or Client's Third Party Software developers.
2. Develop and document processes process and control documents (including entry and exit criteria, templates, training material, checklists and examples) and provide to Client that will be used by Supplier to accept Software from sources other than Supplier as a part of the Services. Such process and control documents will be subject to final review and approval by Client.
3. Meet with Client and Client's Third Party Software developers prior to or at commencement of the applicable Client or Third Party Software development project, if feasible, to review the Third Party Software acceptance process and control documents and communicate activities required to transition the Software into the scope of Services.
4. Provide a price, subject to Exhibit 3 (Pricing), to perform the Services for the transitioned Software. As applicable, the price will include the number of resources or a fixed dollar amount and a line item breakdown of any other costs that Supplier proposes as part of such price.
5. Manage and coordinate Third Party Software acceptance activities with Client or Third Party Software developers.
6. Utilize the Client approved process, see 2.2 above, for performing knowledge transfer between Client or other Third Party Software developers and Supplier Personnel.
7. Create a plan for the Third Party Software acceptance that defines the work to be performed, responsible party, estimated duration and effort.
8. Present to Client, for Client's review and approval, the plan for the Third Party Software acceptance.
9. Participate, as required to successfully accept Third Party developed Software, in training sessions, planning meetings, and review meetings associated with the Third Party Software acceptance.
10. Review and validate proof of conformance provided by Client and Third Party Software developers in all material respects.



11. Review Software Documentation to confirm skillsets required to support the new Software and identify gaps in Supplier's resource skills, if any.
12. Test the Software for conformance with the applicable acceptance criteria for Third Party Software acceptance, as part of a Project.
13. Provide timely status updates to Client throughout the Third Party Software acceptance cycle.
14. Participate in sessions with Client and Third Party Software developers throughout the Software development process to gain knowledge needed to integrate the Software.
15. Identify Documentation needed for transition of the Software into the Services and provide alternative proposals when such Documentation is not available.
16. Review Documentation to confirm skillsets required to support the new Software and identify gaps in Supplier's resource skills.
17. Perform quality assurance reviews of Client or Third Party developed Software for compliance with Client's standards and Software Development Methodology.
18. Provide notification, written or electronic, to Client upon successful acceptance of Third Party developed Software.
19. Participate with Client in audits of the materials created and used to successfully accept Third Party Software.

3.0 THIRD PARTY SOFTWARE ISSUE RESOLUTION

Supplier's responsibilities with respect to resolving issues with Third Party Software acceptance include the following:

1. Provide notification, written or electronic, of each failure to comply with the applicable acceptance criteria during the Third Party Software acceptance testing cycle that would prevent Supplier from accepting the Software. Supplier will propose alternatives for correcting or mitigating each failure. Notification shall be provided by Supplier to Client (and Third Party Software developers, if requested by Client) promptly upon discovery of the failure to meet the applicable acceptance criteria.
2. Produce a report explaining the reasons why Supplier cannot accept a Client or Third Party developed and/or configured Software product for support. Supplier will present such report and findings to Client (and Third Party Software developers, if requested by Client) within two (2) business days of the notification of the failure to meet the applicable acceptance criteria.
3. Re-execute the Third Party Software acceptance cycle within five (5) business days of receiving fixes to the nonconformance items, unless another date has been reasonably requested by Client.



4. If Client and Supplier cannot reach agreement on the nonconformance, Client may perform its own testing to determine whether the Software is compliant in all material respects with the applicable acceptance criteria.
 - 4.1. If such testing results demonstrate that the acceptance criteria for third party Software acceptance have been met in all material respects, Supplier will accept the Software as a part of the Services.
 - 4.2. If such testing results demonstrate that the acceptance criteria for Third Party Software acceptance have not been met in all material respects, Supplier will develop a resolution plan, with the reasonable assistance of Client and Third Party Software developer, that outlines items that must be resolved in the Software before Supplier will accept the Software as a part of the Services.



Hydro One

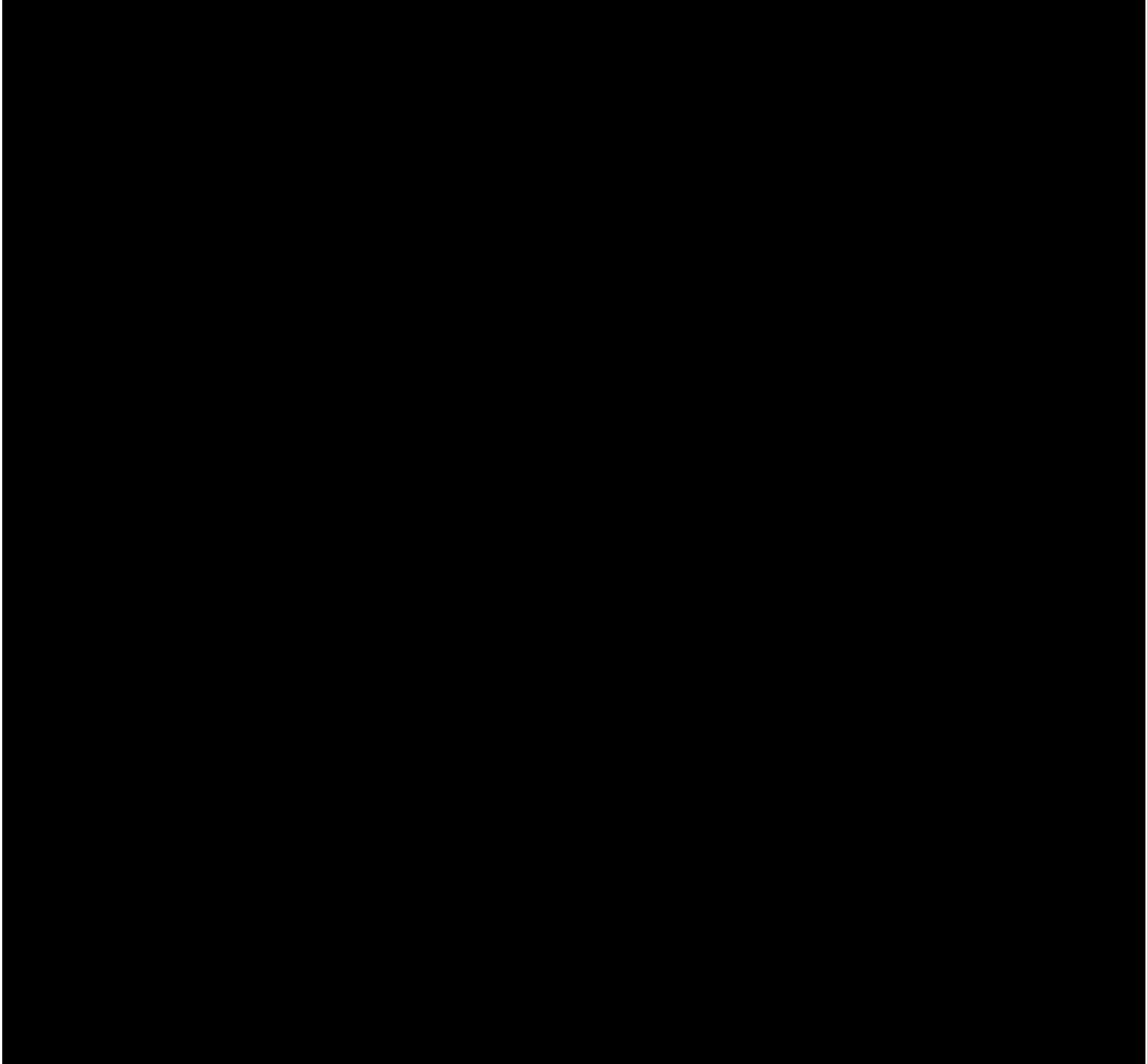
ATTACHMENT G TO EXHIBIT 1

Application Portfolio
Application Development and Maintenance Services,
Infrastructure Management Services and
Program and Project Delivery Services
Statements of Work

HONI
Attachment G to Exhibit 1 (SAP)

Application Portfolio
Application Development and Maintenance Services

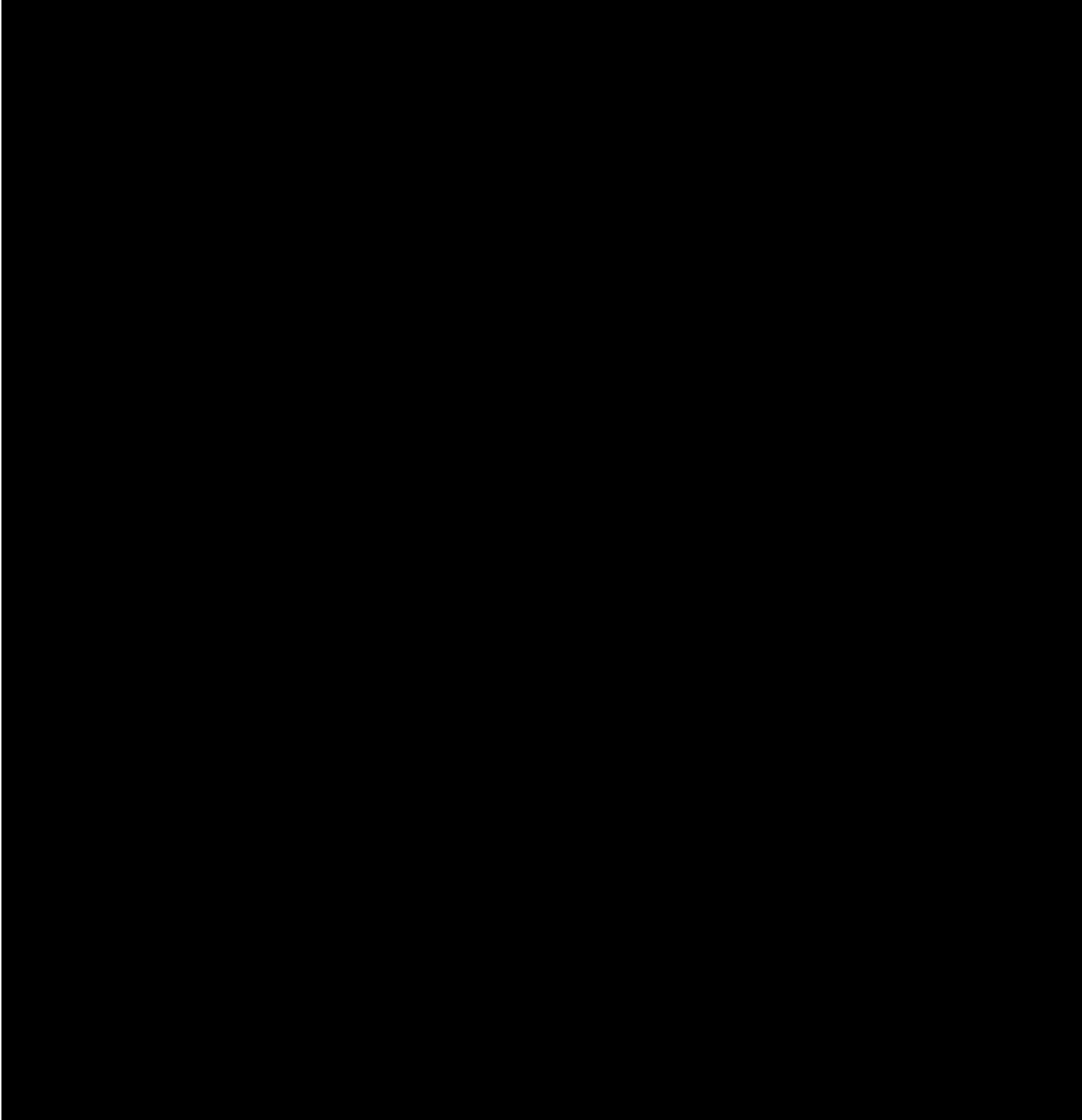
				Business						
Ref # (APP ID)	Application Name	LOB View	Unique Instances	Primary LOB	Application Logical Bundle	Application Type (Custom/Package)	Software Vendor, if Package	Application Support Level (SL1-SL5)	Infrastructure Support Level (SL1-SL5)	Application Monitoring (Y/N)
ARef	AName		Uniq	BFun	LogBndl	AType	Vend	Alevel	Ilevel	AppMon



				Business						
Ref # (APP ID)	Application Name	LOB View	Unique Instances	Primary LOB	Application Logical Bundle	Application Type (Custom/Package)	Software Vendor, if Package	Application Support Level (SL1-SL5)	Infrastructure Support Level (SL1-SL5)	Application Monitoring (Y/N)
ARef	AName		Uniq	BFun	LogBndl	AType	Vend	Alevel	Ilevel	AppMon

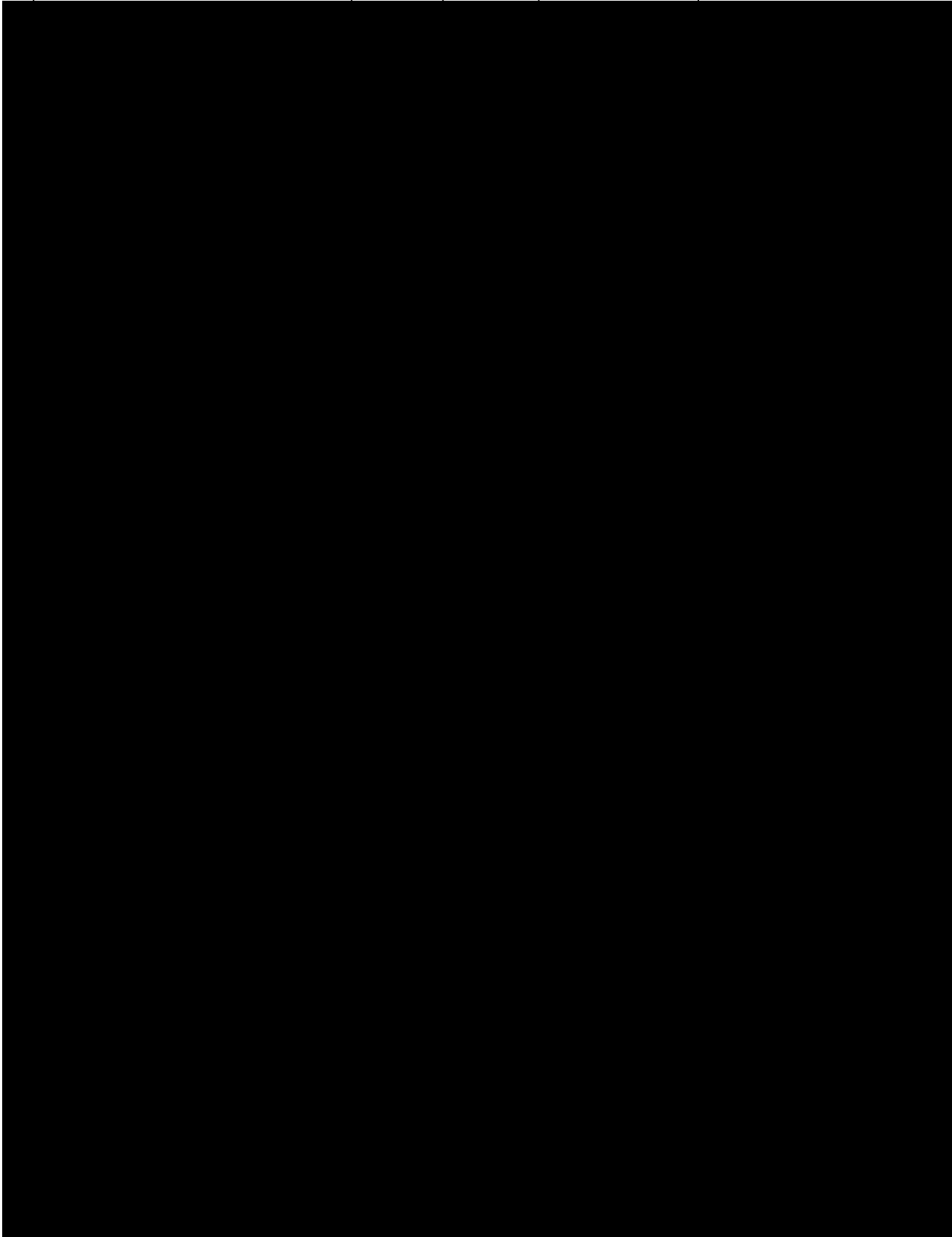
				Business						
Ref # (APP ID)	Application Name	LOB View	Unique Instances	Primary LOB	Application Logical Bundle	Application Type (Custom/Package)	Software Vendor, if Package	Application Support Level (SL1-SL5)	Infrastructure Support Level (SL1-SL5)	Application Monitoring (Y/N)
ARef	AName		Uniq	BFun	LogBndl	AType	Vend	Alevel	Ilevel	AppMon

				Business						
Ref # (APP ID)	Application Name	LOB View	Unique Instances	Primary LOB	Application Logical Bundle	Application Type (Custom/Package)	Software Vendor, if Package	Application Support Level (SL1-SL5)	Infrastructure Support Level (SL1-SL5)	Application Monitoring (Y/N)
ARef	AName		Uniq	BFun	LogBndl	AType	Vend	Alevel	Ilevel	AppMon



				Business						
Ref # (APP ID)	Application Name	LOB View	Unique Instances	Primary LOB	Application Logical Bundle	Application Type (Custom/Package)	Software Vendor, if Package	Application Support Level (SL1-SL5)	Infrastructure Support Level (SL1-SL5)	Application Monitoring (Y/N)
ARef	AName		Uniq	BFun	LogBndl	AType	Vend	Alevel	Ilevel	AppMon

Application Names	App ID	Service Level	Decommission Status	CCO
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Application Names	App ID	Service Level	Decommission Status	CCO



HYDRO ONE

ATTACHMENT H TO EXHIBIT 1

SUPPORT LEVELS

**APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND
INFRASTRUCTURE MANAGEMENT (IM) SERVICES STATEMENT OF WORK**



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1.0 INTRODUCTION

This Attachment sets forth the Application and Infrastructure support level definitions that Supplier will be accountable for and must deliver (satisfy) as part of the ADM-IM Services. The support level for each application is identified in Attachment G to Exhibit 1 (Application Portfolio) of the ADM-IM SOW.

2.0 APPLICATION SUPPORT LEVEL DEFINITIONS

The following are the support level definitions to be used for Application Support purposes. System Recovery plans, where referred to below, refer to the technical recovery of the applications software and the recovery of data, data structures and hierarchies.

Across All Levels, the following Support Expectations are true:

1. Response is minimally defined as:
 - a. Identification of accountability for the request.
 - b. Update and actions to be taken.
 - c. If possible, an expected lead time for completion.
 - d. Regardless of support level, application releases will follow the ARM process.
2. All applications that are installed should be certified by Supplier and the certification data for the application is retained and maintained.

3.0 APPLICATION SUPPORT LEVEL 1 - CRITICAL

Are core Applications providing significant business enablement. If the application is unavailable, there will be major business impact (e.g. loss of revenue, inability to provide services to Client customers).

Support characteristics:

1. The application is monitored for availability on a 7 x 24 x 365 basis.
2. On-call 7 x 24 x 365 support is provided.
3. On-Call support staff:
 - 3.1. Carry mobile devices.
 - 3.2. Respond to calls within 30 minutes.
 - 3.3. Conduct remote or on-site problem handling as required until resolution, as defined by problem severity levels.



4. On-site support is provided during normal business hours.
5. The Application is supported by a team of trained resources with the appropriate skill sets and who have a thorough business understanding of major system functions and processes.
6. A development/QA/test environment and toolset is maintained separately from production.
7. All changes follow the standard release, test and promotion processes.
8. Context diagrams are maintained.
9. Appropriate application documentation and configuration information is maintained.
10. Patching, tuning and managed releases for enhancements of the application are performed in order to maintain application currency.
11. Application and data backups are performed on a scheduled basis. Restore plans are well documented and tested regularly.
12. Conduct an annual review with Client of all Support Level 1- Critical Applications.
13. System Architecture is designed for high availability.

4.0 APPLICATION SUPPORT LEVEL 2 - HIGH

Are major Applications, providing moderate business enablement, they may be used by a single or multiple work groups within or across business areas. If the application is unavailable, there will be moderate business impact.

Support characteristics:

1. On-site support is provided during normal business hours.
2. Skills exist to support the Applications environment and the Applications are generally supported by teams of trained resources with the appropriate skill sets and who have a good business understanding of major system functions and processes
3. A development/QA/test environment and toolset may be set-up and maintained separately from production
4. All changes follow the standard release, test and promotion processes.
5. Appropriate application documentation and configuration information is maintained.
6. Patching, tuning are performed in order to maintain the application and meet the Service Levels.
7. Application and data backups are performed on a scheduled basis. Restore plans are well documented and tested regularly.



5.0 APPLICATION SUPPORT LEVEL 3 - STANDARD

Are Applications, providing business enablement, to a single work group within specific business areas. If the application is unavailable, there will be minimal business impact.

Support characteristics:

1. On-site support is provided during normal business hours.
2. Skills may not be readily available to support the Applications environment.
3. All changes follow the standard release, test and promotion processes.
4. Appropriate application documentation and configuration information is maintained.
5. Patching is performed as required.
6. Application specific recovery plans are documented and tested as required.

6.0 APPLICATION SUPPORT LEVEL 4 - LOW

Are Applications, providing limited business enablement, to a single work group within specific business areas. If the application is unavailable, there will be minimal business impact.

Support characteristics:

1. On-site support is provided during normal business hours.
2. Skills may not be readily available to support the Applications environment.
3. All changes follow the standard release, test and promotion processes.
4. Can also be used for supporting non-Production Environment (i.e. Project environments, sandbox environment, etc)



7.0 INFRASTRUCTURE SUPPORT LEVEL DEFINITIONS

The following are the support level definitions to be used for Infrastructure Support purposes. Total system support capability is an aggregate of application support level and Infrastructure support level. Across All Levels, the following Support Expectations are true:

1. Response is minimally defined as:
 - 1.1. Identification of accountability for the request.
 - 1.2. Update and actions to be taken.
 - 1.3. An expected lead time for completion.

8.0 INFRASTRUCTURE SUPPORT LEVEL - ENHANCED

Are Infrastructure Systems that, if unavailable, have a significant business impact if they become unavailable. As a result, normally, level 1 and 2 Applications would reside on this Infrastructure. Enhanced-supported Infrastructure is architected and implemented with high-availability, auto-failover and high-resiliency capability to minimise the likelihood of business impact due to CI failures.

Support characteristics:

1. Monitored for availability on a 7 x 24 x 365 basis.
2. On-call 7 x 24 x 365 support is provided.
3. On-Call support staff:
 - 3.1. Carry mobile devices.
 - 3.2. Respond to calls within 30 minutes.
 - 3.3. Conduct remote or on-site problem handling as required until resolution, as defined by problem severity levels.
4. On-site support is provided during normal business hours.
5. Supported by a team of resources with a high level of expertise and appropriate skill sets.
6. All changes follow the standard release, test and promotion processes.
7. System configuration documentation is maintained.
8. Patching, tuning is performed to ensure compatibility with applications.
9. System backups are performed on a scheduled basis. Restore plans are well documented and tested regularly.
10. System Architecture is designed for high availability.



9.0 INFRASTRUCTURE SUPPORT LEVEL - STANDARD

Are Infrastructure Systems that, if unavailable, have a minimal business impact if they become unavailable. Normally, level 3 and 4 Applications would reside on this Infrastructure

Support characteristics:

1. Monitoring is not normally performed.
2. On-site support is provided during normal business hours.
3. Skills may not be readily available to support all environments.
4. All changes follow the standard release, test and promotion processes.
5. Patching is performed if required by an application.
6. System backups are performed. Rebuild plans are documented.



HYDRO ONE

ATTACHMENT I TO EXHIBIT 1

TYPES OF WORK

**APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND
INFRASTRUCTURE MANAGEMENT (IM) SERVICES STATEMENTS OF WORK**



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1.0 INTRODUCTION

This Attachment includes Supplier's responsibilities with respect to certain types of work to be performed as a part of the Services.

2.0 ADM AND IM SERVICES

ADM/IM Services are defined in Exhibit 1 for each SOW.

Service Requests to the extent that the Service Request does not exceed forty (40) effort hours per Service Request.

3.0 MINOR ENHANCEMENTS

Minor Enhancements work is the set of activities associated with the planning, analysis, design, construction, testing, Quality Assurance and implementation of changes to existing Applications or Services to the extent such work is greater than forty (40) effort hours and does not exceed seven hundred (700) effort hours per Service Request. For avoidance of doubt Service Requests that are less than forty (40) hours of effort shall not be considered Minor Enhancements.

3.1 Minor Enhancements Characteristics

- 3.1.1** Application changes in response to acquisitions, divestitures, plant closings or the opening of new facilities.
- 3.1.2** Ad-hoc changes.
- 3.1.3** Client, supplier, or third party mandated Application, configuration and other changes.
- 3.1.4** Application development work (including the development of detailed functional specifications and business requirements to the extent done as part of performing Application development work and such Application development work does not exceed seven hundred (700) effort hours per Service Request;
- 3.1.5** Application implementation services.
- 3.1.6** Systems integration work.
- 3.1.7** Training of Authorized User trainers and/or Service Desk personnel and/or other third parties on changes to existing Applications or newly developed Applications performed as Project work (other training will be Application Maintenance and Support work under Section 2 above).
- 3.1.8** Implementation of Upgrades to Third Party Software (COTS) (other than those described in Section 2.1 above).
- 3.1.9** Implementation of Architecture plans affecting an Application.
- 3.1.10** Evaluation and testing of new Equipment and Software.



The Parties acknowledge that activities set forth in this Section 3 to the extent those activities exceed seven hundred (700) effort hours, will be counted as part of the hours spent performing Project work to the extent those items are performed as part of a Project for Project work approved by Client.

3.2 Minor Enhancement Exclusion Characteristics

- 3.2.1** Complexity of the Service Request requires Project Management overhead to successfully deliver the required outcome.
- 3.2.2** The Service Request requires multiple Suppliers or Third Parties to deliver the required outcome.
- 3.2.3** Multiple Service Requests, that individually do not exceed seven hundred (700) effort hours but when viewed as a bundle exceed seven hundred (700) effort hours, when combined deliver a solution that could have been requested as a Project.

The Parties acknowledge that activities set forth in this **Section 3.2** shall not be performed as Minor Enhancements and will require a Project Request to be initiated.

4.0 PROJECT WORK

Project work is the set of Application activities associated with the planning, analysis, design, construction, testing, Quality Assurance and implementation of changes to existing Services or the development of new Applications that require more than seven hundred (700) effort hours per request, excluding Application Maintenance and Support work activities. Project work may also include other Application-related services (e.g., feasibility studies) that require more than seven hundred (700) effort hours and are not explicitly identified as Application Maintenance and Support work; to the extent those activities are performed as part of a Project for Project work approved by Client. Additionally, Project work may include those Service Requests which do not meet the criteria for Minor Enhancements as specified in section 2, Minor Enhancement Exclusion Characteristics above.

ADM SOW - Exhibit 1 – SOW Services Description and Schedule 3.1(a) – Project Methodology describe Supplier's responsibilities for the performance of Project work.



HYDRO ONE

ATTACHMENT J TO EXHIBIT 1

PRIORITY LEVELS

**APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND
INFRASTRUCTURE MANAGEMENT (IM) SERVICES STATEMENT OF WORK**



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1.0 INTRODUCTION

Client has adopted the Information Technology Infrastructure Library (ITIL) framework for service management. As part of this framework, each Incident, Problem and Change will be assessed in terms of its Impact upon the business of Client and the Urgency with which Client requires the Incident, Problem or Change to be resolved or for a workaround to be implemented.

This Schedule sets forth descriptions of Priority Levels associated with the Client Services. Priority Levels are used to categorize an Incident associated with the Services based on the potential impact of the Incident to Client.

There may be different Service Levels associated with the Resolution of an Incident based on the assigned Priority Level.

Supplier's responsibilities (e.g., time to respond, Resolve, etc.) with regard to an Incident or Problem to which a Priority Level has been assigned pursuant to this Schedule are set forth herein or in Exhibit 1.

2.0 IMPACT STANDARDS

Impact is defined under ITIL as a measure of the effect of an Incident, Problem or Change on Business Processes. Impact is often based on how agreed levels of service will be affected and may be assessed by taking into account the number and business roles of the people affected or the business functions supported by the systems affected. These ratings, assigned automatically by the applicable System or the Service Desk representative who initiates a ticket for the Incident using guidelines set forth in this Schedule and Client's Incident management policy, as may be updated by Client from time to time, determine the Priority Level for addressing Incidents. Adherence to the "Incident Escalation" Standard set forth in Client's Incident management policy helps ensure that all Incidents are being addressed in a timely manner.

IMPACT STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
<p>1 – Critical</p>	<ul style="list-style-type: none"> ▪ The Incident affects an external Client customer. ▪ Events and/or problems with significant business impact on multiple business units, or an immediate severe impact to a core business process at a single business unit or to an operation that is mission critical to Client's business, which may result in customer impact. ▪ Events and/or problems 	<ul style="list-style-type: none"> ▪ Inability to complete financial transactions such as payments, month-end close impact (during close duration), etc. ▪ Payroll impact for a large group of individuals. ▪ Outage on Applications or significant problems impacting Authorized Users' ability to perform transactions on these Applications (e.g., slow performance, error screens). ▪ Hourly employees' timekeeping System; shift level time recording and facility access control issues. ▪ Safety



IMPACT STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
	<p>that cause Client-wide or regional outages or a complete loss of service.</p> <ul style="list-style-type: none"> ▪ No Workaround is available and processes cannot continue. 	
2 – High	<ul style="list-style-type: none"> ▪ The Incident affects a Network or a Server, but does not directly affect an external Client customer or supplier. ▪ An Incident that results in a major impact to a business unit or to a critical operation. ▪ An Incident typically contained within a business unit or a local region, but with major business and functional impact to the business or area. This is not as widespread as Client-wide issue. ▪ A Workaround is not available; however, processing can still continue in a restricted manner. 	<ul style="list-style-type: none"> ▪ Issues with LAN, WAN, Servers (e.g., messaging, file, print, Application, etc.) that affect multiple Authorized Users. ▪ A high number of Authorized Users being unable to access the System. ▪ Inability to generate vendor payments. ▪ Problems with purchase order transmissions. ▪ Issues with nightly database back-up process. ▪ Issues with development and test environments during release test cycle. ▪ Slow performance on running monthly reports. ▪ Authorization issue with Authorized User access to sensitive HR data.
3 – Medium	<ul style="list-style-type: none"> ▪ The Incident affects a single Authorized User who is a VIP User. 	<ul style="list-style-type: none"> ▪ Authorized User's name appears on the list of VIP Users in a region. ▪ When a member Server of a cluster goes offline and the work resumes on the rest of the cluster. ▪ Internet Web site issues of a non-business-critical nature have occurred
4 – Low	<ul style="list-style-type: none"> ▪ The Incident affects a single Authorized User who is not a VIP User. ▪ An Incident that affects a single workgroup or functional group, but does not have immediate impact to a business unit as a 	<ul style="list-style-type: none"> ▪ Authorized User is unable to access or use Services (e.g., telephone, computer, printer, database, etc.). ▪ A single user of a PC application/system is, or will be, affected.



IMPACT STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
	whole. <ul style="list-style-type: none"> ▪ An Incident that severely affects a single Authorized User who has no other resources available to perform his or her role. ▪ Minor inefficiencies are encountered; however, a Workaround is available and processing can continue. 	
5 – Very Low	<ul style="list-style-type: none"> ▪ The Incident consists of a question only. 	<ul style="list-style-type: none"> ▪ Inquiry about the name of a Site, telephone number, a website link, where to obtain certain information, etc.

3.0 URGENCY STANDARDS

Urgency is defined under ITIL as a measure of how long it will be until an Incident, Problem or Change has a significant Impact on the Business as communicated by the Authorized User or, if the Authorized User does not so communicate an urgency level, as reasonably assessed by the Service Desk representative in accordance with the terms of this Schedule. If an Urgency Rating is not communicated by an Authorized User, or otherwise assessed during the initial Contact, the Urgency Rating will be matched to the corresponding Incident Impact Rating.



URGENCY STANDARD	DEFINITIONS and EXAMPLES (Non-Exhaustive)
<p>1 – Critical</p>	<p>A Support Level 1 Application is Unavailable or unable to perform its agreed function</p> <p>An entire building, or entire floors accommodating key business users, is or will be unavailable to Authorized Users during agreed hours of service. (Causes could include Power failures, Network outages, and critical application outage.)</p> <p>An entire campus is, or will be, unavailable to users during agreed hours of service. (Causes could include failure of the primary data server, and domain controller problems.)</p> <p>A server or network failure results in multiple services being unavailable to Authorized Users during agreed hours of service.</p> <p>A failure prevents Client from fulfilling any legal or regulatory requirements. (For example: This might include submitting a report to the regulator or providing a quote to the exchange.)</p> <p>An Internet Web site to which the general public and/or clients have access for the purposes of servicing or sales is unavailable or is issuing timeout errors.</p> <p>Business critical impairment of business operations has occurred. (For example: an overnight batch failure might impact a critical date for an enterprise.)</p> <p>Business critical impact on service provided to the end customer has occurred (for example: delays or incorrect payments in and payments out).</p> <p>Severe slow response is significantly affecting the entire user base.</p>
<p>2 – High</p>	<p>A Support Level 1 Application has major degraded availability or performance</p> <p>A Support Level 2 Application is Unavailable or unable to perform its agreed function</p> <p>An entire floor of a building or a non-critical back office is, or will be, unavailable to users during agreed hours of service. (Causes could include Power failures; Network outages,</p>



URGENCY STANDARD	DEFINITIONS and EXAMPLES (Non-Exhaustive)
	<p>and application outage.)</p> <p>A campus is, or will be, impaired to users during agreed hours of service (For example: Causes could include failure of an Application server, Print server or SNA server, loss of Lotus Notes application, and so forth.)</p> <p>A key, but not critical, part of a server or system is, or will be, unavailable to users during agreed hours of service.</p> <p>Any part of an Internet Web site is unavailable or issuing timeout errors.</p> <p>Response times for any Internet Web site are substantially slower than normal for a sustained period.</p> <p>Critical data is, or will be, unavailable to all users of an application. (For example: Overnight Batch failure results in system being out-of-date.)</p> <p>There is a significant impact on the service provided to the end customer (such as delays or incorrect quotations).</p> <p>Poor responses are significantly affecting the entire floor/system/application.</p> <p>An Uninterruptible Power Supply (UPS) failure has occurred.</p> <p>There is a major scheduling tool failure.</p>
<p>3 – Medium</p>	<p>A Support Level 1 Application has minor degraded availability or performance</p> <p>A Support Level 2 Application has major degraded availability or performance</p> <p>A Support Level 3 Application is Unavailable or unable to perform its agreed function</p> <p>A Critical User has experienced a minor disruption to service, but the Critical User(s) can continue to work with a majority of function.</p>



URGENCY STANDARD	DEFINITIONS and EXAMPLES (Non-Exhaustive)
	<p>Individual non-critical user is affected.</p> <p>The back-office environment is experiencing degraded performance.</p> <p>Critical user has minor software bug.</p> <p>Critical user has difficulty accessing a non-critical function.</p> <p>A non-key part of a service or a medium to low priority personal computer application/system is, or will be, unavailable to users during agreed hours of service.</p> <p>A significant, but not key impact, overnight failure has occurred.</p> <p>A bank of personal computers is not working, but users can relocate to other desks.</p> <p>Internet Web site issues of a non-business-critical nature have occurred.</p>
<p>4 – Low</p>	<p>A Support Level 2 Application has minor degraded availability or performance</p> <p>A Support Level 3 Application has degraded availability or performance</p> <p>A Support Level 4 Application is Unavailable or unable to perform its agreed function or has degraded availability or performance</p> <p>A minor disruption to the service: User(s) can continue to work with the majority of functionality.</p> <p>Minor software bugs.</p> <p>An individual user has difficulty accessing a non-critical function.</p> <p>A single user of a PC application/system is, or will be, affected.</p> <p>System access issues are affecting a single user.</p> <p>System access issues are affecting a single personal computer.</p>



URGENCY STANDARD	DEFINITIONS and EXAMPLES (Non-Exhaustive)
	Minor inconvenience has been caused to a single user. Daily reporting is late. A single printer is unavailable (or not producing critical output).
5 – Planned	Minor inconvenience is caused to a single user. Minor software bugs.



4.0 PRIORITY LEVELS

Priority is defined under ITIL as a category used to identify the relative importance of an Incident, Problem and Change. "Priority Level" means the intersection of the Urgency Rating and the Impact Rating for the applicable Incident in the table below, which intersection determines the placement of such Incident into a group such that Supplier addresses Incidents in a sequenced, prioritized fashion.

Client will be entitled to identify certain Items (composed of Hardware, Software and Services) according to the same Priority scheme based on the Impact and urgency that a Problem or Incident related to such items would generate.

Client will be entitled, from time to time, to modify the Priority Level of an Incident to be a higher or lower Priority Level due to a change in urgency and/or impact of the Incident. Immediately upon such modification by Client, such Incident shall be subject to all Service Levels that apply to the new Severity Level. Such modifications by Client shall be made by members of Client's service management organization, as designated by Client from time to time. The Incident, Problem, and Change shall be assigned a Priority Level, based on an assessment of the combined effect of Impact and Urgency as set out by the permutations in the following chart:



		IMPACT				
		Critical	High	Medium	Low	Very Low
URGENCY	Critical	1 Critical	1 Critical	2 High	3 Medium	3 Medium
	High	2 High	2 High	3 Medium	3 Medium	4 Low
	Medium	2 High	3 Medium	3 Medium	4 Low	4 Low
	Low	3 Medium	3 Medium	4 Low	4 Low	4 Low
	Planned	3 Medium	4 Low	4 Low	4 Low	4 Low

For example:

- High Impact and Low Urgency equate to a “3” or Medium Priority.
- High Impact and High Urgency equate to a “2” or High Priority.
- Low Impact and Low Priority equate to a “4” or Low Priority.

This Attachment sets forth qualitative descriptions of Priority Levels associated with the Services. There may be different Service Levels associated with the resolution of an Incident, Problem, or Change based on the assigned Priority Level.



4.1. Critical Priority Level – 1

A Critical Priority Incident has priority over all other Incidents and activities and requires the highest level of response. Incidents designated with this Priority Level shall require continuous effort to resolve, as well as immediate management notification. An Incident Manager shall be assigned to manage the situation and shall be empowered to call on any resource(s) deemed necessary to resolve the Incident.

4.2. High Priority Level – 2

A High Priority Incident has priority over all other Incidents with the exception of Critical Priority Incidents. Incidents designated with this Priority Level shall require continuous effort to resolve and immediate management notification. An Incident Manager shall be assigned to manage the situation and shall negotiate with other departments to obtain the resources deemed necessary to resolve the incident.

4.3. Medium Priority Level – 3

A Medium Priority Incident has priority over Low Priority Incidents. Incidents designated with this Priority Level will generally be managed by the second-line support areas, and an Incident Manager will not typically be assigned.

4.4. Low Priority Level – 4

A Low Priority Incident has the lowest priority of all Incidents. Incidents designated with this Priority Level will generally be managed by the second-line support areas, and an Incident Manager will not typically be assigned.



HYDRO ONE

ATTACHMENT K TO EXHIBIT 1

TECHNICAL ARCHITECTURE

**APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND
INFRASTRUCTURE MANAGEMENT (IM) SERVICES STATEMENT OF WORK**



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1.0 OVERVIEW OF CURRENT ARCHITECTURE

The ability to deploy cutting-edge technologies is crucial for Client to maintain a competitive advantage in the marketplace. Corporate-wide information technology (IT) standards are a key to being able to deploy and ease the transition to leading-edge technology. An IT environment based on corporate standards provides the foundation for supporting the diverse business requirements of Client's lines of business while maintaining a cost-effective, manageable environment.

Client's IT architecture is comprised of many inter-related components, including:

- Network – Wide Area Network (WAN), campus backbone, Local Area Networks (LANs), Voice, and Conferencing
- Internet, file, print, electronic mail, and scheduling services
- Computer Hardware (Mainframe, Servers, Desktops, Laptops, Tablets, etc.)
- Operating Software Platforms
- Access to Applications and Database Software
- Remote-access services
- Network/systems management and data backup and recovery services

A current snapshot, point in time, of Client's technical architecture and product standards may be accessed through the data room. The point in time snapshot of Client's technical architecture and product standards is meant to provide Supplier with an understanding of the current technology environment. Client reserves the right to make changes to Client's technical architecture and product standards from time to time.



HYDRO ONE

ATTACHMENT L TO EXHIBIT 1

SOFTWARE ASSETS

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND INFRASTRUCTURE MANAGEMENT (IM) SERVICES

STATEMENT OF WORK



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1.0 INTRODUCTION

This attachment sets forth the Third Party Software provided by either the Client or Supplier as identified below.

2.0 CLIENT THIRD PARTY SOFTWARE

A current snapshot, point in time, of Client's Third Party Software assets may be accessed through the data room. The point in time snap shot of Client's software assets is meant to provide Supplier with an understanding of the current software asset inventory. Client reserves the right to make changes to Client's software assets from time to time.

Vendor Name	Description	Product / Module
	Intentionally Blank	

3.0 SUPPLIER THIRD PARTY SOFTWARE

This section sets forth the Supplier Third Party Software utilized in the provision of the Services. The Supplier will maintain Software listed below in line with obligations defined within the FRM attachment and maintain a list of version numbers to be provided on request by the Client.



Vendor Name	Product / Module	Description	# of Licenses for Client Use
BMC	Remedy ITSM – Incident, Problem, Change, CMDB	Centralized ITIL based tool used for Incident Management, Problem Management, Change Management, Asset Management, and Configuration Management	10
Bomgar	Secure Remote Support	Tool to remotely control and PC's and Blackberry devices for Service Desk	0
Bomgar	Chat	Chat application for endusers	0
CA	CA-ESP	Batch scheduling	0
Capgemini	SLIM	Software License Management Reporting Database	0
Capgemini	Service Center Wizard	End User self help and help desk ticket creation	0
Computer Associates	Net Health	Internet Bandwidth utilization	0
Computer Associates	Erwin Data Modeler	Data Modeling	



Vendor Name	Product / Module	Description	# of Licenses for Client Use
Computer Associates	Unicenter suite – Fast Unload, RC/Migrator, Allfusion suite	Application support tools	
Computer Associates	Clarity	Project/Portfolio Management	
CSI	CAST	Software engineering tool	
Digital Fuel	Service Flow	Web Enabled Service Level Reporting	
Hewlett Packard	HP-OpenView	Monitoring and event aggregation	
Hewlett Packard	HP-SIM	Monitoring and event aggregation	
HP	Openview Network Node Manager	Network management and monitoring	
Citrix	XenApp	Hosted Applications on Terminal Server	0
VMWare	Service Flow	Web Enabled Service Level Reporting	5
VMWare	vSphere Enterprise	Virtualization Platform for	0



Vendor Name	Product / Module	Description	# of Licenses for Client Use
		management network	
VMWare	vCenter	Virtualization Management	0
E-ISG Asset Intelligence	Visual Asset Manager (VAM)	Facilities asset tracking	0
Eracent	Eracent Discovery Suite	Agent based device discovery for Wintel, UNIX, Apple, AS/400, Linux and HPUX platforms	0
Hitachi	HBSM	Hitachi Backup Software Manager	0
Hummingbird	Exceed	Connectivity Software	0
IBM	Tivoli Integrated Monitoring	Monitoring and event aggregation	0
IPSwitch	MoveIT (Central and DMZ)	Automated and Scheduled Secure File Transfer	0
Microsoft	SQL Server	SQL Server Database Management System (DBMS)	0
Microsoft	Windows OS	Windows operating systems	0



Vendor Name	Product / Module	Description	# of Licenses for Client Use
Microsoft	Windows Sharepoint Services (WSS)	Process and Reporting Document Repository	0
Microsoft	PStools	Windows OS tools	0
Mortice Kern Systems	MKS Source Code Management	Software Configuration Management for custom and vendor applications	0
Symantec	Symantec Antivirus	Antivirus	0
PuTTY	PuTTY	Telnet and SSH	0
MIR3	TelAlert	Ticket generated e-mail and paging	0
Nimsoft	Nimsoft	E-E response time monitoring	0
RightAnswer	RightAnswer	Knowledge Management tool for the Service Desk	0
Survey Methods	Survey Methods	Customer Satisfaction Survey	0
Veeam Corp.	Veeam FastSCP	Secure tool to manage files and bulk copy VMs	0



Vendor Name	Product / Module	Description	# of Licenses for Client Use
		across the VMware ESX environment	
Veritas	NetBackup	Backup and Recovery Software	0
Computer Associates	Spectrum	Network management and monitoring	0
Cyber Ark	Cyber Ark	Enterprise password vault	0
IBM	Tivoli Monitoring	Server monitoring	0
IBM	Tivoli Endpoint Manager	Used for patching	0
Unify	OpenScape Xpressions V7	Help Desk ACD Software	0
Unify	OpenScape Personal Edition	Help Desk Agent ACD Software	0
Redhat	RedHat Linux	Operating System	0
WinSCP	WinSCP	FTP and SFTP client	0
EMC	SRM (Storage Resource Management)	Storage Reporting	0



Vendor Name	Product / Module	Description	# of Licenses for Client Use
SunGard	BIAPRO	Business Impact Management Tool	
SunGard	LDRPS	Living Disaster Recovery Plan System	



Table to be completed by Supplier for the tools listed above:

Please complete the table below with any additional info that may be helpful to the client and also complete the NIST SCAP compliance question					
Description	Product / Module	Version #	# of Licenses for Client Use	Vendor	NIST-SCAP Compliant (Y/N or Don't Know -DK) NIST SP800-123 and NIST SP800-53 Rev 3 If you do not know whether your tool is compliant or you answer NO, you will be asked to provide a plan on how you will harden the application for security purposes
Centralized ITIL based tool used for Incident Management, Problem Management, Change Management, Asset Management, and Configuration Management	Remedy ITSM – Incident, Problem, Change, CMDB	8.1	10	BMC	
Tool to remotely control and PC's and Blackberry devices for Service Desk	Secure Remote Support	10.4	0	BOMGAR	
Chat application for endusers	Chat	10.4	0		
Batch scheduling	CA-ESP	5.5	0	Computer Associates	
Software License Management Reporting Database	SLIM	1.6	0		



End User self help and help desk ticket creation	Service Center Wizard	5	0		
Internet Bandwidth utilization	Net Health	5.2	0	Brocade	
Hosted Applications on Terminal Server	XenApp	6.5	0	Citrix	
Web Enabled Service Level Reporting	Service Flow	6.1	5	Service-Flow	
Virtualization Platform for management network	vSphere Enterprise	5.1	0	VMWare	
Virtualization Management	vCenter	5.1	0	VMWare	
Facilities asset tracking	Visual Asset Manager (VAM)	6	0		
Agent based device discovery for Wintel, UNIX, Apple, AS/400, Linux and HP/UX platforms	Eracent Discovery Suite	8.15	0	Eracent	
Hitachi Backup Software Manager	HBSM	7	0	Hitachi	
Connectivity Software	Exceed	10	0	Hummingbird/OpenText	
Monitoring and event aggregation	Tivoli Integrated Monitoring	6.2	0	IBM Tivoli	
Automated and Scheduled Secure File Transfer	MoveIT (Central and DMZ)	7.0.1.0	0	IPSwitch	
SQL Server Database Management System (DBMS)	SQL Server	2000	0	Microsoft	
Windows operating systems	Windows OS	2003/2008	0	Microsoft	
Process and Reporting Document Repository	Windows Sharepoint Services (WSS)	3	0	Microsoft	
Windows OS tools	PStools	2014	0	Microsoft	
Antivirus	Symantec Antivirus	10	0	Symantec	
Telnet and SSH	PuTTY	0.6.3	0	Open Source	
Ticket generated e-mail and	TelAlert	6e	0	MIR3	



paging					
E-E response time monitoring	Nimsoft	4.1.2	0	Computer Associates	
Knowledge Management tool for the Service Desk	RightAnswer	5.1	0	RightAnswers	
Customer Satisfaction Survey	Survey Methods	N/A	0		
Secure tool to manage files and bulk copy VMs across the VMware ESX environment	Veeam FastSCP	3	0	Veeam	
Backup and Recovery Software	NetBackup	7.01	0	Symantec	
Network management and monitoring	Spectrum	9.0.2	0	Computer Associates	
Enterprise password vault	Cyber Ark	6	0	CyberArk	
Server monitoring	Tivoli Monitoring	6.2.3	0	IBM Tivoli	
Used for patching	Tivoli Endpoint Manager	9	0	IBM Tivoli	
Help Desk ACD Software	OpenScape Xpressions V7	7	0	Siemens	
Help Desk Agent ACD Software	OpenScape Personal Edition	7	0	Siemens	
Operating System	RedHat Linux	5.x	0	Redhat	
FTP and SFTP client	WinSCP	5.x	0	Open Source	
Storage Reporting	SRM (Storage Resource Management)	3	0	EMC	



HYDRO ONE

ATTACHMENT M TO EXHIBIT 1

HOURS OF OPERATIONS

**APPLICATION DEVELOPMENT AND MAINTENANCE (ADM) AND
INFRASTRUCTURE MANAGEMENT (IM) SERVICES STATEMENT OF WORK**



1.0 INTRODUCTION

This Attachment includes Supplier's responsibilities with respect to the hours of operations for the Data Centre Services to be performed as a part of the Services. All times are Eastern Standard Time (EST).

2.0 HOURS OF OPERATION – DATA CENTRE SERVICES

Ref	Services	Hours of Operation
1	Data centre operations	7 x 24 x 365
2	Management of Change	7 x 24 x 365
3	Incident Management	Normal support: Business Days, 08:30 – 18:30
4	Service Desk	Normal support: Business Days, 07:00 to 18:30
5	Deskside Support	Normal support: Business Days, 08:30 – 18:30
6	All other services	Normal support: Business Days, 08:30 – 18:30

3.0 HOURS OF OPERATION – APPLICATION DEVELOPMENT AND MAINTENANCE (ADM)

Ref	Services	Hours of Operation
1	ADM	Standard Application support: Business Days, 08:30 – 18:30 Critical Application support: 24 x 7 x 365

HYDRO ONE

EXHIBIT 2

SERVICE LEVEL MATRIX

**APPLICATION DEVELOPMENT AND MAINTENANCE (ADM),
INFRASTRUCTURE MANAGEMENT (IM) SERVICES,
AND PROGRAM AND PROJECTS DELIVERY (PPD)
STATEMENTS OF WORK**

Exhibit 2
 Exhibit 2 - List of Changes
 01/15/2024 08:00:00 AM
 01/15/2024 08:00:00 AM
 01/15/2024 08:00:00 AM
 01/15/2024 08:00:00 AM

Item #	Service Level	Approved	Revised	Status of Service	Approval Status	Is this item a Critical Priority?	Is this item a Support Period?	Is this item a Change Request?	Is this item a Project Change?	Is this item a Project Change?	Is this item a Project Change?	Is this item a Project Change?	Is this item a Project Change?	Is this item a Project Change?	Is this item a Project Change?
010-1	Project Implementation on Time	1/15/2024	1/15/2024	NA	Not Project	NA	Completed	Y							
010-2	Project Implementation on Budget	1/15/2024	1/15/2024	NA	Not Project	NA	Completed	Y							
010-3	Project Implementation on Quality	1/15/2024	1/15/2024	NA	Not Project	NA	Completed	Y							
010-4	Project Implementation on Risk	1/15/2024	1/15/2024	NA	Not Project	NA	Completed	Y							
010-5	Project Implementation on Compliance	1/15/2024	1/15/2024	NA	Not Project	NA	Completed	Y							

Key Performance	Key Measure	Required	Minimum	Years of Service	Measurement Period	Service Commitment Data / Unit	Definition	Formula	Data Source	Logic	Assessment
ADM-1	Final Rate Satisfaction	90.00%	90.00%	24/365	Monthly	1 Month	The satisfaction of the percentage of final rate that customers are satisfied with is an indicator of service quality. This is measured by the number of complaints received from customers. The number of complaints received from customers is measured by the number of complaints received from customers. The number of complaints received from customers is measured by the number of complaints received from customers.	$\frac{\text{Number of Satisfied Customers}}{\text{Total Number of Customers}} \times 100$	Service Metrics	Tracking data	Customers included by North Star Measures within the Period. Not for new start customers. Metrics based on living arrangements. The SM is not available to CHS without mutual agreement of the Parties.
ADM-2	Customer Contact Response Rate	90.00%	90.00%	Business Days 07:00 - 18:00	Monthly	Immediate	The measurement of the percentage of issues that are responded to within the agreed response period. This is measured by the number of issues that are responded to within the agreed response period. This is measured by the number of issues that are responded to within the agreed response period.	$\frac{\text{Number of Issues Resolved}}{\text{Total Number of Issues}} \times 100$	CRM Data	Tracking data	Issues resolved by North Star Measures within the Period. Not for new start customers. Metrics based on the "30 Minute rule".
ADM-3	Standard Service Desk Calls	0.00%	0.00%	Business Days 07:00 - 18:00	Monthly	Immediate	The percentage of standard service desk calls during the Measurement Period.	$\frac{\text{Number of Standard Service Desk Calls}}{\text{Total Number of Standard Service Desk Calls}} \times 100$	CRM System 0002 & 0003	Call logging	Calls answered below 15 seconds after the 30-second call period.
ADM-4	24/7 Self-Service Resolution	90.00%	80.00%	24/365	Monthly	1 Month	The percentage of issues that are resolved by self-service during the Measurement Period. This is measured by the number of issues that are resolved by self-service during the Measurement Period. This is measured by the number of issues that are resolved by self-service during the Measurement Period.	$\frac{\text{Number of Issues Resolved by Self-Service}}{\text{Total Number of Issues}} \times 100$	CRM	Customer Issues	
ADM-5	Customer Satisfaction - Post-Process	85% to 90%	75% to 85%	Within the period of 30 days post-process	Monthly	Immediate	The measurement of the percentage of the post-process customer satisfaction survey. This is measured by the number of customer satisfaction surveys that are completed during the Measurement Period. This is measured by the number of customer satisfaction surveys that are completed during the Measurement Period.	$\frac{\text{Number of Satisfied Customers (Post-Process)}}{\text{Total Number of Customers (Post-Process)}} \times 100$	CRM	Customer Issues	SM is available to system that has not been commissioned into the system through the agreed process. The SM is not available to CHS without mutual agreement of the Parties. The SM is not available to CHS without mutual agreement of the Parties.
ADM-6	Project Issues	90.00%	90.00%	NA	Monthly	Immediate	The percentage of project issues that are resolved during the Measurement Period. This is measured by the number of project issues that are resolved during the Measurement Period. This is measured by the number of project issues that are resolved during the Measurement Period.	$\frac{\text{Number of Project Issues Resolved}}{\text{Total Number of Project Issues}} \times 100$	Contract Management System (CMS)	CMSP approval for each issue report (and/or implementation which results approved)	Excludes MIs and Early Engagements
ADM-7	Issue Resolution Agreement on Time and within Budget	90.00%	90.00%	NA	Monthly	Immediate	The percentage of issues that are resolved on time and within budget during the Measurement Period. This is measured by the number of issues that are resolved on time and within budget during the Measurement Period. This is measured by the number of issues that are resolved on time and within budget during the Measurement Period.	$\frac{\text{Number of Issues Resolved on Time and within Budget}}{\text{Total Number of Issues}} \times 100$	MS System Data Entry	Issue resolution agreement	Resolution is based on CHS approval on time and within budget. The SM is not available to CHS without mutual agreement of the Parties. The SM is not available to CHS without mutual agreement of the Parties.
ADM-8	Project Delivery During Post-Process Support Period	85% to 90%	75% to 85%	Project Post-Process Support Period	As required	1 Month	The measurement of the percentage of project delivery during the post-process support period. This is measured by the number of project delivery issues that are resolved during the post-process support period. This is measured by the number of project delivery issues that are resolved during the post-process support period.	$\frac{\text{Number of Project Delivery Issues Resolved}}{\text{Total Number of Project Delivery Issues}} \times 100$	Service Metrics Tool and PMO	Issue resolution agreement	The SM is not available to CHS without mutual agreement of the Parties. The SM is not available to CHS without mutual agreement of the Parties.
ADM-9	Service Issue Rate	90.00%	90.00%	24/365	Monthly	Immediate	The service issue rate during the Measurement Period. This is measured by the number of service issues that are resolved during the Measurement Period. This is measured by the number of service issues that are resolved during the Measurement Period.	$\frac{\text{Number of Service Issues}}{\text{Total Number of Service Issues}} \times 100$	System	Issue Report reporting tool which logs issue data and generates monthly report	Not for new start customers. Metrics based on the "30 Minute rule".
ADM-10	Proactive and Reactive Issue Management	90.00%	90.00%	Monthly, Daily, 08:00 - 18:00	Monthly	6 Months	The measurement of the percentage of proactive and reactive issue management. This is measured by the number of proactive and reactive issue management issues that are resolved during the Measurement Period. This is measured by the number of proactive and reactive issue management issues that are resolved during the Measurement Period.	$\frac{\text{Number of Proactive and Reactive Issue Management Issues Resolved}}{\text{Total Number of Proactive and Reactive Issue Management Issues}} \times 100$	CRM System 0002 & 0003	Customer Issues	Resolution is based on CHS approval on time and within budget. The SM is not available to CHS without mutual agreement of the Parties. The SM is not available to CHS without mutual agreement of the Parties.
ADM-11	The Percentage of Payments Distributed on Time	90.00%	90.00%	Monthly	6 Months	1 Month	The percentage of payments that are distributed on time. This is measured by the number of payments that are distributed on time. This is measured by the number of payments that are distributed on time.	$\frac{\text{Number of Payments Distributed on Time}}{\text{Total Number of Payments}} \times 100$	CRM - CRM & CRM2	Tracking data	System. Applications not covered under agreed DSLs and are out of scope.
ADM-12	Time Completion of Project on Time	100.00%	90.00%	Monthly	6 Months	1 Month	The percentage of project completion on time. This is measured by the number of project completion issues that are resolved on time. This is measured by the number of project completion issues that are resolved on time.	$\frac{\text{Number of Project Completion Issues Resolved on Time}}{\text{Total Number of Project Completion Issues}} \times 100$	CRM - CRM & CRM2	Tracking data	System. Applications not covered under agreed DSLs and are out of scope.
ADM-13	Living Condition Issue Resolution	90.00%	90.00%	24/7	Monthly	1 Month	The measurement of the percentage of living condition issue resolution. This is measured by the number of living condition issue resolution issues that are resolved during the Measurement Period. This is measured by the number of living condition issue resolution issues that are resolved during the Measurement Period.	$\frac{\text{Number of Living Condition Issue Resolution Issues Resolved}}{\text{Total Number of Living Condition Issue Resolution Issues}} \times 100$	CRM - CRM & CRM2	Tracking data	System. Applications not covered under agreed DSLs and are out of scope.
ADM-14	Resolving Issue - Technical	90.00%	90.00%	Monthly	6 Months	1 Month	The measurement of the percentage of technical issue resolution. This is measured by the number of technical issue resolution issues that are resolved during the Measurement Period. This is measured by the number of technical issue resolution issues that are resolved during the Measurement Period.	$\frac{\text{Number of Technical Issue Resolution Issues Resolved}}{\text{Total Number of Technical Issue Resolution Issues}} \times 100$	CRM - CRM & CRM2	Tracking data	System. Applications not covered under agreed DSLs and are out of scope.

Note: ADM - 11, ADM - 12, ADM - 13 and ADM - 14 are not promissory to Critical Service Levels



HYDRO ONE

EXHIBIT 3

PRICING

APPLICATION DEVELOPMENT AND MAINTENANCE (ADM),

INFRASTRUCTURE MANAGEMENT (IM) SERVICES,

AND

PROGRAM AND PROJECTS DELIVERY (PPD)

STATEMENTS OF WORK



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PRICING AND PAYMENT PROVISIONS

1.0 GENERAL

1.1 References

1. All references in this Exhibit to articles, sections and schedules shall be to this Exhibit, unless another reference is provided.

1.2 Definitions

1. All capitalized terms used but not defined in this Exhibit shall have the meanings given to them in the applicable Statements of Work to which this Exhibit is attached, Common Exhibit 1 to the Statements of Work, or as elsewhere defined in the Agreement.

"ADM/IM Committed Amounts" means the ADM/IM Fixed Charges over the ITO Contract Term.

"ADM/IM Committed Amount" means the ADM/IM Fixed Charges over the ITO Contract Term

"ADM/IM Fixed Charges" means the fixed charges as described below.

"ITO Fixed Charges" means the ADM/IM Fixed Charges plus the PPD Fixed Charges.

"PPD Fixed Charges" means the fixed charges as described below.

"Monthly ITO Fixed Charges" means the Monthly ADM/IM Fixed Charges plus the Monthly PPD Fixed Charges.

"Monthly ADM/IM Fixed Charges" means the ADM/IM Fixed Charges divided for billing on a monthly basis as described below.

"Monthly PPD Fixed Charges" means the PPD Fixed Charges divided for billing on a monthly basis as described below.

"PPD Committed Amounts" means the PPD Fixed Charges over the ITO Contract Term.



“ITO Minimum Committed Amounts” means the sum of the ADM/IM Committed Amounts and PPD Committed Amounts.

“PPD FTE Month” is 160 hours of effort delivered in one month.

“ITO Contract Year” is defined as follows

ITO Contract Year 2018: March 1, 2018 – December 31, 2018

ITO Contract Year 2019: January 1, 2019 – December 31, 2019

ITO Contract Year 2020: January 1, 2020 – December 31, 2020

ITO Contract Year 2021: January 1, 2021 – February 28, 2021

“ITO Contract Term”: March 1, 2018 – February 28, 2021

“Volume Metrics”: means a measurable device, unit of consumption, staffing level, or other resource that is associated with the Services for a particular SOW and is utilized as a volume measure to determine the capacity of Services required to support the operational environment.

“Volume Metric Unit”: is the unit being measured as part of a Volume Metric.

“Volume Metric Baseline”: means the estimated volume of Volume Metric Unit that will be required and utilized by Client during the Term.

“Annual PPD FTE Capacity” means the sum of the Monthly PPD FTE Capacity over an ITO Contract Year.

1.3 Purpose

1. This Exhibit sets forth the methodology for calculating all Charges for Services provided under the ITO SOWs.

1.4 No Other Charges

1. The Parties agree that the Charges calculated in accordance with this Exhibit are the only amounts payable by Client to Supplier in relation to the ITO SOWs and that no other charges, or expenses, costs or other amounts incurred by Supplier in performing the Services under the ITO SOWs and its other related obligations pursuant to this Agreement shall be additionally chargeable to Client with the



exception of PPD Excess Charges, Pass-Through Expenses and Excess Pass-Through Expenses.

2. No Equipment, Software or other resource used to provide the Services under the ITO SOWs shall be charged other than in accordance with this Exhibit.

2.0 ATTACHMENTS

Attached to and incorporated in this Exhibit are the following Attachments:

Attachment A: Supplier Pricing Forms. Includes each of the following subsections:

1. **All Fee Roll Up:** Documents the ITO Fixed Charges comprised of sections for the ADM/IM Fixed Charges and PPD Fixed Charges.
2. **ADM/IM Fixed Charges Tab:** Documents the ADM/IM Fixed Charges for the Services under the ADM and IM SOWs.
3. **PPD Fixed Charges Tab:** Documents the Charges for the Services under the PPD SOW.
4. **Resource Baselines Tab:** Not applicable.
5. **Base Unit Prices Tab:** Not applicable.
6. **ARC RRC Rates Tab:** Not applicable.
7. **Transition & One-Time Charges Tab:** Not applicable.
8. **Transformation Charges Tab:** Not applicable.
9. **Termination Charges Tab:** Not applicable.
10. **Pass-Through Expenses Tab:** Documents the Pass Through Expenses.
11. **Inflation Sensitivity Tab:** Not applicable.
12. **Skill Descriptions Rate Card Tab:** Documents the PPD FTE Month Rate and describes skill set.
13. **Annual PPD FTE Capacity:** Documents the Annual PPD FTE Capacity.
14. **Monthly PPD FTE Capacity:** Documents the Monthly PPD FTE Capacity.
15. **Minimum Committed Amounts:** Documents the ADM/IM Committed Amounts and PPD Committed Amounts.

Attachment B: Financial Responsibility Matrix (FRM): Outlines the financial responsibilities between Client and Supplier.

Attachment C: Resource Unit Definitions: Not applicable.

Attachment D: Volume Metrics Descriptions: Describes the Volume Baselines and Volume Metric Units.



3.0 ITO FIXED CHARGES

3.1 ADM/IM Fixed Charges

1. The ADM/IM Fixed Charges, which are set forth in Attachment A to this Exhibit, are the Charges to Client for Supplier's provision of all Services under the ADM SOW and the IM SOW as of March 1, 2018. The ADM/IM Fixed Charges shall fully compensate Supplier for providing such Services. The IM/ADM Fixed Charges are not adjusted based upon volume fluctuations for the performance of these Services by the Supplier, but are subject to adjustment pursuant to Addition/Removal of Services in Section 3.3 below.
2. The Volume Baselines and Volume Metric Units shall be set as of Client's use on March 1, 2018. For those items that are consumption based, the Client and Supplier shall look back six (6) months from March 1, 2018, and shall additionally look forward three (3) months to determine an average, and reset the Volume Baselines to that nine (9) month average with no additional cost, expense or Charge adjustment.
3. Supplier assumes the risk that the underlying operational and financial assumptions associated with the ADM/IM Fixed Charges, if applicable, may prove to be incorrect or incomplete, and Supplier shall not be entitled to adjust its pricing or any other terms of the Agreement other than in accordance with the other provisions of the Agreement and this Exhibit.
4. The ADM/IM Fixed Charges shall be calculated on a calendar month basis, are referred to as the Monthly ADM/IM Fixed Charges, and are set out in Attachment A to this Exhibit.
5. Volume Metrics are a measure of the volume of resources used by the Supplier that can be demonstrated to implicitly impact on the delivery of the in-scope Services under the ADM and IM SOWs to the Client at the Service Levels agreed, where volumes are driven by Client requirements. Volume Metric Units refers to those discreet items that can be measured and identified and are inherent as part of the in-scope Services under the ADM and IM SOWs and are supported by the Supplier. The Volume Baseline is the measurement of the Volume Metric Units.
6. Client may at any time add or remove Volume Metric Units in type and number from the Services under the ADM SOW and the IM SOW and there shall be no change to the ADM/IM Fixed Charges associated with such changes except as described in Section 3.3 Addition/Removal of Services.
7. Each month as outlined in Exhibit 4 to ITO SOWs. Supplier will issue a report to Client on the Volume Metrics described in Attachment D.
8. Each quarter the parties will formally review the number of Volume Metric Units for the purpose of determining if more or less resources are required to support the ADM and IM SOW Services based on the increases and/or decreases in the Volume Metric Units over the prior periods. Changes in resources and possible changes in Charges will be determined in accordance with the Addition/Removal of Services described in Section 3.3 below.
9. Supplier shall invoice Client on a monthly basis the Monthly ADM/IM Fixed Charges specified in Attachment A to this Exhibit.



3.2 PPD Fixed Charges

1. The PPD Fixed Charges (except for PPD Excess Charges), which are set forth in Attachment A to this Exhibit, are the Charges to Client for Supplier's provision of all Services under the PPD SOW as of March 1, 2018. Except where PPD Excess Charges apply, the PPD Fixed Charges shall fully compensate Supplier for providing such Services and are not adjusted based upon volume fluctuations for Actual PPD FTE Use in the performance of these Services by the Supplier within the parameters set out below, but may be adjusted pursuant to Addition/Removal of Services in Section 3.3 below, including when outside the parameters set out in Section (i) PPD Fixed Charges Parameters below.

(i) PPD Fixed Charges Parameters

(A) Supplier will provide a monthly capacity of PPD FTEs (defined as Monthly PPD FTE Capacity) as per Attachment A to this Exhibit. Client may increase this capacity by 25% in any given month ("Flex Capacity") in accordance with the Program and Projects Delivery (PPD) Demand Management Process which is deemed to be included in the Monthly PPD FTE Fixed Charges. Client may offset the increased Flex Capacity by decreasing consumption in future months within the ITO Contract Year so that the Annual PPD Actual FTE Use (defined as the sum of the Monthly PPD FTE Actual Use) does not exceed the Annual PPD FTE Capacity as per Attachment A to this Exhibit.

(B) An Extraordinary Event is defined as an Event of Force Majeure and also includes, but is not limited to, any unusual event outside of Client's reasonable control which prevents the Client from being able to consume its Annual PPD FTE Capacity in the ITO Contract Year in which it was allocated, or a nonrecurring transaction which prevents the Client from being able to consume its Annual PPD FTE Capacity in the ITO Contract Year in which it is allocated including merger, acquisition, amalgamation, sale, and divestiture. In the course of any ITO Contract Year, Client will provide notice to Supplier of an Extraordinary Event within 30 days of the occurrence of such Extraordinary Event. Client may carry over to the subsequent ITO Contract Year up to 250 PPD FTE Months Capacity subject to a mutually agreed calculation. The carried over capacity must be consumed within the subsequent ITO Contract Year. The carried over capacity will be prorated over the months of the subsequent ITO Contract Year but will not exceed the sum of the Monthly PPD FTE Capacity plus the Flex Capacity (Maximum Allowable FTEs). This carry over is not considered a rebaselining of the PPD FTE Capacity for the purposes of the 25% Flex Capacity nor shall be included in the Monthly PPD FTE Actual Use for the purposes of calculation of PPD Excess Charges. This subsection (B) does not apply for the final ITO Contract Year.

Example:

An Extraordinary Event occurs in May of ITO Contract Year 2019 and lasts for 3 months. Hydro One is only able to consume 60 FTEs/month for 3 months. As result Hydro One has lost 48,000 hours of effort. The 250 FTE translates into 40,000 hours of effort which is an equivalent of 20.8 FTE/month. The 250 FTE carry over applies as follows:



ITO Contract Year 2020												
# of FTEs	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Monthly PPD FTE Capacity plus Flex Capacity	200	200	200	200	200	200	200	200	200	200	200	200
Monthly PPD FTE Capacity with Carryover	180.8	180.8	180.8	180.8	180.8	180.8	180.8	180.8	180.8	180.8	180.8	180.8
Monthly PPD FTE Capacity	160	160	160	160	160	160	160	160	160	160	160	160

(C) For the purposes of calculating the PPD Excess Charges at the end of each ITO Contract Year, Client may consume up to 25 FTE (prorated for the number of months in the ITO Contract Year where the ITO Contract Year is less than 12 months) ITO Contract Year above the Annual PPD FTE Capacity without incurring any PPD Excess Charges.

(ii) PPD Excess Charges

The Annual PPD FTE Capacity is defined as the sum of the Monthly PPD FTE Capacity over an ITO Contract Year. At the end of the ITO Contract Year, in the event that the Actual PPD FTE Use over the ITO Contract Year exceeds the Annual PPD FTE Capacity, Supplier will apply a discounted rate as per Attachment A to this Exhibit for the Annual PPD FTE Actual Use consumption that exceeds the Annual PPD FTE Capacity in the ITO contract year subject to the following paragraphs below. Supplier will issue a monthly report to Client, for review by the parties, detailing the cumulative Monthly PPD FTE Actual Use for the then current ITO Contract Year and the forecast of FTE use for the remainder of the ITO Contract Year as per the PPD Demand Management Process.

2. (A) If the cumulative Monthly PPD FTE Actual Use exceeds the Annual PPD FTE Capacity including PPD Fixed Charges Parameters, then the Supplier may, upon approval by the Client of each monthly report, invoice in the month following the month in which the excess occurred, (commencing the month that the cumulative Monthly PPD FTE Actual Use exceeds the Annual PPD FTE Capacity) as PPD Excess Charges the actual amount of FTE use in excess of the Annual PPD FTE Capacity at the discounted rate. For avoidance of doubt, if in ITO Contract Year 2019, the Annual PPD FTE Capacity is 1920, and the PPD Fixed Charges Parameter is 25, it gives the Client a maximum of 1945 capacity for the year. If this capacity were to be reached in August of 2019, the Client would have two options 1) Freeze all projects as of September 2019 for the remainder of the ITO Contract Year 2019, or 2) From September onward, Supplier will invoice in accordance with Common Exhibit 4 for the PPD Excess Charges at the Discounted FTE Month rate as it is mathematically impossible to continue to utilize resources without exceeding the Annual PPD FTE Capacity (inclusive of the PPD Fixed Parameter).

(B) If at the end of an ITO Contract Year the annual PPD FTE Actual Use exceeds the Annual PPD FTE Capacity, then the Supplier may upon Client approval, invoice the PPD Excess Charges in the month following the month in which the excess occurred at the discounted rate subject to (i) PPD Fixed Charges Parameters.

3. Supplier assumes the risk that the underlying operational and financial assumptions associated with the PPD Fixed Charges and PPD Excess Charges, if applicable, may prove to be incorrect or incomplete, and Supplier shall not be



entitled to adjust its pricing or any other terms of the Agreement other than in accordance with the other provisions of the Agreement and this Exhibit.

4. The PPD Fixed Charges shall be calculated on a calendar month basis, are referred to as the Monthly PPD Fixed Charges, and are set out in Attachment A.
5. Client may at any time add, modify or remove Projects from the Services under the Program and Projects Delivery Services SOW and there shall be no change to the PPD Fixed Charges associated with such changes (but there may be PPD Excess Charges as described above) except as described in Section 3.3 Addition/Removal of Services.
6. Supplier shall invoice Client monthly for the Monthly PPD Fixed Charges specified in Attachment A to Exhibit 3 for the applicable ITO Contract Year. Supplier shall invoice Client for PPD Excess Charges for 3.2(1)(ii)(A) at the end of the month after Client approval of the report described above commencing the month that the cumulative Monthly PPD FTE Actual Use exceeds the Annual PPD FTE Capacity, and for 3.2(1)(ii)(B) following the end of the ITO Contract Year after Client approval of the report described above.

3.3 Addition/Removal of Services - Rebalancing System

If any permanent changes to the Baseline Volume as defined in Attachment D of Services under the ADM SOW or IM SOW, or permanent changes to the Annual PPD FTE Capacity, are requested or required, such changes will follow the process outlined in this Section. The following options are available.

1. Additions and Removal of Services

(a) Client shall have the right to remove Services with no change to the ADM/IM Fixed Charges owed to Supplier. Removal of Services does not affect the Volume Baseline. Subject to the PPD Fixed Charges Parameters in 3.2(1)(i) above, Client shall have the right to add or replace removed Services with other Services, which may change Volume Baselines and Volume Metrics without changing the ADM/IM Fixed Charges owed to Supplier as long as the Services are within the scope of Exhibit 1 - SOW Description of Services for ADM and IM and the Services effort of the added or replaced Services together with the actual aggregate of the Services effort then in use across the all Volume Metric Units do not increase the Services effort beyond the sum of the then current aggregate Volume Baselines for all Volume Metric Units. Should the Client desire to add Services that are deemed out of Scope, the parties shall go through the Change and New Service Procedure. Should any change to the ADM/IM Services require any movement of FTE from ADM/IM Services to PPD Services or vice versa then the parties shall mutually agree through the Rebalancing System. Each Volume Metric Unit will be allocated a mutually agreed measurement of number of FTEs for the purposes of adding and removing Services.

(b) Subject to the PPD Fixed Charges Parameters above, Client shall have the right to add/modify or remove Services and Projects under the PPD SOW with no change to the PPD Fixed Charges owed to Supplier. The parties shall go through the PPD Demand Management Process and Schedule 3.1(a) to add/remove



Services and Projects. Should any permanent change to the PPD FTE Capacity be required that results in a movement of FTE from ADM/IM Services to PPD Services or vice versa then the parties shall mutually agree through the Rebalancing System.

2. Volume Metric Changes

(a) If changes to Volume Metric Units supporting the Services under the ADM SOW or the IM SOW are required the following options are available:

(i) The Client shall pay the adjusted ADM/IM Fixed Charges (and related items accordingly) at an amount mutually agreed through a Change Order provided in no event shall Client ever be required to pay more than the sum of the ADM/IM Fixed Charges and the PPD Fixed Charges in any ITO Contract Year for the delivery of Services Client required under the ADM/IM SOW and the PPD SOW unless otherwise agreed in writing.

(ii) Rebalance Services under the PPD SOW with Services under the ADM SOW and IM SOW as described in the Rebalancing System below.

3. Rebalancing System

Should there be any increases or decreases to the number of resources desired by the Client supporting any of the IT SOWs based on the quarterly review of the Volume Metrics and Project reporting, and if the Client advises the Supplier that the Client wants to rebalance, then the parties will negotiate in good faith the resources to or from the IM SOW, ADM SOW and PPD SOW accordingly as outlined in Change and New Service Procedure. As an example, for avoidance of doubt, should an additional 2 FTE be required to support the ADM SOW or IM SOW based on growth in the Volume Metrics then the parties could reduce the PPD FTE Annual Capacity by 2 FTE. Any changes to the resources shall be clearly documented through the Change and New Service Procedure. Any decision that comes out of the formal review shall be recorded.

3.4 Economic Change Adjustment (ECA)

ECA is not applicable to ADM/IM and PPD Fixed Charges.

3.5 Termination

Should Client terminate any or all ADM/IM Services and/or PPD Services for convenience, there shall be no termination fees, however, in any event the Client shall continue to pay to Supplier the ITO Minimum Committed Amounts less amounts paid at the effective date of termination according to the payment schedule set out in Attachment A to this Exhibit.

If the Client terminates the ITO SOW Services for cause in accordance with Section 14.1 of the main body of the Agreement, then the ITO Minimum Committed Amounts is reduced by the pro-rata amount of the affected Service.



3.6 **Pass-Through Expenses for ADM/IM SOWs**

Supplier shall bill for Pass Through Expenses for Services, as set out in Attachment A to this exhibit. The Supplier will review the invoices to determine if the charges are proper and, before paying the invoice, will give Client reasonable opportunity (at least 15 business days) to review the invoice and sufficient supporting documentation. If the Pass Through Expenses exceed the amounts set forth in Attachment A (Excess Pass-Through Expenses) then Supplier shall seek approval from Client before incurring expense. All Pass-Through Expenses and Excess Pass-Through Expenses shall be invoiced to Client in accordance with the Invoicing Requirements as set forth in Common Exhibit 4.

Any Pass-Through Expenses related to certain travel and living expenses shall adhere to the following rules:

1. Unless otherwise agreed by the Parties, the reimbursable travel and accommodations are set forth in Attachment A to Exhibit 3 related.
2. All travel and living expenses must be expressly approved in advance and in writing by the Client.
3. Any travel and living expenses to which Supplier is entitled to reimbursement must be actual, reasonable, necessary, documented in the Statement of Work.
4. Supplier shall comply with Client policies and procedures.
5. Supplier shall provide a summary report of travel and living expenses broken down by major categories. In addition, Supplier shall maintain documentation for all invoiced travel and living expenses and, as per Client policies and procedures, shall provide Client with all copies of such documentation.

3.7 **Discounts**

The Bundle Discount is not applicable to the ADM/IM Fixed Charges.

The Project Spend Discount is not applicable to the PPD Fixed Charges.

4.0 **INNOVATION**

1. In accordance with Common Exhibit 2.2, Supplier agrees to the following:
2. At the end of each Contract Year, Supplier shall submit Innovation proposals for commercially reasonable projects proposing demonstrable savings of \$1,000,000 per year, detailing:
 - the projected cost,
 - expected value,
 - applicability in the Hydro One environment,
 - potential risks associated with implementing the proposal
 - and such other characteristics as have been communicated in advance by the Innovation Committee.



**Hydro One
ATTACHMENT A
PRICING FORMS**

**TO EXHIBIT 3
PRICING**

**Application Development and Maintenance Services
Infrastructure Management Services and
Program and Projects Delivery
Statements of Work**

(CAD \$ in Thousands)

All Fee Roll Up	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021	Total
ITO Fixed Charges					
ADM/IM Fixed Charges	\$ 40,833	\$ 49,000	\$ 49,000	\$ 8,167	\$ 147,000
PPD Fixed Charges	\$ 34,167	\$ 41,000	\$ 41,000	\$ 6,833	\$ 123,000
TOTAL ITO Fixed Charges	\$ 75,000	\$ 90,000	\$ 90,000	\$ 15,000	\$ 270,000

SOW	Sub-Domain	Resource Unit Grouping	Resource Unit	Unit of Measure	Currency	Months -->			
						10 ITO Contract Year 2018 Monthly Fee	12 ITO Contract Year 2019 Monthly Fee	12 ITO Contract Year 2020 Monthly Fee	2 ITO Contract Year 2021 Monthly Fee
ADM/IM	These cells intentionally left blank			Fixed Charges	CAD	\$ 4,083,333.33	\$ 4,083,333.33	\$ 4,083,333.33	\$ 4,083,333.33
Monthly ADM/IM Fixed Charges					CAD	\$ 4,083,333	\$ 4,083,333	\$ 4,083,333	\$ 4,083,333

SOW	Sub-Domain	Resource Unit Grouping	Resource Unit	Unit of Measure	Currency	Months -->			
						10 ITO Contract Year 2018 Monthly Fee	12 ITO Contract Year 2019 Monthly Fee	12 ITO Contract Year 2020 Monthly Fee	2 ITO Contract Year 2021 Monthly Fee
PPD	These cells intentionally left blank			Fixed Charges	CAD	\$ 3,416,666.67	\$ 3,416,666.67	\$ 3,416,666.67	\$ 3,416,666.67
Monthly PPD Fixed Charges					CAD	\$ 3,416,666.67	\$ 3,416,666.67	\$ 3,416,666.67	\$ 3,416,666.67

Domain	Resource Unit	Unit of Measure	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
	These cells intentionally left blank					

Domain	Resource Unit	Unit of Measure	Currency	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
	These cells intentionally left blank						

Domain	Resource Unit	Unit of Measure	Currency	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
	These cells intentionally left blank						

Descripti	Mileston	Expectec	Currency	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
These cells intentionally left blank							

Description	Milestone	Expected Timing	Currency	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
These cells intentionally left blank							

Termination Fees

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Description	Currency	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
Pass Through Expenses (EUS/Deskside Travel)	CAD \$	\$ 50,000.00	\$ 60,000.00	\$ 60,000.00	\$ 10,000.00

Grouping	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
These cells left intentionally blank.				

ADM	Summary Role Description	Project Skills	Client Skills	Education Qualifications	Work Experience
Tier I/Production Support Analyst					
Tier I/Tester					
Tier II/Developer					
Tier II/Senior Tester					
Tier III/Business Analyst					
Tier III/Analyst/Engineer					
Tier III/Senior Developer					
Tier IV/Test Lead					
Tier IV/Database Administrator					

Tier IV/Sr.
Analyst/Engineer

Tier V/Team Lead

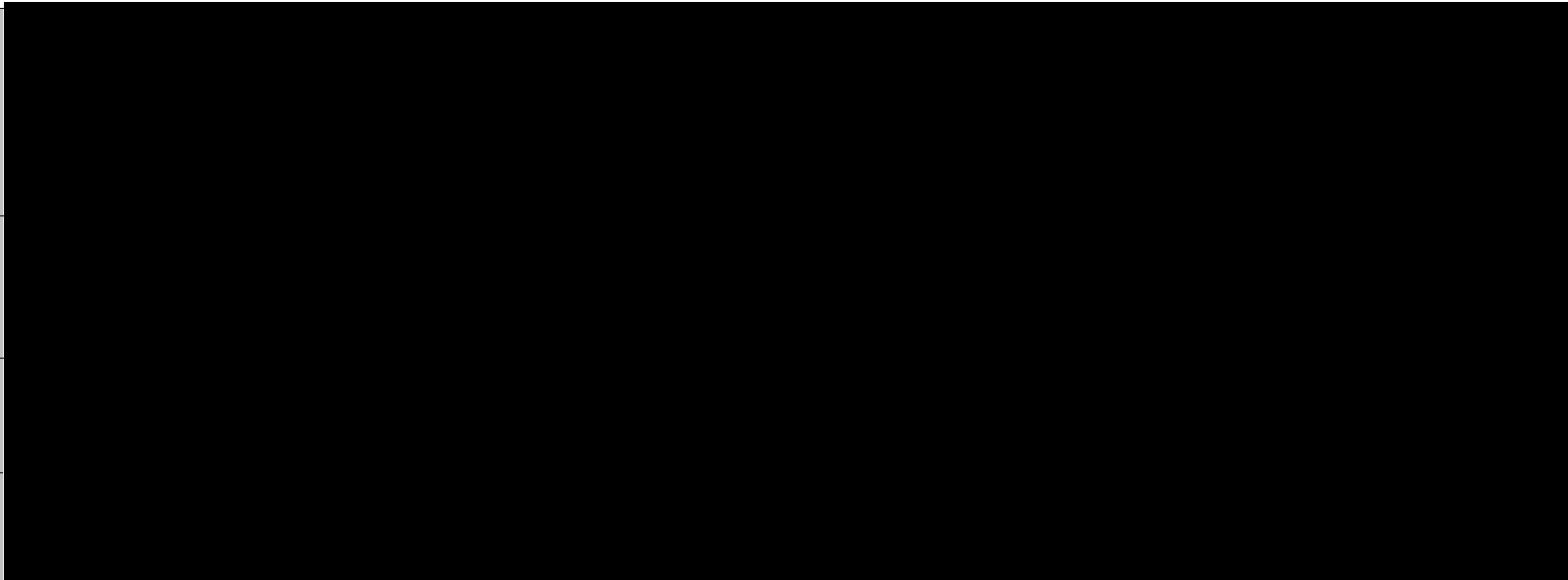
Tier V/Project
Manager

Tier VI/Senior
Business Analyst

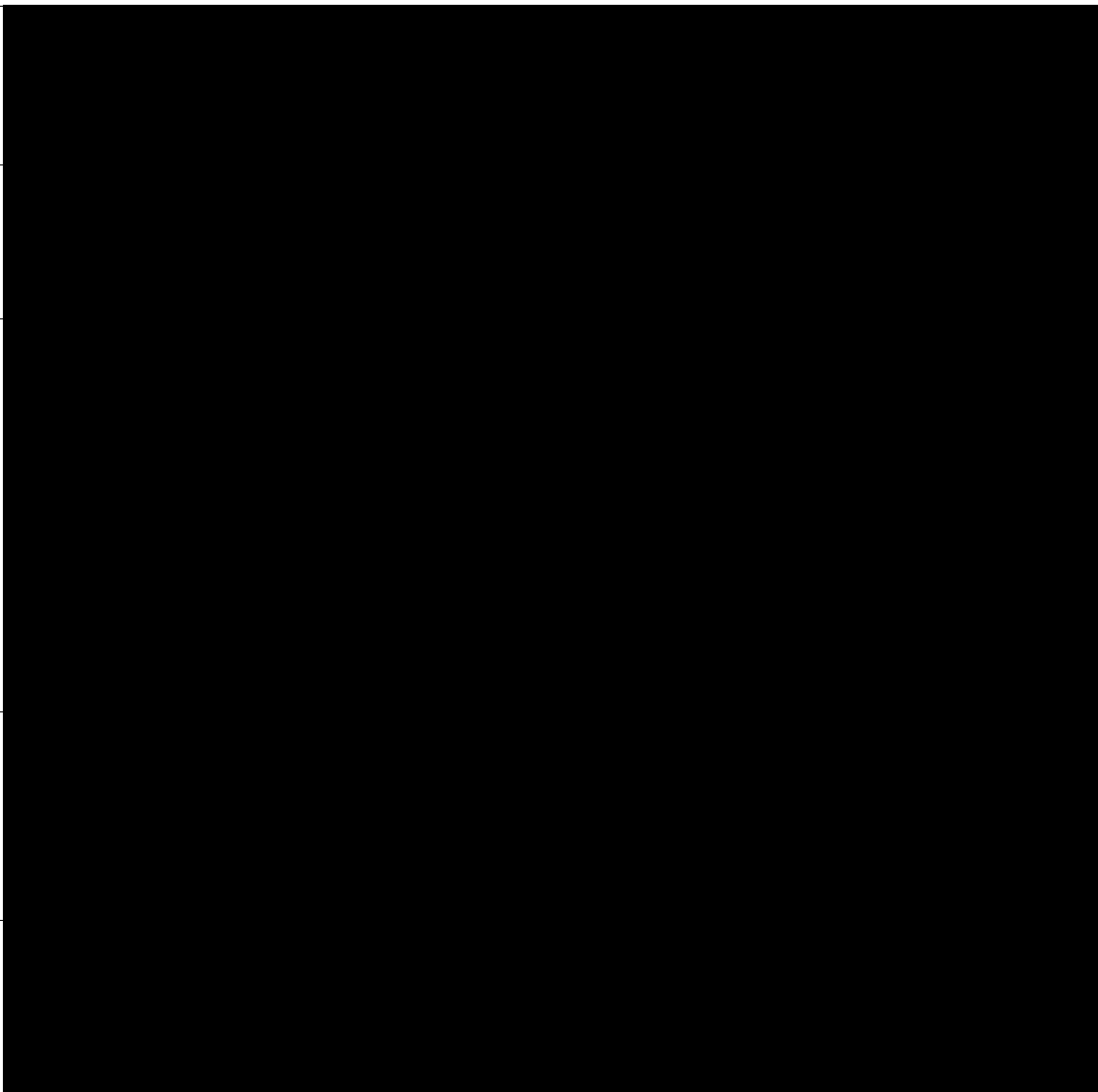
Tier VI/Technical
Architect



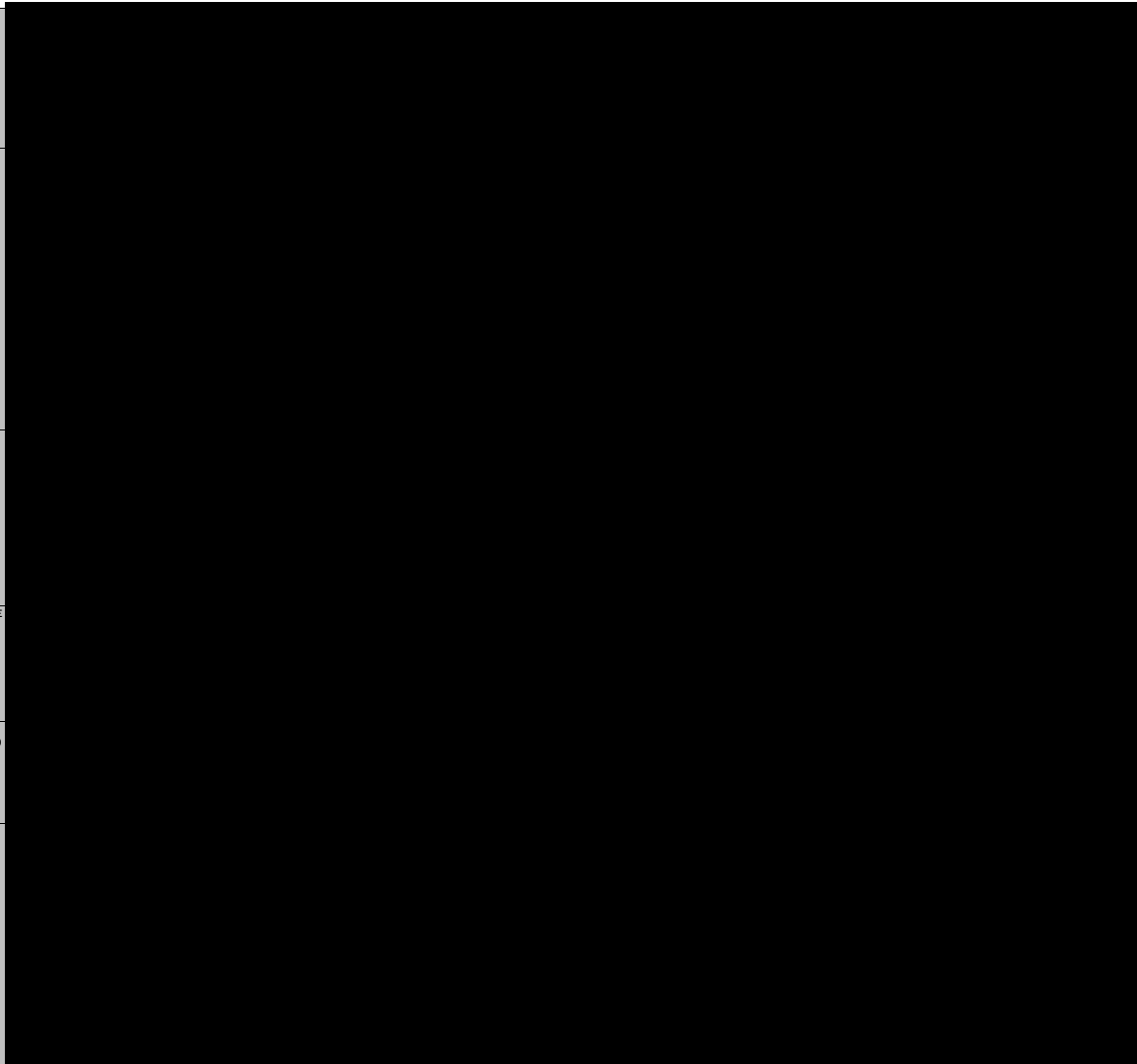
Tier VI /Senior Project Manager
Tier VI /Process Consultant
Tier VII /Delivery Manager
Tier VIII /Program Director



IM	Summary Role Description	Skills/Duties	Work Experience
Tier I /Data Centre Support			
Tier I /Facilities Support			
Tier II /Junior Project Manager			
Tier II /Service Desk Analyst			
Tier III /Desktop Technician			
Tier III /Senior Service Desk Analyst			
Tier IV /Senior Desktop Lead			
Tier IV /Server Administrator			
Tier IV /Specialist			
Tier IX /Manager /Director			

Tier IX/Senior Functional Lead	
Tier IX/Senior Network Engineer	
Tier V/Analyst	
Tier V/Architect	
Tier V/Functional Lead	

Tier V/Functional SME
Tier V/Senior Tester
Tier V/Technical Lead
Tier V/Technical SME
Tier VI/Project Control Officer (PCO)
Tier VII/Project Manager

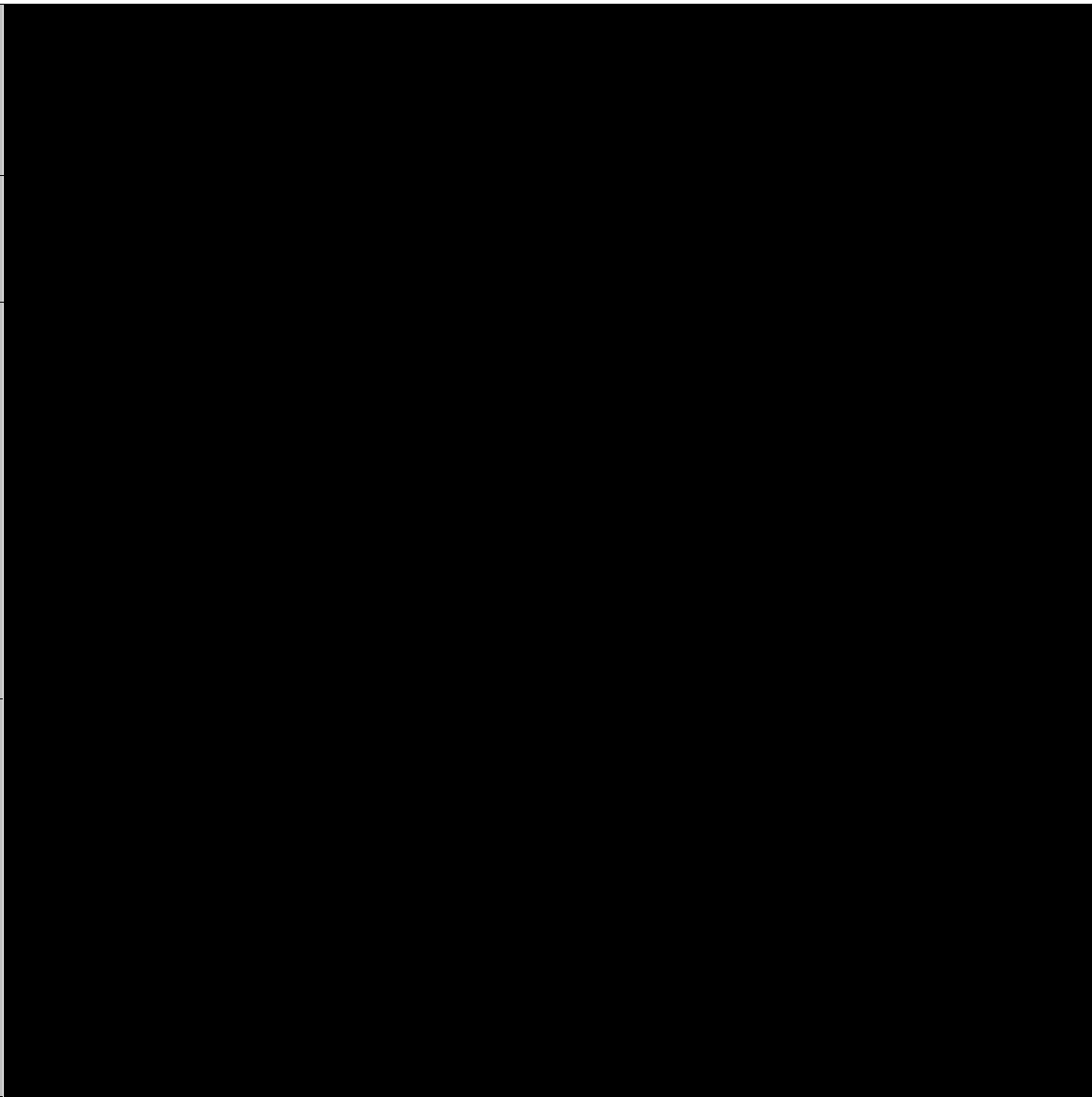


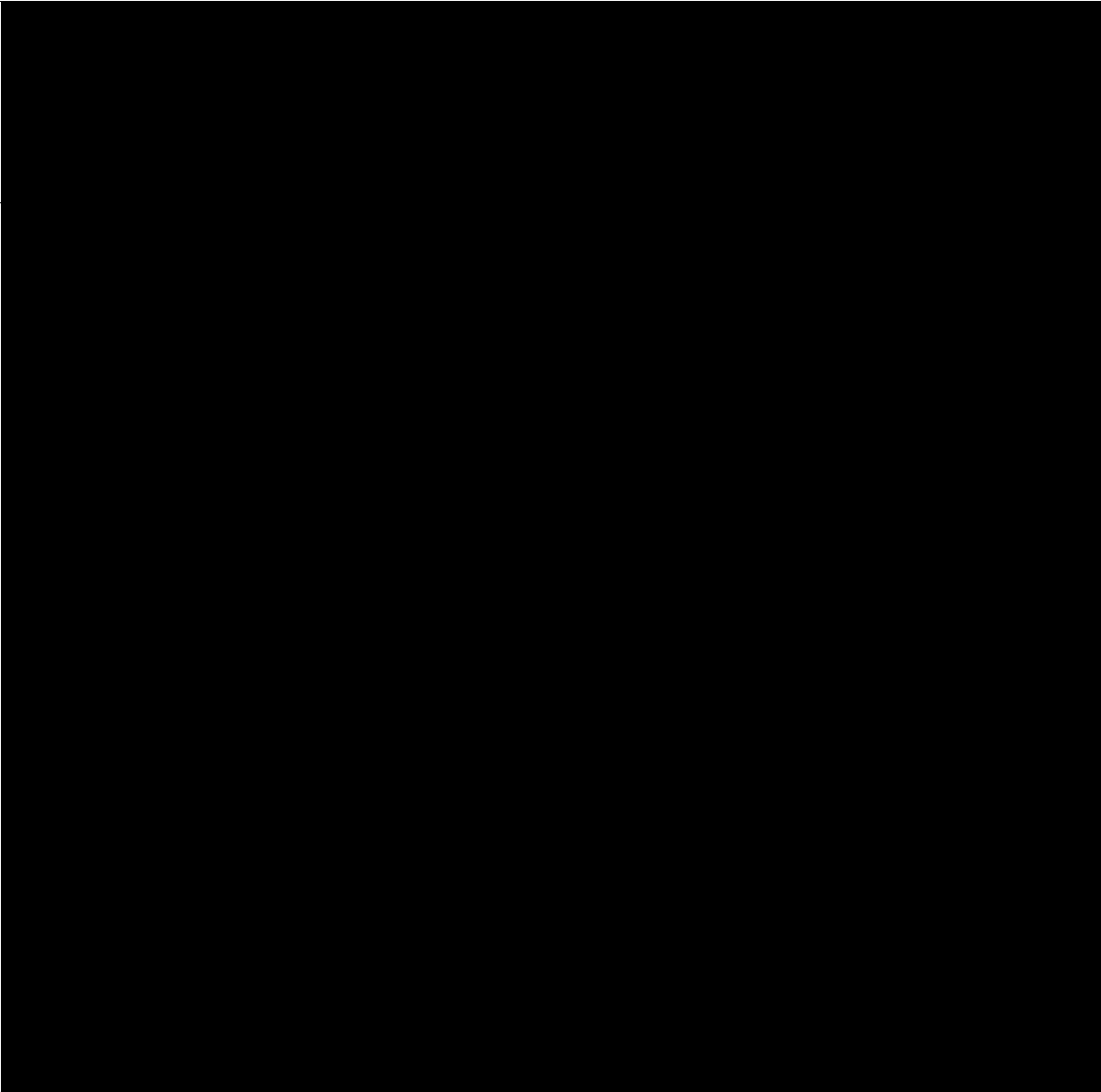
Tier VII/Senior
Technical Lead

Tier VII/Support
Engineer

Tier VIII/Business
Continuity Specialist,
Disaster Recovery
Specialist

Tier VIII/Security
Specialist



Tier VIII/Senior Architect	
Tier VIII/Senior Project Manager	
Tier VIII/Team Lead	
Tier IX/Manager/Director	
Tier IX/Senior Functional Lead	

Tier 1X/Senior
Network Engineer



PPD FTE Month Rate				
Skill level	Contract Year 4	Contract Year 5	Contract Year 6	Contract Year 7
Regular FTE Month				
Discounted FTE Month				

<i>Months --></i>	<i>10</i>	<i>12</i>	<i>12</i>	<i>2</i>
	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
Annual PPD FTE Capacity	■	■	■	■

<i>Months --></i>	10	12	12	2
Unit of Measure	ITO Contract Year 2018	ITO Contract Year 2019	ITO Contract Year 2020	ITO Contract Year 2021
FTE Month				

Millions of CAD \$

	2018 ITO Contract Year									
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10
ADM/IM Committed Amounts	\$ 147.00	\$ 142.92	\$ 138.83	\$ 134.75	\$ 130.67	\$ 126.58	\$ 122.50	\$ 118.42	\$ 114.33	\$ 110.25
PPD Committed Amounts	\$ 123.00	\$ 119.58	\$ 116.17	\$ 112.75	\$ 109.33	\$ 105.92	\$ 102.50	\$ 99.08	\$ 95.67	\$ 92.25
ITO Minimum Committed Amounts	\$ 270.00	\$ 262.50	\$ 255.00	\$ 247.50	\$ 240.00	\$ 232.50	\$ 225.00	\$ 217.50	\$ 210.00	\$ 202.50

	2019 ITO CONTRACT YEAR											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
ADM/IM Committed Amounts	\$ 106.17	\$ 102.08	\$ 98.00	\$ 93.92	\$ 89.83	\$ 85.75	\$ 81.67	\$ 77.58	\$ 73.50	\$ 69.42	\$ 65.33	\$ 61.25
PPD Committed Amounts	\$ 88.83	\$ 85.42	\$ 82.00	\$ 78.58	\$ 75.17	\$ 71.75	\$ 68.33	\$ 64.92	\$ 61.50	\$ 58.08	\$ 54.67	\$ 51.25
ITO Minimum Committed Amounts	\$ 195.00	\$ 187.50	\$ 180.00	\$ 172.50	\$ 165.00	\$ 157.50	\$ 150.00	\$ 142.50	\$ 135.00	\$ 127.50	\$ 120.00	\$ 112.50

	2020 ITO Contract Year											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
ADM/IM Committed Amounts	\$ 57.17	\$ 53.08	\$ 49.00	\$ 44.92	\$ 40.83	\$ 36.75	\$ 32.67	\$ 28.58	\$ 24.50	\$ 20.42	\$ 16.33	\$ 12.25
PPD Committed Amounts	\$ 47.83	\$ 44.42	\$ 41.00	\$ 37.58	\$ 34.17	\$ 30.75	\$ 27.33	\$ 23.92	\$ 20.50	\$ 17.08	\$ 13.67	\$ 10.25
ITO Minimum Committed Amounts	\$ 105.00	\$ 97.50	\$ 90.00	\$ 82.50	\$ 75.00	\$ 67.50	\$ 60.00	\$ 52.50	\$ 45.00	\$ 37.50	\$ 30.00	\$ 22.50

	2021 ITO Contract Year	
	Month 1	Month 2
ADM/IM Committed Amounts	\$ 8.17	\$ 4.08
PPD Committed Amounts	\$ 6.83	\$ 3.42
ITO Minimum Committed Amounts	\$ 15.00	\$ 7.50

Amounts shown in the table above identify the Minimum Committed Amounts at the beginning of each calendar month.



Hydro One

ATTACHMENT B

FINANCIAL RESPONSIBILITY MATRIX

**TO EXHIBIT 3
PRICING**

APPLICATION DEVELOPMENT AND MAINTENANCE STATEMENT OF WORK

This document contains confidential and proprietary information of Client. It is furnished for evaluation purposes only. Except with the express prior written permission of Client, this document and the information contained herein may not be published, disclosed, or used for any other purpose.

Supplier Guidelines

This Exhibit of the Agreement contains specific information supplied by Client for the Supplier's use.

Supplier Instructions

Refer to Part 4B and Part 5 of the instructions and also below.

1. The Supplier's response to the Agreement should reflect and comply with the information contained in this Attachment.
2. If the Supplier wishes to make changes to any of Client's content or requirements contained in this Attachment, the Supplier should change the cell contents using **RED FONT**. Any changes not noted in red font will not be recognized by Client.

The Supplier shall assume financial responsibility for the types of System Software licenses, and any associated maintenance agreements, that are identified as the Supplier's responsibility to the extent necessary to supply the Services. A list of current Software is provided in Software Assets. If Client has pre-paid any charges under such license, the Supplier shall reimburse or credit Client for these amounts.

The Supplier will assume financial responsibility for the types of Third-Party Application Software licenses, and any associated maintenance agreements, that are identified as the Supplier's responsibility to the extent necessary to supply the services. A list of current Software is provided in Software Assets. If Client has pre-paid any charges under such license, the Supplier shall reimburse or credit Client for these amounts.

The Supplier shall be responsible for all Equipment and Software upgrades, Refresh, and additions as identified as the Supplier's responsibility.

The Supplier shall purchase the type of fixed assets identified as the Supplier's responsibility. A list of current owned Equipment is provided in Equipment Assets. The Supplier shall purchase such existing fixed assets at Client's net book value (or fair market value).

Personnel											
Service Towers: ADM	Salary, Benefits, Add'l Comp	Travel	Training	Relocation	Increase / Decrease in Staffing	Severance	Reskilling / Outplacement Services	Retention Payments	Recruitment	Charging Mechanism	
Application Maintenance: *Supplier Personnel **Supplier Third-Party Contracts (labour-based)	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Fixed Fee/Variable Fixed Fee/Variable
Application Development: Supplier Personnel Supplier Third-Party Contracts (labour-based) Client retained 3rd party contracts	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Fixed Fee/Variable Fixed Fee/Variable Retained
Projects: Supplier Personnel Supplier Third-Party Contracts (labour-based) Client retained 3rd party contracts	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Supplier Supplier Client	Fixed Fee/Variable Fixed Fee/Variable Retained

*Supplier Personnel refers to any Supplier employees and/or contractors required by and provisioned by the Supplier as part of their solution to perform Service

**Supplier Third-Party Contracts are any contracts that are required by and provisioned by the Supplier as part of their solution to perform Services

Meaning of Headings	
Salary, Benefits, Add'l Comp	Who pays for all Personnel compensation including salary, benefits, bonus, other additional compensation and payroll taxes?
Travel	Who pays for Personnel travel?
Training	Who pays for training of Personnel?
Relocation	Who was responsible for any relocation of their own staff?
Increase / Decrease in Staffing	If staffing increases, who pays for the extra staff? If staffing goes down, who gets the benefit?
Severance	If Personnel separate from the Client or Supplier and severance is owed, who pays the severance payment?
Reskilling/Outplacement Services	Who is responsible for Reskilling and Outplacement
Retention Payments	Who pays the retention payment for their own Personnel?
Recruitment Payments	Who pays the recruitment payment for their own Personnel?
Charging Mechanism	By what mechanism is this item paid for?

Equipment	Acquisition						Support / Operational Expense					
	Ownership / License		Financial Responsibility				Operational Responsibility				Financial Responsibility	
	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Tower: ADM												
Location												
Desktops, Laptops, Mobile Devices, Tablets, Print servers, fax servers, email servers, web / internet servers, application servers, database servers required to provide proposed services	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Office Equipment - printers, faxes and other equipment required to provide proposed services	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Supplier Personnel Primary Workspace Supplier Location												
Desktops, Laptops, Mobile Devices, Tablets, Print servers, fax servers, email servers, web / internet servers, application servers, database servers required to provide proposed services	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Office Equipment - printers, faxes and other equipment required to provide proposed services	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier Owned Equipment												
PBX - equipment, setup and maintenance	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
ACD - equipment, setup and maintenance	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
IVR/VRU (if needed) - equipment, setup and maintenance of standard / basic Client scripts on Supplier equipment plus routine changes/updates	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Basic CTI - equipment, setup and maintenance	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Call Routing / Mapping / Queuing - within / between Supplier Centres	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Agent Desktop Computers and standard software suite - equipment, setup and maintenance	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
LAN / WAN (Supplier Contact Centre / Facilities)	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Internet / Intranet Access, Connectivity	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Telephony equipment & voicemail	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Client Owned Equipment												
PBX - equipment, setup and maintenance	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
ACD - equipment, setup and maintenance	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
IVR/VRU (if needed) - equipment, setup and maintenance of standard / basic Client scripts on Supplier equipment plus routine changes/updates	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Basic CTI - equipment, setup and maintenance	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Call Routing / Mapping / Queuing - within / between Client Centres	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Agent Desktop Computers and standard software suite - equipment, setup and maintenance	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
LAN / WAN (Client Contact Centre / Facilities)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Internet / Intranet Access, Connectivity	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Telephony equipment & voicemail	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained

Meaning of Headings	
Acquisition	Represents the expenses related to procurement of the assets required to deliver the services?
Current Assets	Represents who will have ownership of each Asset type when the contract begins
Future Assets	Represents who will have ownership of each Asset type
Upgrades/Enhancements	Represents the expense associated with purchasing upgrades or enhancements for each hardware type.
Growth	Represents all expenses associated with changes in required levels of each hardware type to deliver the agreed upon services.
Technology Refresh	Represents the responsibility for the expense of replacing each hardware type as the hardware type assets expire or past their useful life.
Charging Mechanism	By what mechanism is this item paid for?
Support Operational Expense	Represents the expenses related to operating and maintaining the assets required to deliver the services identified in the Statements of Work.
Current Assets	Whos responsible for maintaining the Current Assets?
Future Assets	Whos responsible for maintaining the Future Assets?
Upgrades / Enhancements	Who's responsible for performing Upgrades and Enhancements?
Growth	Who's responsible for growth of assets already in place?
Technology Refresh	Who's responsible for the refresh of assets already in place?
Charging Mechanism	By what mechanism is this item paid for?

Software	Acquisition						Support / Operational Expense					
	Ownership / License		Financial Responsibility				Operational Responsibility			Financial Responsibility		
	Current Assets(1)	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Towers: ADM												
Cross-Functional Software												
Asset Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Definitive Media Library (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Access Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Service Request (Defined in Ex 1) Software	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Problem Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Change Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Incident Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Cross-Functional Software as Part of License Access / Transfer fees	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Application Development												
Production/Pre-Production Software License (Note 2)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Client Development Tools (Note 2)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Supplier Development Tools	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier Application MonADMring & Management Software	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Application Maintenance												
Production/Pre-Production Software License (Note 2)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Client Development Tools (Note 2)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Supplier Development Tools	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier Application MonADMring & Management Software	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable

Note 1: Designates financial responsibility for the license, maintenance, lease or rental cost of the underlying software asse

Note 2: Refer to Attachment L Exhibit 1 (Software Assets) for Client provided softwar

Meaning of Headings	
Acquisition	Represents the expenses related to procurement of the assets required to deliver the services
Current Assets	Represents who will have ownership of each Asset type when the contract begins.
Future Assets	Represents who will have ownership of each Asset type
Upgrades/Enhancements	Represents the expense associated with purchasing upgrades or enhancements for each hardware type.
Growth	Represents all expenses associated with changes in required levels of each hardware type to deliver the agreed upon services.
Technology Refresh	Represents the responsibility for the expense of replacing each hardware type as the hardware type assets expire or past their useful life.
Charging Mechanism	By what mechanism is this item paid for?
Support Operational Expense	Represents the expenses related to operating and maintaining the assets required to deliver the services identified in the Statements of Work.
Current Assets	Whos responsible for maintaining the Current Assets?
Future Assets	Whos responsible for maintaining the Future Assets?
Upgrades / Enhance-ments	Who's responsible for performing Upgrades and Enhancements?
Growth	Who's responsible for growth of assets already in place?

Software	Acquisition						Support / Operational Expense					
	Ownership / License		Financial Responsibility				Operational Responsibility			Financial Responsibility		
	Current Assets(1)	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Towers: ADM												
Cross-Functional Software												
Asset Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Definitive Media Library (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Access Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Service Request (Defined in Ex 1) Software	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Problem Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Change Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Incident Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Cross-Functional Software as Part of License Access / Transfer fees	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Application Development												
Production/Pre-Production Software License (Note 2)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Client Development Tools (Note 2)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Supplier Development Tools	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier Application MonADMring & Management Software	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Application Maintenance												
Production/Pre-Production Software License (Note 2)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Client Development Tools (Note 2)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Supplier Development Tools	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier Application MonADMring & Management Software	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Technology Refresh	Who's responsible for the refresh of assets already in place?											
Charging Mechanism	By what mechanism is this item paid for?											

Facilities					
Service Towers: ADM	Current Assets	Refresh	Upgrades / Enhancements	Growth	Charging Mechanism
Client Facilities					
Environmental (e.g., HVAC (Defined in Ex 1-A), PDUs)	Client	Client	Client	Client	Retained
UPS (Defined in Ex 1-A)	Client	Client	Client	Client	Retained
Space Upgrades, Additions, Fit out	Client	Client	Client	Client	Retained
Furniture & Fixtures	Client	Client	Client	Client	Retained
Wiring (Defined in Ex 1)	Client	Client	Client	Client	Retained
Building Depreciation / Lease	Client	Client	Client	Client	Retained
Building Maintenance / Security	Client	Client	Client	Client	Retained
Utilities	Client	Client	Client	Client	Retained
Supplier Facilities					
Environmental (e.g., HVAC (Defined in Ex 1-A), PDUs)	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable Fixed
UPS (Defined in Ex 1-A)	Supplier	Supplier	Supplier	Supplier	Fee/Variable Fixed
Space Upgrades, Additions, Fit out	Supplier	Supplier	Supplier	Supplier	Fee/Variable Fixed
Furniture & Fixtures	Supplier	Supplier	Supplier	Supplier	Fee/Variable Fixed
Wiring (Defined in Ex 1)	Supplier	Supplier	Supplier	Supplier	Fee/Variable Fixed
Building Depreciation / Lease	Supplier	Supplier	Supplier	Supplier	Fee/Variable Fixed
Building Maintenance / Security	Supplier	Supplier	Supplier	Supplier	Fee/Variable Fixed
Utilities	Supplier	Supplier	Supplier	Supplier	Fee/Variable
Supplier Staff on Client Premises					
Use of Office Space	Client	N/A	N/A	N/A	Retained
Use of Office Equipment	Client	N/A	N/A	N/A	Retained

Meaning of Headings	
Current Assets	Represents who will have ownership of each Asset type when the contract begins.
Technology Refresh	Represents the responsibility for the expense of replacing each hardware type as the hardware type assets expire or past their useful life.
Upgrades/Enhancements	Represents the expense associated with purchasing upgrades or enhancements for each hardware type.
Growth	Represents all expenses associated with changes in required levels of each hardware type to deliver the agreed upon services.
Charging Mechanism	By what mechanism is this item paid for?

Business Continuity	Operational Responsibility				Financial Responsibility	
	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Towers: ADM						
Business Continuity Planning Supplier Facilities:						
Business Continuity Planning, Testing - as described in The Business Continuity Plan	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Business Continuity / Execution of Recovery Plan / Manual Processes (if required) - as described in The Business Continuity Plan	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Business Continuity / Execution of Recovery Plan / Manual Processes - as described in The Business Continuity Plan- Outbound Telco	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable

Meaning of Headings	
Current Assets	Whos responsible for maintaining the Current Assets
Future Assets	Whos responsible for maintaining the Future Assets
Upgrades / Enhance-ments	Who's responsible for performing Upgrades and Enhancements
Growth	Who's responsible for growth of assets already in place
Technology Refresh	Who's responsible for the refresh of assets already in place
Charging Mechanism	By what mechanism is this item paid for?

Network	Operational Responsibility				Financial Responsibility	
	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Towers: ADM						
Network Connectivity / Transport For Voice & Data: Delivery / transport of Contact (call / email / fax) to Supplier Network demarcation point	Client	Client	Client	Client	Client	Retained
Connectivity between Supplier Centres - including transport of calls and data from Supplier hubs to Supplier centres	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier OB Calls / Transport from Supplier Centre to Supplier POP - Outbound call (transport)made by Supplier Agents from Supplier Facilities to the Supplier POP closest to the call's destination	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Escalations OB Calls / Transport from Supplier Centre to Supplier POP - Backhaul of escalated calls from Supplier Facilities to Supplier POP closest to appropriate Client facility	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Escalations OB Calls / Transport from Supplier POP to Client facility - Long distance telephone charges for transport of escalated calls from Supplier POP to appropriate Client facility	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier OB Calls / Transport from Supplier POP to destination - Long distance telephone charges for transport of outbound calls from Supplier POP to the intended recipient	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable

Meaning of Headings	
Current Assets	Whos responsible for maintaining the Current Assets
Future Assets	Whos responsible for maintaining the Future Assets
Upgrades / Enhance-ments	Who's responsible for performing Upgrades and Enhancements
Growth	Who's responsible for growth of assets already in place
Technology Refresh	Who's responsible for the refresh of assets already in place
Charging Mechanism	By what mechanism is this item paid for?

Other						
Service Towers: ADM	Shipping	Charging Mechanism	Disaster Recovery Services	Charging Mechanism	Off-site Storage	Charging Mechanism
Application Development	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable
Application Maintenance	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable



HYDRO ONE

**ATTACHMENT B
FINANCIAL RESPONSIBILITY MATRIX**

**ATTACHMENT TO EXHIBIT 3
PRICING
INFRASTRUCTURE MANAGEMENT SERVICES STATEMENT OF WORK**

Personnel										
Service Towers: IMS	Salary, Benefits, Add'l Comp	Travel	Training	Relocation	Increase / Decrease in Staffing	Severance	Reskilling / Outplacement Services	Retention Payments	Recruitment	Charging Mechanism
Cross-Functional General:										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Data Centre Services:										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Client retained 3rd party contracts	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Managed Network Services:										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Client retained 3rd party contracts	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
End User Services:										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Client retained 3rd party contracts	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Service Desk:										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Client retained 3rd party contracts	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Projects (For Projects awarded to Supplier) :										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Client retained 3rd party contracts	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained

*Supplier Personnel refers to any Supplier employees and/or contractors required by and provisioned by the Supplier as part of their solution to perform Services

**Supplier Third-Party Contracts are any contracts that are required by and provisioned by the Supplier as part of their solution to perform Services.

Meaning of Headings	
Salary, Benefits, Add'l Comp	Who pays for all Personnel compensation including salary, benefits, bonus, other additional compensation and payroll taxes?
Travel	Who pays for Personnel travel?
Training	Who pays for training of Personnel?
Relocation	Who was responsible for any relocation of their own staff?
Increase / Decrease in Staffing	If staffing increases, who pays for the extra staff? If staffing goes down, who gets the benefit?
Severance	If Personnel separate from the Client or Supplier and severance is owed, who pays the severance payment?
Reskilling/Outplacement Services	Who is responsible for Reskilling and Outplacement
Retention Payments	Who pays the retention payment for their own Personnel?
Recruitment Payments	Who pays the recruitment payment for their own Personnel?
Charging Mechanism	By what mechanism is this item paid for?

Equipment	Asset Allocation: Capital / Lease Cost ⁽¹⁾							Maintenance Contract Expenses		Support / Operational Expenses										
	Current Assets	Refresh	Refresh Cycle	Upgrades / Enhancements	Growth	Sales / Value Added / Excise Tax	Charging Mechanism	Maintenance	Charging Mechanism	Administrative Procurement	IMAC	Refresh Labor	Invoice Verification	Monitor ⁽³⁾	Operations & Support	Removal & Disposal	Disaster Recovery	Services / Value Added Tax	Charging Mechanism	
Service Towers:																				
Application Servers:																				
UNIX	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Wintel	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Disk Storage																				
Internal Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Direct Attached Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Network Attached Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Enterprise Shared Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Cables & Connectors	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Utility Servers (including Appliance Servers):																				
UNIX	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Wintel	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Disk Storage																				
Internal Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Direct Attached Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Network Attached Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Enterprise Shared Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Cables & Connectors	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	
Managed Network Services:																				
WAN Equipment	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Firewalls	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Load Balancers	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
LAN Equipment	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Wireless LAN Equipment	Client	Client	4 yrs	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
VoIP Premise Equipment	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Standard Voice Premise Equipment	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Voice and Videoconferencing Equipment	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Supplier	Client	Supplier	Client	Client	Client	Client	Client	Retained
Transport - Data																				
between Client Sites and Network Cloud	Client	N/A	N/A	Client	Client	Client	Pass-Through	N/A	N/A	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
between Supplier Sites and Network Cloud	Supplier	N/A	N/A	Supplier	Supplier	Supplier	N/A	N/A	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
between Supplier Sites	Supplier	N/A	N/A	Supplier	Supplier	Supplier	N/A	N/A	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Transport - Voice																				
between Client Sites and local Telco	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
between Local Telco and Supplier Sites	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
between Supplier Sites	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
End-User Computing:																				
Desktops	Client	Client	3 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Laptops	Client	Client	3 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Handheld Devices/PDAs	Client	Client	1-3 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Tablets	Client	Client	1-3 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Terminals	Client	Client	3-5 Yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Workstations	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Printers - Network	Client	Client	3 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Printers - Standalone	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Plotters	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
External Peripherals (2)	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Media	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
VoIP Phones	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Supplier	Client	N/A	Client	Client	Client	Client	Client	Retained
Supplier End User Computing Hardware (4)	Supplier	Supplier	5 yrs	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Service Desk:																				
Desktops/Laptops	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Service Desk Equipment at Client Sites (e.g. IVR ACD)	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Service Desk Equipment at Supplier Delivery Sites (e.g., IVR, ACD)	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Cross Functional General:																				
Desktops/Laptops	Supplier	Supplier	4 yrs	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier Personnel	Supplier	Supplier	4 yrs	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Cross Functional Equipment as Part of Service Provider Solution located on Client Premises	Supplier	Supplier	4 yrs	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Cross Functional Equipment as Part of Service Provider Solution not located on Client Premises	Supplier	Supplier	4 yrs	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable

Equipment	Asset Allocation: Capital / Lease Cost ⁽¹⁾							Maintenance Contract Expenses		Support / Operational Expenses									
	Current Assets	Refresh	Refresh Cycle	Upgrades / Enhancements	Growth	Sales / Value Added / Excise Tax	Charging Mechanism	Maintenance	Charging Mechanism	Administrative Procurement	IMAC	Refresh Labor	Invoice Verification	Monitor ⁽³⁾	Operations & Support	Removal & Disposal	Disaster Recovery	Services / Value Added Tax	Charging Mechanism
Service Towers:																			
Application Servers:																			
Meaning of Headings																			
Asset Allocation Capital / Lease Cost	Who has financial responsibility for purchase and/or lease cost of underlying Equipment?																		
Current Assets	Who paid for the Client-Provided Equipment that existed at Commencement Date that is used to provide the Services?																		
Refresh	If the Equipment needs to be refreshed, who pays for the refreshed Equipment?																		
Refresh Cycle	Maximum number of years before each item of Equipment is refreshed																		
Upgrades / Enhancements	If the Equipment needs to be upgraded or enhanced, who pays for the additional Equipment?																		
Growth	If more Equipment of this type is required due to growth, who pays for the additional Equipment?																		
All Taxes (Sales / Services/ Value Added / Excise Tax)	Who pays taxes that are based upon operations such as service taxes? Specifically refers to any taxes incurred on costs to deliver Services, this does not refer to taxes on Charges, which is covered in Section 16.8 of the MSA																		
Charging Mechanism	By what mechanism is this item paid for? There Charging Mechanisms used in this Attachment B to Exhibit 3 are: 1. Fixed Fee/Variable - Refer to Exhibit 3. 2. Pass-Through Expenses - Refer to Exhibit 3. 3. Retained - Client contract with no Client payment to Supplier. Supplier has no financial responsibility for payment to third party.																		
Maintenance Contract Expenses	Who has financial responsibility for Maintenance contracts for the Equipment?																		
Maintenance	Who pays for the break/fix, preventative maintenance, and spare parts for this item?																		
Charging Mechanism	By what mechanism is this item paid for? There Charging Mechanisms used in this Attachment B to Exhibit 3 are: 1. Fixed Fee/Variable - Refer to Exhibit 3. 2. Pass-Through Expenses - Refer to Exhibit 3. 3. Retained - Client contract with no Client payment to Supplier. Supplier has no financial responsibility for payment to third party.																		
Support / Operational Expenses	Who has financial responsibility for support and operational expenses relating to the Equipment?																		
Administrative Procurement	Who procures the item, including managing the bidding process and receipt, payment, and associated invoicing activities																		
IMAC	Who performs Installations, Moves, Adds and Changes for the Equipment?																		
Invoice Verification	Who verifies the invoices (purchase, maintenance) from the Equipment vendors?																		
Monitoring	Who monitors the equipment and reports on incidents?																		
Operations & Support	Who provides the Services to support the Equipment, including configuration, restarting, operating, troubleshooting, etc.																		
Removal & Disposal	Who is responsible for removing the Equipment from the environment? Client receives any net benefit after disposal of Client-owned Equipment. Supplier receives any benefit after disposal for all other Supplier-owned Equipment.																		
Disaster Recovery	Who provides disaster recovery services for this item?																		
Services / Value Added Tax	Who pays taxes that are based upon operations such as service taxes? Specifically refers to any taxes incurred by Supplier to provide Services. Services and Value Added Tax on Charges to Customer are NOT addressed in this column.																		
Charging Mechanism	By what mechanism is this item paid for? There Charging Mechanisms used in this Attachment B to Exhibit 3 are: 1. Fixed Fee/Variable - Refer to Exhibit 3. 2. Pass-Through Expenses - Refer to Exhibit 3. 3. Retained - Client contract with no Client payment to Supplier. Supplier has no financial responsibility for payment to third party.																		

Note 1: Designates financial responsibility for the purchase and/or lease cost of the underlying hardware assets

Note 2: External Peripherals include external memory devices, and external backup devices

Note 3: In general, all Equipment capable of being monitored is to be monitored by Supplier, regardless of who has the responsibility for supporting the Equipment

Note 4: Supplier will be responsible for desktops and laptops for those individuals who are located on the Client site and in the Supplier delivery centers.

Software	Asset Allocation: License / Lease Cost (1)							Maintenance Contract Expenses		Support / Operational Expenses						
	Current Licenses / Maint. / Lease	Replacement Software on Refresh of Underlying Equipment	Software Currency	Releases / Upgrades	Growth	Sales / Value Added / Excise Tax	Charging Mechanism	Maintenance	Charging Mechanism	Administrative Procurement	IMAC	Invoice Verification	Operations & Support	Disaster Recovery	Services / Value Added Tax	Charging Mechanism
Application Servers																
Operating System Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Utility / Monitoring Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Compilers	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Scheduling Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Remote Monitoring & Mgmt Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Host Intrusion Detection Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Anti-Virus Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Enterprise Storage Backup Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Other System Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Database Management Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Network Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Applications Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
License Access / Transfer Fees	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	N/A	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	N/A
Utility Servers:																
Operating System Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Utility / Monitoring Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Compilers	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Scheduling Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Remote Monitoring & Mgmt Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Host Intrusion Detection Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Anti-Virus Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Enterprise Storage Backup Software	Client	Supplier	n	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Other System Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Database Management Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Network Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
E-Mail Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Applications Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
License Access / Transfer Fees	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	N/A	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	N/A
Managed Network Services																
WAN Management & Monitoring Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
LAN Management & Monitoring Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Voice Mail Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Other PBX Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Firewall Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Information Security Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
License Access / Transfer Fees	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
End-User Computing																
Operating Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Remote Monitoring & Management Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Compilers	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Database Management Software	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Anti Virus(3)	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Firewall(3)	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Commercial Office Suite Software	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Application Software	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
E-Mail / Collaborative Software	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
License Access / Transfer Fees	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	N/A	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier End User Computing Software	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Service Desk:																
Help Desk / Problem Tracking Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Cross Functional																
Asset Inventory and Management System	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Infrastructure Mgmt Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Cross-Functional Software as Part of Supplier Solution ²²	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable

Software	Asset Allocation: License / Lease Cost (1)							Maintenance Contract Expenses		Support / Operational Expenses						
	Current Licenses / Maint. / Lease	Replacement Software on Refresh of Underlying Equipment	Software Currency	Releases / Upgrades	Growth	Sales / Value Added / Excise Tax	Charging Mechanism	Maintenance	Charging Mechanism	Administrative Procurement	IMAC	Invoice Verification	Operations & Support	Disaster Recovery	Services / Value Added Tax	Charging Mechanism
Application Servers																
Operating System Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Utility / Monitoring Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Compilers	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Scheduling Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Remote Monitoring & Mgmt Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Host Intrusion Detection Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Anti-Virus Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Enterprise Storage Backup Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Other System Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Database Management Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Network Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Applications Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
License Access / Transfer Fee	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	N/A	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	N/A
Utility Servers:																
Operating System Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Utility / Monitoring Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Compilers	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Scheduling Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Remote Monitoring & Mgmt Software	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Host Intrusion Detection Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Anti-Virus Software	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Enterprise Storage Backup Software	Client	Supplier	n	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Other System Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Database Management Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Network Software	Client	Supplier	n / n-1	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Fixed Fee/Variable	Supplier	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
E-Mail Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
Applications Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Supplier	Client	Supplier	Supplier	Supplier	Fixed Fee/Variable
License Access / Transfer Fee	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Fixed Fee/Variable	N/A	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	N/A
Managed Network Services																
WAN Management & Monitoring Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Meaning of Heading																
Asset Allocation License/Maintenance/Lease	Who has financial responsibility for purchase and/or lease cost of underlying Software?															
Current Licenses / Maint. / Lease	Who paid for the Client-provided Software licenses, maintenance fees and Software leases that existed at Commencement Date that is used to provide the Services?															
Refresh	Who pays for replacement software upon refresh of the underlying Equipment?															
Software Currency	How current does the Software need to be? N means the current production version that has been released by the vendor. N-1 means the release previous to the current release. Financial responsibility determined in accordance with Software Releases/Upgrades.															
Releases / Upgrades	If new releases of the Software are needed, who pays for the Software? Financial responsibility includes upgrade from n-1 to n where required, based upon Application requirements															
Growth	If more Software or additional licenses are required due to growth, who pays for the additional Software or licenses?															
All taxes (Sales / Services/ Value Added / Excise Tax)	Who pays taxes that are based upon operations such as service taxes? Specifically refers to any taxes incurred on costs to deliver Services, this does not refer to taxes on Charges, which is covered in Section 16.8 of the MSA															
Charging Mechanism	By what mechanism is this item paid for? There Charging Mechanisms used in this Attachment B to Exhibit 3 are: 1. Fixed Fee/Variable - Refer to Exhibit 3. 2. Pass-Through Expenses - Refer to Exhibit 3. 3. Retained - Client contract with no Client payment to Supplier. Supplier has no financial responsibility for payment to third party.															
Support / Operational Expenses																
Administrative Procurement	Who procures the Item including managing the bidding process and the resulting invoice?															
Install, Change, Remove	Who performs Installations, Moves, Adds and Changes when there is a new release of Software or patches or upgrades?															
Invoice Verification	Who verifies the invoices (purchase, maintenance) from the Software vendors?															
Operations & Support	Who supports the Software, including configuration, restarting, operating, troubleshooting, etc. - this includes software installation, administration, patching and dot release upgrades, excludes major upgrades)															
Disaster Recovery	Who provides disaster recovery services for this item?															
Services / Value Added Tax	Who pays taxes that are based upon operations such as service taxes? Specifically refers to any taxes incurred on costs to deliver Services, this does not refer to taxes on Charges, which is covered in Section 16.8 of the MSA															
Charging Mechanism	By what mechanism is this item paid for? There Charging Mechanisms used in this Attachment B to Exhibit 3 are: 1. Fixed Fee/Variable - Refer to Exhibit 3. 2. Pass-Through Expenses - Refer to Exhibit 3. 3. Retained - Client contract with no Client payment to Supplier. Supplier has no financial responsibility for payment to third party.															

Note 1: Designates financial responsibility for the license, maintenance, lease or rental cost of the underlying software ass
Note 2: Supplier to provide Dashboard Software which will run on Client Energy provided Instance
Note 3: Supplier to be financially and operationally responsible for Anti Virus and Firewall software that will run on its Infrastructure

Facilities	Asset Allocation: Capital / Lease Cost (1)						Support / Operational Expenses								
	Current Assets	Refresh	Upgrades / Enhancements	Growth	Sales / Value Added / Excise Tax	Charging Mechanism	Administrative Procurement	IMAC	Maintenance	Invoice Verification	Operations & Support	Removal & Disposal	Disaster Recovery	Services / Value Added Tax	Charging Mechanism
Service Towers:															
Client Facilities															
Environmental (e.g., HVAC, PDUs)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
UPS	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Space Upgrades, Additions, Fitout	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Server Racks & Enclosures	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Furniture & Fixtures	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Wiring & Cabling	Client	Client	Client	Client	Client	Retained	Client	Supplier	Supplier	Client	Client	Client	Client	N/A	Retained
Building Deprec / Lease	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Office Equipment	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Building Maintenance / Security	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Property Taxes	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Utilities	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Other Space Charges	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Client	Client	N/A	Retained
Supplier Facilities															
Environmental (e.g., HVAC, PDUs)	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
UPS	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Space Upgrades, Additions, Fitout	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Server Racks & Enclosures	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Furniture & Fixtures	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Wiring & Cabling	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Building Deprec / Lease	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Office Equipment	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Building Maintenance / Security	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Property Taxes	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Utilities	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Other Space Charges	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
All Service Towers															
Supplier Staff on Consumers Premises															
Long-Distance Phone Calls	Client	N/A	N/A	N/A	N/A	Client is Reimbursed	Client	Client	Client	Client	Client	Client	Client	Supplier	Client is reimbursed
Local Phone Calls	Client	N/A	N/A	N/A	N/A	Retained	Client	Client	Client	Client	Client	Client	Client	Supplier	Retained
Use of Office Space	Client	N/A	N/A	N/A	N/A	N/A	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	N/A
Use of Office Supplies	Client	N/A	N/A	N/A	N/A	N/A	Client	Client	Client	Client	Client	Client	Client	Supplier	Retained
Use of Other Office Equipment	Client	N/A	N/A	N/A	N/A	Retained	Client	Client	Client	Client	Client	Client	Client	Supplier	Retained

Meaning of Headings	
Facilities:	Unless otherwise specified, this classification applies to all of the Facilities (buildings, datacenters and attendant support equipment and staff) needed to provide the Services.
Asset Allocation Capital / Lease Cost	Who has financial responsibility for purchase and/or leasehold improvement of underlying Facilities?
Current Assets	Who pays for the current Facilities (building leases, HVAC, common services, etc.) that are used to provide the Services?
Refresh	If Facilities-related Equipment (e.g. HVAC) needs to be replaced, who pays for the replacement Equipment?
Upgrades / Enhancements	If upgrades or enhancements are needed for the Facility, who pays for it?
Growth	If more space is needed, who pays for the additional space?
Sales / Value Added / Excise Tax	Who pays taxes that are based upon operations such as service taxes? Specifically refers to any taxes incurred on costs to deliver Services, this does not refer to taxes on Charges, which is covered in Section 16.8 of the MSA
Charging Mechanism	By what mechanism is this item paid for? There Charging Mechanisms used in this Attachment B to Exhibit 3 are: 1. Fixed Fee/Variable - Refer to Exhibit 3. 2. Pass-Through Expenses - Refer to Exhibit 3. 3. Retained - Client contract with no Client payment to Supplier. Supplier has no financial responsibility for payment to third party.
Maintenance Contract Expenses	Who has financial responsibility for support and operating expenses for the Facilities?
Administrative Procurement	Who procures items, including managing the bidding process and receipt, payment, and associated invoicing activities?
IMAC	Who performs Installations, Moves, Adds and Changes for facilities?
Maintenance	Who pays for maintenance contract and spare parts for Facilities Equipment?
Invoice Verification	Who verifies the invoices (purchase, maintenance) from the Facility vendors?
Operations & Support	Who supports the Facility, including configuration, operation, troubleshooting, etc.
Removal & Disposal	Who is responsible for removing the Equipment from the environment? Client receives any net benefit after disposal of Client-owned Equipment. Supplier receives any benefit after disposal for all other Supplier-owned Equipment.
Disaster Recovery	Who provides disaster recovery services for this item?
Services / Value Added Tax	Who pays taxes that are based upon operations such as service taxes? Specifically refers to any taxes incurred on costs to deliver Services, this does not refer to taxes on Charges, which is covered in Section 16.8 of the MSA
Charging Mechanism	By what mechanism is this item paid for? There Charging Mechanisms used in this Attachment B to Exhibit 3 are: 1. Fixed Fee/Variable - Refer to Exhibit 3. 2. Pass-Through Expenses - Refer to Exhibit 3. 3. Retained - Client contract with no Client payment to Supplier. Supplier has no financial responsibility for payment to third party.

Note 1: Designates financial responsibility for the purchase and/or leasehold improvement cost of the underlying facilities expense

Network Transport			
Service Towers:	Current Transport Capacity	Growth in Transport Capacity	Charging Mechanism
Transport - Data:			
between Client Sites and Client network cloud	Client	Client	Retained
between Client Sites	Client	Client	Retained
between Client network cloud and Supplier network cloud	Client	Client	Retained
between Client Sites and Supplier Sites	Client	Client	Retained
between Client network cloud and public network cloud	Client	Client	Retained
between Client Sites and 3rd Party Disaster Recovery Provider	Client	Client	Retained
between Supplier Sites and Supplier network cloud	Supplier	Supplier	Fixed Fee/Variable
between Supplier network cloud and public network cloud	Supplier	Supplier	Fixed Fee/Variable
between Supplier Sites	Supplier	Supplier	Fixed Fee/Variable
between Supplier Sites and Third-Party Disaster Recovery Provider	Supplier	Supplier	Fixed Fee/Variable
Transport - Voice:			
Local circuits from Client Sites	Client	Client	Retained
Local usage from Client Sites	Client	Client	Retained
Local circuits from Supplier Sites	Supplier	Supplier	Fixed Fee/Variable
Local usage from Supplier sites	Supplier	Supplier	Fixed Fee/Variable
Long distance usage from Client Sites	Client	Client	Retained
Supplier long distance usage from Client Sites	Supplier	Supplier	Supplier to Reimburse
Client employee wireless usage	Client	Client	Retained
Supplier employee wireless usage	Supplier	Supplier	Fixed Fee/Variable
Toll free calls into Client Sites	Client	Client	Retained
Toll free access to Supplier Service Desk(s)	Supplier	Supplier	Fixed Fee/Variable

Other

Service Towers:	Shipping ¹	Business Contingency Planning	Business Contingency Recovery	Disaster Planning (IT Service Continuity Planning)	Disaster Recovery (IT Service Continuity Recovery)	Off-Site Storage	Charging Mechanism
Application Servers	Client	Supplier	Supplier	Supplier	Supplier	Client	Fixed Fee/Variable
Utility Servers	Client	Supplier	Supplier	Supplier	Supplier	Client	Fixed Fee/Variable
Managed Network Services	Client	Supplier	Supplier	Supplier	Supplier	Client	Fixed Fee/Variable
End-User Services	Client	Supplier	Supplier	Supplier	Supplier	Client	Fixed Fee/Variable
Service Desk	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Projects	Client	Supplier	Supplier	Supplier	Supplier	Client	Project Charges
Cross-Functional General	Client	Supplier	Supplier	Supplier	Supplier	Client	Fixed Fee/Variable
Disaster Planning	Supplier is wholly responsible for all costs (ex. Services and Capital) related to Services provided from Supplier locations. For Services provided from Client locations, Supplier has responsibility for Services, Client will have financial responsibility for Equipment (Capital)						
Disaster Planning	Supplier is wholly responsible for all costs (ex. Services and Capital) related to Services provided from Supplier locations. For Services provided from Client locations, Supplier has responsibility for Services, Client will have financial responsibility for Equipment (Capital)						

Note 1: Be responsible for all freight-related and transportation-related costs associated with the shipment and receipt of Equipment between Client, Supplier, and Equipment manufacturer locations.

TOWER	Description	Definition	Exclusions	Volume Baseline	Notes as to why Volumetric	Expected Normal Direction of Change
End User Services	Static assets - Field	Number of Static assets installed outside of the GTA Static assets means End User assets that are network-attached and would require onsite deskside engineer support to enact a hardware repair for example Desktops and Network Printers and Plotters	Thin-client devices. It is assumed that these can be swapped by a user following direct shipping of a replacement device		This metric provides a guide as to the number of deskside engineers are required by the Supplier. It is expected that this metric will reduce over time as the number of Desktops are replaced by Laptops, Thin Clients and VDI's and Network Printers are consolidated.	↓
	Static assets - GTA	Number of Static assets installed inside of the GTA Static assets means End User assets that are network-attached and would require onsite deskside engineer support to enact a hardware repair for example Desktops and Network Printers and Plotters	Thin-client devices. It is assumed that these can be swapped by a user following direct shipping of a replacement device		This metric provides a guide as to the number of deskside engineers are required by the Supplier. It is expected that this metric will reduce over time as the number of Desktops are replaced by Laptops, Thin Clients and VDI's and Network Printers are consolidated.	↓
	Non-static assets	Number of non-static assets installed Non-static assets means End User assets that are network-attached assets installed but for a hardware repair would be returned to base and a replacement device shipped to the users thus not requiring an onsite deskside visit for example Laptops and Tablets			This metric provides a guide as to the number of deskside engineers are required by the Supplier It is expected that this metric will increase over time as the number of Laptops and Tablets replace Desktops	↑
	Mobile Devices	Number of Mobile Devices connected to and managed by the Mobile Device Manager A Mobile Device means an approved Smartphone or Mobile device connected to the Client's Mobile Device Manager solution			This metric provides a guide to the engineer effort required to support the Mobility estate It is expected to remain constant throughout the contract	↔
	Virtual Desktop Instances (VDI's)	Number of VDI's deployed The count will be the total number of concurrent instances deployed on the Client's VDI infrastructure			This metric provides a guide as to the engineering effort required to support the VDI and Thin-Client estate. It is expected that this volume rises over the duration of the contract with a corresponding decrease in the volume of Static assets	↑
	Hard IMAC	Number of EUC Hard IMAC's completed An EUC Hard IMAC consists of the provision, installation, move, add and change of an End User device used at any Client location. It only includes activities that are initiated by Client. A single EUC Hard IMAC includes determination of requirements, scheduling, setup/staging, coordinating cabling, delivery, testing, user orientation, asset management, quality assurance and all activity related to that IMAC. All such activities shall be counted as a single EUC Hard IMAC regardless of the number of visits or other activity that the Supplier is required to complete. It shall include any Soft IMAC required to complete that EUC Hard IMAC.	EUC Soft IMAC's Technology Refresh related activities Activities undertaken as a direct result of project activities		This metric provides a guide as to the engineering effort required to facilitate the normal End-User-related equipment change within the estate and effort includes that undertaken centrally and by the site engineers. It is expected that this volume remains constant throughout the contract.	↔
	Soft IMAC	Number of EUC Soft IMAC's completed A EUC Soft IMAC consists of the remote electronic installation, move, add and change of configurations or Software on an End User device authorized at any Client location. It also includes any addition, deletion or change of configuration remotely actioned at the Service Desk following authorization for example changes within Active Directory or Exchange	EUC Hard IMAC's Technology Refresh related activities Activities undertaken as a direct result of project activities Activities undertaken by automation requiring no human input Self-service activities undertaken by the End User		This metric provides a guide as to the Service Desk effort to facilitate normal End-User-related change within the estate. It is expected that this volume decreases throughout the contract as automation and self-service solutions are deployed.	↓
	Service Desk Authorised User	Number of authorised End Users able to receive Service Desk services			The metric provides a guide to the number of contacts expected to be handled by the of service desk staff	↔
Servers	Unix - Enhanced Support	Number of Server Operating Systems running Unix hosted within the Client environment receiving Enhanced Support Servers receiving enhanced support typically service Critical Applications and are designed and built to be highly availability with failover and redundancy and supported 24x7x365. One Server consists of an Operating System kernel process that manages the following: All of a discrete subset of the Application Server's persistent storage (disk), volatile storage (memory) and central processing units; and a single list of processes (i.e., a process table). Depending on the hardware Application Server's configuration, more than one Instance(s) may run on a single Application Server. Instances in a clustered configuration (nodes) shall be deemed to be discrete Instances.	Servers not utilising a Unix operating system Servers with Standard support		This metric provides a guide to the number of Unix-trained engineers required to provide 24x7x365 support. It is expected that this volume remains constant throughout the contract.	↔
	Unix - Standard Support	Number of Server Operating Systems running Unix hosted within the Client environment receiving Standard Support. Servers receiving standard support typically service Standard Applications and supported within Normal Hours of Support. One Server consists of an Operating System kernel process that manages the following: All of a discrete subset of the Application Server's persistent storage (disk), volatile storage (memory) and central processing units; and a single list of processes (i.e., a process table). Depending on the hardware Application Server's configuration, more than one Instance(s) may run on a single Application Server. Instances in a clustered configuration (nodes) shall be deemed to be discrete Instances.	Servers not utilising a Unix operating system Servers with Enhanced support		This metric provides a guide to the number of Unix-trained engineers required to provide support within Normal Hours of Support. It is expected that this volume remains constant throughout the contract.	↔
	Linux - Enhanced Support	Number of Server Operating Systems running Linux hosted within the Client environment receiving Enhanced Support Servers receiving enhanced support typically service Critical Applications and are designed and built to be highly availability with failover and redundancy and supported 24x7x365. One Server consists of an Operating System kernel process that manages the following: All of a discrete subset of the Application Server's persistent storage (disk), volatile storage (memory) and central processing units; and a single list of processes (i.e., a process table). Depending on the hardware Application Server's configuration, more than one Instance(s) may run on a single Application Server. Instances in a clustered configuration (nodes) shall be deemed to be discrete Instances.	Servers not utilising a Linux operating system Servers with Standard support		This metric provides a guide to the number of Linux-trained engineers required to provide 24x7x365 support. It is expected that this volume remains constant throughout the contract.	↔

TOWER	Description	Definition	Exclusions	Volume Baseline	Notes as to why Volumetric	Expected Normal Direction of Change
Data Centre Services	Linux - Standard Support	<p>Number of Server Operating Systems running Linux hosted within the Client environment receiving Standard Support.</p> <p>Servers receiving standard support typically service Standard Applications and supported within Normal Hours of Support.</p> <p>One Server consists of an Operating System kernel process that manages the following: All of a discrete subset of the Application Server's persistent storage (disk), volatile storage (memory) and central processing units; and a single list of processes (i.e., a process table). Depending on the hardware Application Server's configuration, more than one Instance(s) may run on a single Application Server. Instances in a clustered configuration (nodes) shall be deemed to be discrete Instances.</p>	Servers not utilising a Linux operating system Servers with Enhanced support		<p>This metric provides a guide to the number of Linux-trained engineers required to provide support within Normal Hours of Support.</p> <p>It is expected that this volume remains constant throughout the contract.</p>	↔
	Windows - Enhanced Support	<p>Number of Server Operating Systems running Windows hosted within the Client environment receiving Enhanced Support</p> <p>Servers receiving enhanced support typically service Critical Applications and are designed and built to be highly availability with failover and redundancy and supported 24x7x365.</p> <p>One Server consists of an Operating System kernel process that manages the following: All of a discrete subset of the Application Server's persistent storage (disk), volatile storage (memory) and central processing units; and a single list of processes (i.e., a process table). Depending on the hardware Application Server's configuration, more than one Instance(s) may run on a single Application Server. Instances in a clustered configuration (nodes) shall be deemed to be discrete Instances.</p>	Servers not utilising a Windows operating system Servers with Standard support		<p>This metric provides a guide to the number of Windows-trained engineers required to provide 24x7x365 support.</p> <p>It is expected that this volume remains constant throughout the contract.</p>	↔
	Windows - Standard Support	<p>Number of Server Operating Systems running Windows hosted within the Client environment receiving Standard Support.</p> <p>Servers receiving standard support typically service Standard Applications and supported within Normal Hours of Support.</p> <p>One Server consists of an Operating System kernel process that manages the following: All of a discrete subset of the Application Server's persistent storage (disk), volatile storage (memory) and central processing units; and a single list of processes (i.e., a process table). Depending on the hardware Application Server's configuration, more than one Instance(s) may run on a single Application Server. Instances in a clustered configuration (nodes) shall be deemed to be discrete Instances.</p>	Servers not utilising a Windows operating system Servers with Enhanced support		<p>This metric provides a guide to the number of Windows-trained engineers required to provide support within Normal Hours of Support.</p> <p>It is expected that this volume remains constant throughout the contract.</p>	↔
	Databases - Enhanced Support	<p>Number of non-SAP databases provided on an Enhanced Support service level</p> <p>Database means a unique commissioned database within an executable copy of the database management system software. It is understood that with respect to certain database platforms, multiple databases can run on a single Database software install.</p> <p>Enhanced Support means the databases are designed and built to be highly available and supported 24x7x365</p>	SAP Databases Desktop-app Databases such as MS Access System database instances which require no ongoing support and are generated by the installation of a COTS product.		<p>This metric provides a guide to the number of Database-trained engineers required to provide 24x7x365 support.</p> <p>It is expected that this volume remains constant throughout the contract.</p>	↔
	Databases - Standard Support	<p>Number of non-SAP databases provided on an Standard Support service level</p> <p>Database means a unique commissioned database within an executable copy of the database management system software. It is understood that with respect to certain database platforms, multiple databases can run on a single Database software install.</p> <p>Standard Support means the databases are supported 08:30 until 18:30 Business Days</p>	SAP Databases Desktop-app Databases such as MS Access System database instances which require no ongoing support and are generated by the installation of a COTS product.		<p>This metric provides a guide to the number of Database-trained engineers required to provide support within Normal Hours of Support.</p> <p>It is expected that this volume remains constant throughout the contract.</p>	↔
	Cross-Functional Services	Change Management	Number of Formal Changes approved through CAB	Changes not requiring approval through CAB e.g. changes to non-production systems		<p>This metric provides a guide to the number of Change Management analysts required to support the Change Management process.</p> <p>It is expected that this volume remains constant throughout the contract.</p>
2nd/3rd Line Requests		<p>Number of Client-requested Service Requests that are implemented by the 2nd/3rd Line Support</p> <p>A 2nd/3rd Line Request includes any addition, deletion or change of configuration that is not actioned by the Service Desk but is passed into a 2nd or 3rd Line Infrastructure or Application Support team</p>	Hard and Soft IMACS		<p>This metric provides a guide to the number of requests that cannot be actioned by the Service Desk and need to be handled by 2nd or 3rd Line support teams.</p> <p>It is expected that this metric decreases throughout the contract through the deployment of automation and self-service solutions.</p>	↓
Application Development and Maintenance (ADM)	Exhibit 1 - Attachment G - Application Portfolio	Resources required to support the Base Services is dependent upon the number of applications in the portfolio and changes to the functional profile, technical complexity, or number of users of any one application	This is for enterprise applications only, it excludes productivity (example MS Office), specialty (example applications used to monitor electrical equipment) and system (software such as operating systems)		<p>Material Changes in terms of Application Technology, Architecture, Application Process, Additional Functionality, and/or Additional End Users to existing applications will also affect resources required to support the Base Services, in addition to addition or removal of entire applications</p>	↔



HYDRO ONE

EXHIBIT 4

SERVICE REPORTS

APPLICATION DEVELOPMENT AND MAINTENANCE STATEMENT OF WORK



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1.0 INTRODUCTION

This Exhibit contains a listing and description of example Reports required by Client as of the Commencement Date.

Supplier's responsibilities shall include:

1. Modifying the format, content and frequency of any Report as requested and agreed to with the Client.
2. Delivering all Reports required by Client.

Reports listed as 'Target for ITBM' will be contemplated as a business requirement of the ITBM Integration project. As reports are replaced by dashboards within ITBM, an official notice will be issued indicating as such.



2.0 CONTROL REPORTS

1.	Project Closure Report	Project closure reports; - ADM - Data Centre Services - End User Services	Weekly
2.	Project Status Report	Project status/issues reports - ADM - Data Centre Services - End User Services Report on the status of all open projects (Minor Enhancements and Projects, client-driven and transformational); include actuals vs. planned for schedule, Deliverables and cost; include issues, risks, and Changes in scope	Weekly
3.	Anti-Virus Currency	(1) Trend reports KPIs including: - Electronically distributed security patches - Percent of sampled devices with correct security settings and c of anti-virus definitions - Status and summary of any malware-related events Target for ITBM	Monthly
4.	BIA Report	Business impact analysis reports	Annual
5.	Configuration Accuracy Report	Results of accuracy measurements for CI's under configuration control 1. Target for ITBM	Quarterly

6.			
7.	Inactive assets assigned to active personnel	Inactive assets assigned to active personnel 2. Target for ITBM	Monthly
8.	Lost Stolen Report	Details assets classified as lost stolen or missing in action 3. Target for ITBM	Monthly
9.	Software Compliance Report	Software License Summary Report showing compliance levels for top software applications 4. Target for ITBM	Monthly
10.	Unregistered Configuration items	Volume of unregistered Cis 5. Target for ITBM	Quarterly
11.	Application Portfolio KPIs	(1) Dashboard report (2) List of exceptional items KPIs including: - Maintenance release level of applications (red-yellow-green based on agreed currency standards) Target for ITBM	Monthly
12.	Service Level Management	Refer to Section [4] of Schedule 5.1 (Service Level Methodology)	Monthly
13.	Contract Management KPIs	(1) Trend reports (2) Status reports (3) List of significant items KPIs including: - Contract issues backlog (red-yellow-green based on severity and days outstanding) - Contract amendments backlog (red-yellow-green based on impact and days outstanding)	Monthly



		- Outstanding Requests for Change	
14.			
15.			
16.			
17.	Supplier Personnel with Client Accounts	Current listing of Supplier Personnel with accounts to access Client Systems and Client Data Plus a list of all deletes, adds and changes for the current month Target for ITBM	Monthly
18.	AMS Disaster Recovery Test Results	Report of the most current results of the DRP test and any action items to be addressed with a plan to resolve.	As Required

3.0 IMPROVEMENT REPORTS

1.	Continuous Improvement (CIP) Tracker Report	Report to track continuous improvement items to ensure they are being worked on and completed	Monthly
2.	Automated End User Support Report	(1) Trend reports KPIs including: - Electronic software distribution counts (e.g., Software updates, updated) - Electronic software distribution defects/rework	Monthly



		<ul style="list-style-type: none"> - Percent of Incidents resolved without manual, desk-side intervention depot maintenance <p>Target for ITBM</p>	
3.	Self Help Portal Usage Report	Self Help Usage report including End User counts and what areas of the self-help portal are being accessed most frequently (User Stats) <p>Target for ITBM</p>	Quarterly
4.	Problem Management KPIs	(1) Trend reports (2) Histogram KPIs including: <ul style="list-style-type: none"> - Number of Problems by Group, type, , open vs. closed, etc <p>Target for ITBM</p>	Monthly
5.	Problem Management RCA Reports	(1) Details the results of each Root Cause Analysis of Problems owned by Supplier; includes the nature of the Problem, event correlation, and plans to prevent or avoid future Problems (2) Summary of outstanding RCAs	(1) to be agreed for each RCA (2) Monthly
6.	Capacity Management KPIs	(1) Trend reports (2) List of exceptional items KPIs including: <ul style="list-style-type: none"> - Percent of Incidents triggered by automated alerts <p>Target for ITBM</p>	Monthly
7.	Innovation KPIs	(1) Trend reports (2) Status reports (3) List of significant items KPIs including: <ul style="list-style-type: none"> - Service improvement programs (dollar savings and program status) - Supplier value-add offerings delivered to Client 	Semi-Annually
8.	Client Satisfaction Measurement KPIs	(1) Trend report (2) Status report	Monthly



		KPIs including: - Percent improvement in Service Desk trailer surveys	
		Target for ITBM	
9.	Corrective Action Plan KPIs	(1) Status report KPIs including: - On-time completion of corrective action plans resulting from customer satisfaction surveys	Monthly



4.0 QUALITY REPORTS

1.	AMS Management Operations Report	<p>Management report summarizing operational data concerning Incidents, Service Requests, Changes, and Minor Enhancements plus management issues for the reporting period</p> <p>Target for ITBM</p>	Monthly
2.	Capacity and Trending Reports	<p>IM Capacity and trending reports</p> <ul style="list-style-type: none"> - Database - Facilities - Storage / ILM / De-Dup - Servers <p>Target for ITBM</p>	Monthly
3.	Demand Management Report (ADM)	<p>(1) Trend report (Actual / Forecast)</p> <p>KPIs including:</p> <ul style="list-style-type: none"> - Ad Hoc Service Requests and Information Requests - Change Requests by status (e.g., , rejected, pending, in progress, etc.) - Standard Service Requests - ME Pool utilization, hrs used current month / hrs to carry over and total rolling hrs carried over. <p>Target for ITBM</p>	Monthly
4.	Demand Management Report (DCS)	<p>(1) Trend report</p> <p>KPIs including:</p> <ul style="list-style-type: none"> - Ad Hoc Service Requests and Information Requests - Change Requests by status (e.g., received, estimated, rejected, pending, in progress, etc.) - Standard Service Requests 	Monthly



		<ul style="list-style-type: none"> - Technology refresh plans - <p>Target for ITBM</p>	
5.	Demand Management Report (EUS)	<p>(1) Trend report KPIs including:</p> <ul style="list-style-type: none"> - Ad Hoc Service Requests and Information Requests - Change Requests by status (e.g., received, estimated, rejected, pending, in progress, etc.) - Security administration requests - Standard Service Requests - Technology refresh plans - Desktop IMACs by type by device by location - Service Desk contacts by channel (e.g., calls, emails, portal entries, etc.) <p>Target for ITBM</p>	Monthly
6.	Proactive Printer Maintenance Tracking Report	<p>Report to track scheduled maintenance vs. actual maintenance performed to date</p> <p>Target for ITBM</p>	Quarterly
7.	Client Technologies Depot/Maintenance Report	<p>(1) Trend reports (2) List of exceptional items (3) Histogram KPIs including:</p> <ul style="list-style-type: none"> - Workload volumes by activity type (order, repair, preventive maintenance, etc.), location, device type (desktop, laptop, tablet, etc.), etc. - Non-warranty parts usage - Proactive printer maintenance - Depot device swaps completed in agreed timeframes <p>Target for ITBM</p>	Monthly



8.	Service Desk Incident Trending Report	Service Desk Incident/ticket trending report by category / priority / aging. Category includes: call, in-scope telecom, email, Application / DSM, etc. Target for ITBM	Monthly
9.	Service Desk Volume Report	Service Desk Ticket Volume by Reported Source Target for ITBM	Weekly
10.	Top 10 Caller Report	Top 10 (ten) callers with incidents categorized Target for ITBM	Weekly
11.	Daily Health check Status Report	Dashboard of Previous Business Day activities; Batch Processing Status App Availability Server Availability Outages Target for ITBM	Daily
12.	Escalated Service Delivery Issue Log	Report on escalated service delivery/operation issue with action items.	Monthly
13.	Configuration Management Relationship	SL1 / SL2 SIM Model Stack report Target for ITBM	Quarterly
14.	Incident Management KPIs	(1) Trend reports (including number opened, closed and backlog with aging) (2) List of exceptional items (3) Histogram KPIs including: - Percent of Incidents exceeding 2x the Response time standard by Domain by Priority Level - Percent of Incidents exceeding 2x the Resolution time standard by Domain by Priority Level	Monthly



		- Incident Counts by Domain by Priority Level	
		- - Target for ITBM	
15.	Security Administration KPIs	(1) Trend reports (2) List of exceptional items (3) Histogram KPIs including: - Percent of security access requests exceeding 2x the processing time standard by Priority Level - Security access request counts by Priority Level by type, site , etc. Target for ITBM	Monthly
16.	Service Request KPIs	(1) Trend reports (2) List of exceptional items (3) Histogram KPIs including: - Percent of Service Requests exceeding 2x the applicable processing time standard by Domain by Priority Level - Service Request counts by Domain by Priority Level by type, Site open vs. closed, etc. Target for ITBM	Monthly
17.	Change Management KPIs	(1) Trend reports (2) List of exceptional items (3) Histogram KPIs including: - Percent of Change Requests past due by Domain by Criticality Level - Change Request counts by Domain by Priority Level by type, location, etc. - Changes implemented by Domain by Criticality Level by completion code, etc.	Bi Weekly Monthly



		<ul style="list-style-type: none"> - Forward-looking view of Changes scheduled by Domain by Criticality <p>Target for ITBM</p>	
18.	Messaging Report	<ul style="list-style-type: none"> (1) Trend reports (2) Histogram KPIs including: <ul style="list-style-type: none"> - Total message counts by type by location - Mailbox storage requirements - Spamware currency and events <p>Target for ITBM</p>	Monthly
19.	Desktop Services Summary	<ul style="list-style-type: none"> (1) Trend reports (2) List of exceptional items KPIs including: <ul style="list-style-type: none"> - Desktop Services Incidents requiring onsite technician to resolve the Incident - Desktop Services Incidents from remote End Users - Desktop Services Incidents related to a lack of End User training - Number of End User personal computers by standard build image and non-standard - Percent of End User personal computers on standard build images at supported release levels <p>Target for ITBM</p>	Monthly

5.0 FINANCIAL REPORTS

1.	Project Variance Report	Estimation variance report	Weekly



		<ul style="list-style-type: none"> - ADM - Data Centre Services - End User Services <p>Target for ITBM</p>	
2.	Non-Warranty Parts Bucket Usage Report	<p>Report to identify usage of non - warranty parts (items, when used) to provide trending/tracking, including total spend to date</p> <p>Target for ITBM</p>	Quarterly
3.	Software license summary report	<p>Summary of in-scope software</p> <p>Target for ITBM</p>	Monthly
4.	Asset End of Life Report	<p>Provides details of those assets retired from use, disposed or classed as non-operational</p> <p>Target for ITBM</p>	Quarterly
5.	Asset Hardware Inventory	<p>Hardware Inventory Report</p> <p>Target for ITBM</p>	Quarterly
6.	Software Disposal Report	<p>Summary of software disposed, terminated or removed from service</p> <p>Target for ITBM</p>	Quarterly
7.	Software Volume Report	<p>Software Inventory Report</p> <p>Target for ITBM</p>	Quarterly
8.	Invoice	Refer to Section [4] of Exhibit 3 (SAP) (Pricing)	Monthly
9.	Invoice Supporting Detail	Refer to Section [4] of Exhibit 3 Detailed billing information on-line for Client access in a database that lends itself to searching and ad hoc reporting (including Volume Metric volumes, quantities of any PxQ Charges)	Monthly
10.	Pass-Through Expenses Supporting Detail	Refer to Section [4] of Exhibit 3 (SAP) (Pricing)	Monthly



11.	Financial Summary	<p>(1) Trend report (2) Histogram (3) Current month summary KPIs including:</p> <ul style="list-style-type: none"> - Budget vs. actual (including total consumption with Supplier and all true-ups processed) - Total Consumption by Domain, type of work, line of business (as directed by Client), etc. 	Monthly
12.	Project Financial Summary	<p>Report of all project commitment and consumption, including backup billing detail files, at project level and summarized by Client requesting the work; Including project request, initiation and work completion dates Includes Monthly and YTD consumption against the allocated FTE hours and running estimate based on actuals and forecast for end of contract year</p>	Monthly
13.	Baseline Status	<p>Trend-line of actual volumes for Incidents, Service Requests and any other baseline metrics set forth in Section [x] of Exhibit 3 () (Pricing) including variance from any baseline volumes</p> <p>Target for ITBM</p>	Monthly
14.	Late Invoices and Past Due Invoices	<p>Report of all Supplier invoices (i) known to be late and pending delivery to Client and (ii) not paid by Client within the terms of the Agreement</p>	Weekly
15.	Productivity KPI	<p>(1) Trend report (2) Summary explanation (3) Corrective action plan, if required KPIs including:</p> <ul style="list-style-type: none"> - Productivity variance to baseline plan <p>Target for ITBM</p>	Semi-Annually
16.	AMS Dedicated Resources Utilization Report	<p>Reports detailing each FTPs work efforts with sufficient detail to identify the hours and activities directly associated with Client work efforts.</p> <p>Target for ITBM</p>	Monthly



17.	Rolling Cost Forecast	A 12-month rolling forecast of expected Charges (including Pass-Through) to Client on a quarterly basis	Quarterly
18.	Service Level Credit Status	Status of each Service Level Credit generated until Earnback is finally determined and closed	Monthly
19.	Holdback Report	Identifies the holdback amounts payable for each applicable Project and expected payment date based on the Holdback Period	Monthly

20. Financial Reports Monthly Invoicing Report – This is a monthly summary sheet that will accompany the monthly invoice that describes by project what amount is being invoiced by discretionary project/ME bucket. This is an existing report that will require some changes. This report will be required to be on the contract team sharepoint site accompanying the invoice.
21. Financial Reports Monthly Project details Report – This is a monthly detailed report that will provide a detailed analysis by project/ME exactly who, rate, level etc has worked on a particular project/ME by month . This is an existing report. This report will be required to be on the contract team sharepoint site accompanying the invoice.

SOURCE TO PAY SERVICES
STATEMENT OF WORK

Revised

This Statement of Work forms part of the Agreement between Hydro One Networks Inc. (“**Client**”) and Inergi LP (“**Supplier**”) dated as of November 28, 2014, as amended from time to time (including, without limitation, as amended by Amending Agreement #1 effective as of March 1st, 2018 and Amending Agreement #2 effective as of November 1, 2018) (the “**Agreement**”) in accordance with the Agreement. This Statement of Work is effective as of November 1, 2018 (the “**SOW Effective Date**”) and, as of the SOW Effective Date, but subject to Article 6 below, replaces in its entirety Statement of Work #5 of the Agreement (Source To Pay (S2P) Services Statement Of Work) with respect to the Services described herein. For clarity, this Statement of Work shall not apply to Services governed by the previous Statement of Work #5 that was in effect prior to November 1, 2018 (“**Previous S2P SOW**”) , but when replaced by the Services hereunder, and except as set out in Article 6 below, the terms of this Statement of Work shall apply with respect to the Services hereunder as of the SOW Effective Date set out above.

ARTICLE 1

ARTICLE 2
INTERPRETATION

2.1 Definitions

Capitalized terms used herein will have the meaning set out in Common Exhibit 1 and in the main body of the Agreement.

2.2 Exhibits

The following are the Common Exhibits, Exhibits and Attachments attached to this Statement of Work:

Common Exhibits

Common Exhibit 1 – Definitions

Common Exhibit 2.1 – Cross-Functional Services (General)

Common Exhibit 2.3 – Cross-Functional Services (Non-ITO)

Attachment B to Common Exhibit 2.3 Services Disaster Recovery Plan (s)

Attachment C to Common Exhibit 2.3 Supplier Business Impact Assessment

Attachment D to Common Exhibit 2.3 Supplier Business Continuity Plan

Common Exhibit 3 – Client Policies and Guidelines

Common Exhibit 4 – Invoicing Requirements

Attachment A to Common Exhibit 4 (Form of Invoice)

SOW Exhibits

Exhibit 1 – Source To Pay Services Description

Attachment A to Exhibit 1 – Third-Party Software

Attachment B to Exhibit 1 – Third-Party Service Contracts

Attachment C to Exhibit 1 – Third-Party Equipment Maintenance

Attachment D to Exhibit 1 – Sites

Attachment E to Exhibit 1 – Equipment Assets

Exhibit 2 – Service Levels

Exhibit 3 – Pricing

Attachment A to Exhibit 3 – Supplier Pricing Forms

Attachment B to Exhibit 3 – FRM

Attachment C to Exhibit 3 – Not Applicable

Attachment D to Exhibit 3 – Volume Metric Table

Exhibit 4 – Service Reports

Exhibit 5 – Current and Planned Projects– Not Applicable

Exhibit 6 –Source to Pay Work-In-Progress

Exhibit 7 – Payments and Credits

2.3 Deemed Incorporation of Agreement Terms

In accordance with Section 1.3 of the main body of the Agreement, this Statement of Work will be deemed to incorporate by reference the terms and conditions of the main body of the Agreement and Schedules except to the extent otherwise expressly stated herein. For the purposes of this Statement of Work, all such terms and conditions incorporated by reference

herein will survive until the termination or expiry of the SOW Term or as otherwise provided in Section 6.3.

ARTICLE 3 SOW SERVICES

3.1 SOW Services

- (a) Supplier will provide, on the terms and conditions set out in the Agreement as supplemented and modified by the terms and conditions of this Statement of Work, the following Services (the “**SOW Services**”):
 - (i) the Source To Pay Services, as described in Exhibit 1 and all Attachments thereto;
 - (ii) the Services described in Common Exhibits 2.1 and 2.3 (the “**Cross-Functional Services**”);
 - (iii) all services, functions and responsibilities that are inherent or necessary to, or that are customarily provided by Supplier as part of, the Services set out in paragraphs (i) through (ii) of this Section, or which are reasonably required for the proper performance of such services (as these services may be modified during the SOW Term in accordance with the Agreement), whether or not such services, functions or responsibilities are expressly described in this Statement of Work; and
 - (iv) all other obligations and Services to be performed by Supplier pursuant to this Statement of Work, including any Services described in Section 4.1 of the main body of the Agreement that are applicable to this Statement of Work.
- (b) For greater certainty, each of the SOW Services will include the provision of all hardware, software, systems, documentation, facilities, personnel and other resources used or required to be used in order to provide such SOW Services, whether or not such hardware, software, systems, documentation, facilities, personnel or other resources are expressly described in this Statement of Work.
- (c) The Commencement Date for the SOW Services is November 1, 2018.

3.2 Performance Standards

- (a) Supplier will perform each SOW Service in a manner that meets or exceeds the applicable Service Levels set out in Exhibit 2. Subject to the additional or modified terms and conditions set out in this Statement of Work, the terms and conditions set out in Schedule 5.1 of the Agreement will apply to all such Service Levels.

- (b) If Supplier fails to meet any Service Level set out in Exhibit 2, Client will be entitled to the applicable remedies set out in Article 5 and Schedule 5.1 of the Agreement, as may be modified or supplemented by this Statement of Work.

ARTICLE 4 OPERATIONAL REQUIREMENTS

4.1 Reporting Requirements

In addition to Supplier's other reporting obligations under the Agreement, Supplier will comply with the reporting requirements relating specifically to this Statement of Work set out in Exhibit 4.

4.2 Client Policies and Guidelines

In addition to Supplier's obligations under Section 4.5 of the Agreement, Supplier will comply with the Client policies and guidelines set out in Common Exhibit 3.

ARTICLE 5 FEES

5.1 Fees

The Fees payable by Client for the performance by Supplier of the SOW Services are set out in Exhibit 3 and the Attachments thereto.

5.2 Invoices

The requirements for invoices in respect of this Statement of Work are set out in Common Exhibit 4.

5.3 Benchmarking

To the extent that any Third Party Benchmarking is conducted pursuant to Article 15 of the Agreement in relation to this Statement of Work: (i) such Third Party Benchmarking shall be done no more than once during the SOW Initial Term, (ii) such Third Party Benchmarking shall not be conducted earlier than eighteen (18) months after the SOW Effective Date; and (iii) notwithstanding the last sentence of Section 15.1(f) of the Agreement, Supplier will not be required to provide the Client with the equivalent of the Benchmark Price for the Services during the SOW Initial Term, and the Client hereby waives its right to require same.

**ARTICLE 6
TERM AND TERMINATION**

6.1 SOW Term

The term of this Statement of Work will begin on the SOW Effective Date and will expire on 12:01 EST November 1, 2021, (the “**SOW Initial Term**”), unless terminated earlier in accordance with the Agreement.

6.2 SOW Termination Without Cause Fees

If Client terminates this Statement of Work or any SOW Services under this Statement of Work (in each case, in whole or in part) without cause in accordance with Section 14.2 of the main body of the Agreement, Client will not be liable to pay to Supplier any Termination Fee whatsoever applicable to this Statement of Work. Notwithstanding the foregoing, nothing in this Section 5.2 relieves Client of the obligation to pay all of the S2P Committed Amount to the end of the Term as set out in Exhibit 3, in accordance with the terms of this Statement of Work and the Agreement. The parties acknowledge that Client may make changes to add, change and remove Services under this SOW within the terms as described in Exhibit 3 and Client retains all rights to add, change and remove SOW Services to and from this Statement of Work in accordance with the Change and New Service Procedure. For clarity, a Change pursuant to the Change and New Service Procedure may result in Fees or Charges which exceed the total, aggregate of all S2P Committed Amounts to the end of the SOW Initial Term, but shall not result in a reduction of them or Client’s obligation to pay same, unless agreed in writing by the Parties.

6.3 Survival upon Expiration or Termination

Article 1, the provisions of the Agreement identified in Section 21.10 of the main body of the Agreement and incorporated by reference herein, and this Section 6.3, any obligations to pay amounts which arose prior to the termination or expiration of this Statement of Work and which remain due and payable following such termination or expiration and such other provisions as are necessary for the interpretation thereof will survive expiration or termination of this Statement of Work subject to any time limitations determined by applicable Laws.

**ARTICLE 7
SUPPLY CHAIN WORK-IN-PROGRESS**

7.1 Supply Chain Work-In-Progress

There are certain Service activities that were commenced prior to November 1st, 2018 under the Previous S2P SOW, as further described in Exhibit 6 - Supply Chain Work-In-Progress (“**Prior Activities**”) that the parties agree the Supplier will continue to perform until such Prior Activities are completed.

Such Prior Activities shall be performed in accordance with the terms of the Previous S2P SOW as was in effect prior to November 1st, 2018 and the terms of the Previous S2P SOW shall apply to the Previous Activities until such Previous Activities are completed, including applicable terms regarding Service Levels, Service Level Credits, pricing and Fees.

IN WITNESS WHEREOF the Parties have executed this Statement of Work as of the SOW Effective Date.

HYDRO ONE NETWORKS INC.

By: _____
Name: James Scarlett
Title: EVP and Chief Legal Officer

Date: _____

INERGI LP
(by its General Partner, Inergi Inc.)

By: _____
Name: Tom Mosseau
Title: Vice President

Date: _____

HYDRO ONE

EXHIBIT 1

SOURCE TO PAY (S2P) SERVICES DESCRIPTION

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK

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INTRODUCTION

This Exhibit sets forth the Source to Pay (S2P) Business Process Services that the Supplier will provide, as of the Commencement Date unless otherwise specified. The Statements of Work defined in this Exhibit were developed to include all in-scope activities performed by the current Supplier to Client for the Source to Pay domain. The Supplier will be responsible for providing all services outlined in this Statement of Work. This Source to Pay SOW is sub-divided into the following sub-domains:

- Spot Buying
- Purchasing Services
- Vendor Financial Evaluations
- Contract Administration
- Catalogue Maintenance
- Volume Discount Administration
- Approved Contractors List
- Quarterly Spend Analysis
- Service Desk
- Order Desk
- Master Data Maintenance (Vendor and Material)
- Expediting
- Vendor Administration Support
- Supplier and Client On-Boarding
- Accounts Payable

1.0 GENERAL REQUIREMENTS

The Supplier's responsibilities include, but are not limited to, the following:

1. Understand all Client policies and how current processes and systems map against those policies. Additionally, the Supplier will communicate any issues back to Client and retain the responsibility of resolving all issues outlined in the Statement of Work.
2. Provide input to Client on policy change opportunities, proposed policy changes, industry direction, and how policy changes will impact current work processes and Systems.
3. Incorporate existing and new Client policies into the processes.
4. Follow Client established policy guidelines and report policy exceptions promptly to Client.
5. Comply with Client processes and Systems security and access policies.
6. Drive continuous improvement of the work processes, documentation, and Services.
7. Support Client internal audit and Third-Party audit to comply with existing Client, and OEB Regulator rules and requirements.

8. Prepare and maintain the process and testing documentation and testing required by Bill 198, Sarbanes-Oxley in accordance with the methodologies established by Client.
9. Supplier will provide documentation of compliance of audit provisions as listed in the Agreement.
10. Provide support processing capabilities in the following languages: English.
11. Provide support processing capabilities for the following Hours of Operations: 7:30 am to 5:00 pm EST, Monday through Friday. Provide adequate staffing during peak times of quarter and year end.
12. Perform internal review of all reports, including but not limited to all those listed in Exhibit #4 – Service Reports, prior to presenting to Client for use or review.
13. Support Client strategic direction as required.
14. The Supplier's responsibilities include all user acceptance testing (UAT) for Minor Enhancements.

1.1 NEW WORKS

The Parties agree that all Deliverables and made, conceived or reduced to practice by Supplier, its Affiliates or its subcontractors during the performance of the Services for Client under this Statement of Work are "New Works" as defined in the Agreement.

1.2 BUSINESS CONTINUITY FOR MATERIAL AND SERVICES SUPPLY

1. Recommend and execute Client Supply Chain contingency plans so that there is no interruption in service or supply from Vendors and securing Client approval for such plans where necessary, particularly where additional costs may be incurred. Contingency plans may be driven by a change in Client business plans that cannot be delivered by the existing Vendor base, non-delivery of service levels by the existing Vendor base, or changes in Vendor performance disrupting a continuous supply of goods and/or services.
2. Execute these contingency plans pro-actively to manage business interruptions risk arising out of Vendor non-performance incidents, service or supply continuity risk or due to other extraneous factors or extraordinary circumstances.
3. Provide any and all Services and support to Client during extraordinary circumstances, including 24x7 Services and support availability in accordance with the documented Emergency Preparedness Plan.
4. Ensure Vendor arrangements have cost-effective provisions to accommodate any extraordinary service and/or supply requirements in the event of extraordinary circumstances affecting Client.
5. Leverage Vendor relationships to provide Client service and supply priority and expend all commercially reasonable efforts to ensure no disruption in service or supply.

6. Expedite orders and otherwise work with Vendors to meet Client service and supply requirements in the event of increasing service or supply continuity risk.

1.3 PROJECT MANAGEMENT – CURRENT AND ONGOING INITIATIVES

1. Expend all commercially reasonable efforts to complete the ongoing projects by the completion date or end date with respect to each such project, if no completion date or end date is provided therein for a project, as early as practicable.
2. Use the change management procedures to address any changes in scope, requirements, or schedules in respect to the ongoing initiatives.

1.4 SUPPLY CHAIN VALUE OPTIMIZATION

Participate as requested by Client in the compliance strategy and escalate identified compliance issues to Client Supply Chain Management. Client Supply Chain Management is defined as: the Director of Supply Chain or at least one of the Senior Managers in Supply Chain, including; Sourcing Operations Managers and the Support Operations Manager. The Director and Senior Managers may at their discretion delegate the point of contact or function to a member of their team with written notice to Inergi.

1.5 SPOT BUYING

Spot Buying is the process of meeting a particular and immediate need or set of similar needs from a specific requisitioner by engaging the supplier marketplace through either a competitive bidding process or a directed sole-source process. Spot Buys are performed for Capital and O&M materials and equipment (stock and non-stock) as well as services. Spot Buying begins in response to a duly authorized requisition having been received by the Supplier and covers the contents of that requisition for that user only.

Spot Buy Services are performed in addition to the purchasing transactional activities and are required to be performed whenever specific requisition parameters are invoked as defined in Client's procurement policies and procedures. This scope of work includes a "Mini RFX", which is a competitive event to a set of predetermined suppliers where the terms and conditions (T&C's) have already been established and the result of the event is a release PO to the successful Vendor.

1. Obtain competitive bids from qualified Vendors (including but not limited to auctions) for requisitions in accordance with established Client guidelines and procedures.
2. Conduct competitive bids for requisitions where the opportunity for more advantageous pricing, quality, performance, or other key attribute(s) exists based on then current market conditions and Supplier market and category knowledge.
3. Utilize approved sourcing tools, including but not limited to eSourcing, online auction, multi-variable bid optimization, and other tools to improve cycle times and results, in accordance with established Client policies and procedures and to the extent that is currently and may be in the future authorized by local laws.
4. Prepare RFX documentation to be complete and appropriate as per Client requirements and policies included in the Procedures Manual (PMs) as those policies may be revised at Client sole discretion.

5. Provide commercial bid evaluations and the selected Vendor(s) recommendation to Client, including the Vendor selection rationale in accordance with established Client policies and procedures.
6. Facilitate in technical bid evaluation process where required.
7. Negotiate the final arrangement with the selected Vendor(s) and create the appropriate documents (other than legal documents) in accordance with established Client guidelines and procedures, which shall provide expenditure limits above which the Supplier does not have final negotiating authority.
8. Recommend exception process for terms and conditions with decision rules.
9. Implement approved exception process for terms and conditions with decision rules
10. Confirm all necessary Client exception requests associated with requisitions are completed and approved in accordance with the Procurement policies and procedures (e.g. bid waivers, emergency buy authorizations, etc.) and maintain records (paper or otherwise) of exceptions granted and provide reporting upon request
11. Validate requisitioner selection criteria.
12. Clarify work scope with potential Vendors when necessary.
13. To the extent that it becomes applicable, Supplier will be responsible for ensuring awards are not made to Vendors listed in the US Government Office of Foreign Assets Control (OFAC) Specially Designated Nationals list, nor any Vendors listed in the Client policies & procedures.
14. Award final Vendor.
15. Add and eliminate preferred Vendors as new relationships are created and old relationships expire. Additions and deletions shall be approved by Client in advance.
16. Handle day-to-day Vendor performance issues through to resolution.

1.6 PURCHASING SERVICES

1. Purchasing Services includes the transactional aspects of procurement (such as processing requisitions, Purchase Orders, administrative change orders, etc.) for Capital and O&M materials and equipment (stock and non-stock) as well as services. Purchasing Services is distinct from Spot Buying, in that competitive bidding is not required. This function includes Vendor e-commerce enablement and catalogue management.
2. Receive and review requisitions for completeness and accuracy and, where practical within workflow, proper approvals and policy and procedure compliance. Supplier shall resolve issues of incompleteness, inaccurate information, and non-compliance. This includes verifying that appropriate approvals have been obtained by the requestor, escalating non-compliance issues and re-routing requisitions or returning them to the requestor in accordance with established Client policies and procedures. Assist and guide Client users to complete requisitions when called upon.

3. Direct purchases to take advantage of preferred Vendor relationships where these relationships exist. All efforts shall be made according to approved Client strategy to redirect non-compliant requisitions received to preferred Vendors.
4. In the case of non-administrative change orders, Supplier shall apply specific knowledge and expertise to appropriately process the change order.
5. Create Purchase Orders from complete, accurate and fully approved requisitions. Document any exceptions to Client policies. Maintain records and issue reports of all non-compliant purchases and provide reports identifying key information about these purchases.
6. Confirm that all purchase requisitions comply with Client purchasing policies, and issue Purchase Orders to Vendors.
7. Manage the exception approval process as approved by Client (e.g. emergency buy, bid waiver forms, etc.). Maintain exception reporting files.
8. Handle issues of open and/or cancelled Purchase Orders, including working with requisitioners and Vendors to monitor and resolve open orders and returns.
9. Develop and implement strategies for optimizing and continuously improving requisition-to-PO cycle times, on-time processing percentages, user self-service, order quality and accuracy, and end user satisfaction.
10. Resolve issues with ordered and received goods or services, such as quantity, quality, or shipment, with Vendors and Client end users.
11. Validate, track and report receipt acknowledgements by requisitioners or personnel receiving goods and services to reduce Vendor payment cycle times. This shall include supporting and assisting in the resolution of receipt or pricing discrepancies.
12. Work closely with Client requisitioner to understand user requirements and user buy-in to process.
13. Satisfy all of user's questions and concerns and manage relationship through to completion of the transaction.
14. In the event that requisitioners requirements do not appear to be feasible, Supplier to provide recommendations for alternatives.
15. Pro-actively resolve issues on delivery of technical specifications, drawings, scopes of work and other Client generated information for requisition and RFxs.
16. Report and engage Client Supply Chain Management to resolve systemic issues with LOBs.
17. Follow-through as necessary on delivery of technical specifications, drawings, scopes of work and other Client generated information for requisition and RFxs.
18. Conduct and implement pre-qualification tenders as required procedurally.
19. Incomplete requisitions need to be identified and reported.
20. Based on the Client approved operating procedures and process documents, review and confirm all functional requirements are in place to achieve a compliant contract/Purchase Order file.
21. Manage all Purchase Order releases.
22. Manage key item commercial issues as it pertains to procurement activities.

23. Manage shipment issues that require changes or adjustments, including delivery errors.
24. Recommend changes to master data to Supply Chain Management based on free text purchase requisitions, obsolete, new items, etc.

1.7 VENDOR FINANCIAL EVALUATIONS

Perform vendor financial evaluations in accordance with established policies and procedures. Escalate to Client Supply Chain Management and/or Client Treasury management as required

1.8 CONTRACT ADMINISTRATION

1. Maintain and update all contract information, including termination or expiration dates, funds and renewal or extension terms, in all necessary systems, including any contract/agreement management systems that Client may implement.
2. Track and proactively report to Client on upcoming contract expiration dates and funds to avoid costly misses and take appropriate action for in scope categories.
3. Maintain Supplier owned or developed contract management and/or other tools, as applicable.
4. Recommend contract templates and changes thereto.
5. Implement contract change orders, as required by contract change order requirements.
6. Recommend exception process for terms and conditions with decision rules.
7. Implement approved exception process for terms and conditions with decision rules.
8. Execute contracts changes within authorized hierarchy to delegation limit
9. Perform contract management services (for activities following the execution of the original agreement for an Outline Agreement (OA), Inergi managed Framework Order (FO) or formal written contract) in compliance with Client policies, processes, procedures, guidelines and applicable laws.
10. Manage contract terms and conditions & warranty from inception to expiry.
11. Communicate to Client Supply Chain Management any customer compliance issues to contract terms and conditions as identified.
12. Resolve minor contract disputes relating to operational issues on behalf of Client.
13. Escalate and recommend resolution relating to major contract disputes, price escalations, negotiation issues, safety and any issues that significantly disrupt the line of business operations or have a financial or reputational impact as outlined in the Contract Administration PM.
14. Resolve Vendor compliance issues and communicate resolution to issue originator.

15. Receive and act upon results from Client reviews.
16. Recommend contract revisions if required manage version control of contract revisions/changes.
17. Monitor and report the status of requested changes and revisions to contract documents during the contracting process.
18. Maintain paper contracts inventory as required.
19. Manage paper contract files in accordance with retention policies.
20. Prepare documentation for contract renewals.
21. Advise, with recommendations, contract owner (if identified) or Client Supply Chain Management of pending contract renewals and expirations, and necessity of giving notice of termination.
22. Execute renewal or provide positive termination notice as directed by Client Supply Chain Management.

1.9 CATALOGUE MANAGEMENT

1. Work with Client, Vendors and Third-party suppliers to create, enable, test and deploy Client specific catalogues, for all types of integrated and punch out catalogues for applicable materials and services.
2. Guide and assist Vendors and Client on the use of Supplier tools and processes for electronically-enabled source to pay tools.
3. Manage and maintain catalogue content. Validate and approve, in advance, proposed changes, item and pricing accuracy.
4. Resolve end-to-end catalogue content and pricing issues with Vendors.

1.9.1 VOLUME DISCOUNT

1. Supplier is responsible for:
 - i) Identifying contracts with negotiated volume discounts terms.
 - ii) Assign to buyers for active follow-up and collection of volume discount.
 - iii) Utilize, verify and update client's Volume Discount tool to track and report.
 - iv) Follow predetermined escalation path as identified in the OPM for on-going issues with uncollectable discounts.

1.9.2 LOCAL PURCHASING AND APPROVED CONTRACTORS LIST (ACL)

1. Initiate the gathering of information to develop/update the Approved Contractors List based on scope of work, spend and frequency.
2. Identify gaps and duplications in service coverage based on broad coverage (region or province).
3. Review and recommend identified local contractors for "as and when required and if necessary" services.

4. Develop and maintain a list of approved local contractors for the Client group for "as and when required and if necessary" services.
5. Manage contractors through the approval process for WSIB, Insurance Coverage, Client safety approval & pricing and other Client requirements as documented in the OPMs.
6. Conduct contractor renewals and maintain funding.
7. Post on clients intranet site approved contractors list online, and maintain and post updates as required.
8. Run competitive sourcing events for identified gaps in services every two years.
9. Quarterly local spend analysis identifying compliance issues and violations.
10. Guidance will be provided to Client's line of business based on analysis results, to inform, assist and recommend quality opportunities, including review of local spend of materials.
11. On-going analysis of the local spend to identify opportunities for competitive events will be provided to Client Supply Chain Management.

SOURCE TO PAY CROSS FUNCTIONAL

2.0 SERVICE DESK

1. Provide service desk and triage support.
2. Serve as front end support to aid internal Client personnel with procurement questions and requests regarding Client systems, Tools, procurement policies and support activities.
3. Provide voice and email support as well as providing appropriate online web-forms for submitting requests.
4. Receive and log inbound requests for procurement support. Inbound requests include sourcing/contracting requests, purchase requests, catalog requests, Supplier add or change requests, invoice discrepancies, Vendor performance issues, returns, general questions and other procurement related requests.
5. For sourcing/contracting/purchase requests, determine and assign the appropriate priority level as defined in the Procedures Manual.
6. Determine action and timeline needed to complete the Client end user's request.
7. Submit documentation of request/ticket back to the End User to confirm understanding of the request, the action to be taken, and the timeline for completing the request.
8. Document, categorize, and track request and issue resolution, in order to understand and address Service issues and to enable continuous Service improvement over time.
9. Perform required actions to fulfill the request, including:
 - a. Forwarding the request to other resources (Client or other Client Agent) for completion.
 - b. Responding directly to the End User's question.

- c. Performing other Supplier activities to complete the End User's request.
 - d. Tracking and measuring all requests through completion or resolution.
 - e. Providing regular updates to the End User as to the request status.
 - f. Verifying that requests have been completed and provide regular follow-up reminders on uncompleted requests as needed.
10. Provide and manage a single-point-of-contact contact center / help desk for services requests, issues, and problems related to specified Services. Access shall be via a single telephone number, designated e-mail addresses, and other user-friendly methods.
 11. Provide guidance and support to users on a transaction basis re: proper buying channel, processes, policies, procedures, forms, etc. or (1) perform a cold transfer to alternate help channels or (2) connect callers to the appropriate alternate help channel.
 12. Recommend IVR message to guide callers to the appropriate help channels.
 13. Program and maintain IVR with recommended message when approved.
 14. Maintain current knowledge base of FAQs to deliver an effective call resolution process for Client end users.
 15. Log and report statistics on all contacts to the contact center.
 16. Provide problem and service request logging and tracking tools including problem and incident management.
 17. Log, prioritize, and assign problems and service requests that cannot be resolved on the first call in accordance with the agreed problem and service request priorities.
 18. Escalate problems that cannot be resolved on the first call to tier 2 support, to Vendors and/or to Client as appropriate.
 19. Close open problems and service requests that have been completed to the satisfaction of the Client end user.
 20. Receive, track, research, and resolve inquiries (internal and external) as documented in the OPMs.
 21. Track escalated inquiries through resolution.
 22. Support Client initiatives concerning inquiry tool utilization and process change.

2.1 ORDER DESK

1. Receive documented order requests from Client personnel.
2. Create purchase requisitions for materials and/or services based on documented Client request.
3. Execute the requisition approval process per Client documentation and issue purchase requisitions.
4. Confirm status of open requests back to Client requester by e-mail or through the Service Desk ticketing tool within Client requirements.
5. Advise Client of potential issues at the time of the order.

6. Receipt material and services based on Client documented indication of delivery.
7. Approve invoices based on Client documented indication of delivery.
8. Identify and resolve invoice reconciliation issues as required.
9. Manage PO Funding for the Construction Line of Business

2.2 MASTER DATA MAINTENANCE

1. Receive all requests for setup or update of master data file. (For example: Material Master, Vendor Master).
2. Submit requests for master data updates to Client for approval in accordance with Client Business Rules.
3. Process approved changes to master data.
4. Process all requests for master data updates in accordance with Client timelines
5. On a quarterly basis analyze master file data and provide recommendations to Client when master data is obsolete, inactive, duplicated or deviates from business rules and should be removed or updated.
6. Launch initiative to improve the quality of data contained in the Material Master Data that is used for Supply Chain functions. This Material Master data update will include; synchronizing MM lead times with contractual lead times (quarterly basis), identifying and correcting discrepancies in the Minimum Order Quantities (ongoing effort), identifying duplicate MMs to Supply Chain Management (annual review), maintaining the Moving Average Prices in SAP (monthly update) and updating any other Material Master data points used for Supply Chain functions.
7. To the extent that it becomes applicable, Supplier will be responsible for ensuring new vendor master setups do not include Vendors listed in the US Government Office of Foreign Assets Control (OFAC) Specially Designated Nationals list, nor any Vendors listed in the Client policies & procedures.
8. Quarterly random audit of vendor additions/updates to ensure validity of request.
9. Liaise with contract administration to prevent delays in purchasing cycles.

2.3 EXPEDITING

1. Expedite orders with Vendors when requested or required to meet an end user need.
2. Manage open order status reports with Vendors on a continuous basis.
(1) In addition to the requirement above, provide detailed procurement and shipping status for major projects as identified by Client.
3. Report data which reflects up to date open order status, report information and material delivery issues related to critical projects.
4. Monitor and manage on-time delivery performance trends.
5. Provide separate reporting on prioritized items.

6. Expedite open orders identified from weekly aging report and proactively seek alternatives to minimize delays and meet need dates.
7. Escalate to Supply Chain Management unresolved critical items and issues.

2.4 VENDOR ADMINISTRATION – CROSS FUNCTIONAL

1. Work with Vendors to improve their performance in achieving agreed upon quality improvement targets throughout product or service life cycle.
2. Act as the escalation point for Client employees to resolve all on-going Vendor management issues as outlined in the Vendor Administration PM.
3. Manage all commercial issues that arise in the on-going Vendor relationship with Client. These issues could involve either variances versus service level agreements and/or prices, charge-backs arising from Vendor quality or delivery issues, Vendor outstanding payments, Vendor's financial distress or any other matter that arises between Client and Vendor. Supplier shall proactively advise Client where key thresholds have been reached or financial or project risks exist.
4. Support Vendor stocking programs where the need arises.
5. Recommend methods to leverage supply base with other Supplier clients.
6. Handle day-to-day Vendor performance issues through to resolution.
7. Provide quarterly recommendations to Client Supply Chain Management pertaining to on-going vendor issues, concerns and improvement opportunities.

2.5 SUPPLIER AND CLIENT ON-BOARDING

Guide, educate, instruct and assist Vendors on tools and processes, as required, to increase efficiency, reduce cycle times, increase adoption and compliance and reduce operating cost

3.0 ACCOUNTS PAYABLES

Accounts Payables Services includes managing document receipt, scanning, verifying and processing manual invoices, e-invoices, resolving exceptions through Client tools. Responding to inquiries from Vendors, internal and external end users. Management of: Duplicate Payment and debit balances, Corporate Card process, Withholding Tax on invoices processed through Accounts Payables, Parked Invoices, Invoices returned to Vendors for non-compliance, GR/IR management. Payments to Vendors and stale dated cheques.

3.1 DOCUMENT RECEIPT AND SCANNING

1. Receive Vendor manual invoices perform required audit and review functions to verify adequacy of Vendor related documents prior to processing according to criteria agreed to with Client as defined in PM.
2. Return documents not meeting requirements on a timely basis to appropriate parties, providing details of policy non-compliance.

3. Resolve unreadable documents including both source documents and scanned images.
4. Action non-invoice documents. (e.g. statements, address change notifications).
5. Upload all scanned invoices with SAP image reference ID to an inquiry application on the intranet.
6. Route documents for processing and authorization.
7. Vendor Master Data Update and maintain Vendor banking information in all systems (e.g. routing number, account type, account number).
- .
8. Supplier is responsible for providing physical documents to Client, or its designee within Toronto.

3.2 VERIFY AND PROCESS INVOICES

1. Verify and process invoice transactions in accordance with Client policy and procedures.
2. Support Vendor specific rules in accordance with Client policy and procedures as documented in the PM.
3. Interact with Vendors as needed to coordinate, reconcile and document as appropriate open invoices in accordance with Client policy guidelines as documented the PM.
4. Set up/maintain recurring transactions for processing (e.g., rent and utility payments, consolidated invoice uploads etc.).
5. Execute payment processing at established intervals in accordance with Client policy and procedures as documented in the PM.
6. Apply appropriate withholding tax when required.
7. Should failure of payment be known, Supplier will notify Client (Treasury).
8. Monitor and manage invoice void requests.
9. Resolve un-invoiced receipts.
10. Track unclaimed property (e.g. Vendor cheques not cashed).
11. Cancel cheques and reissue new cheques, as required, after bank has confirmed stop payment has been placed. Forward to Client for approval as required.
12. Process all immediate cheque requests in accordance with Client cheque request and expedited payment policies.
13. Process all Vendor refund, rebate cheques or credit notes in accordance with Client policy guidelines which will appear in the PM. Accounting for these funds remains a Client retained function.
14. Audit, correct, add, and process garnishment transactions.

3.3 EXCEPTION RESOLUTION

1. Manage the exception resolution on invoices and payments including tracking all invoice/ payment exceptions through resolution.

2. Validate and provide accrual information to Client or Client third party at month end on a timely basis.
3. Work with Client third party payment processors if required (e.g. credit card processor) to resolve exception items.
4. Reconcile and distribute GR/IR suspense account items in accordance with operating procedures.
5. Manage Taulia exceptions identified on the Taulia Error Log, queries received through the Taulia Message Board and Taulia invoices "Parked" in SAP.

3.4 PROCESS PAYMENTS (DISBURSEMENTS)

1. Perform pre-disbursement review as required by Client Client policy and procedures (audit of processed documents including cheques, electronic payments (e.g. ACH, EFT or EDI) and wire transfers).
2. Review, approve and document reconciliations of cheques, electronic payments and wire transfers.
3. Perform daily payment runs for printing cheques, electronic payments and wire transfers after receiving Client approval when required.
4. Manage process to request cheque to be printed and mailed, including requests for immediate cheques and special handling (e.g., overnight requirements, return to Vendor/field etc.).
5. Audit high dollar and other transactions as per Client policies documented in the PM.
6. Audit, track, and resolve duplicate payments in accordance with Client policy and procedures.
7. Manage all other disbursement related activity including returned cheques, stop payments, stale dated cheques, cheque reissues per Client policy and procedures as documented in the PM.
8. Notify Client Treasury of upcoming significant wire transfers with appropriate lead time as described in the PM.
9. Validate, reconcile, review, approve and document wire transfer, cheques, direct payment activity.
10. Correct any wire transfer errors when necessary.
11. Reconcile all cheques and accounts as required by Client.
12. Maintain a schedule of unpaid items and report items that should be adjusted to Client.

3.5 RESPOND TO INQUIRIES

1. Receive, track, research, and resolve inquiries (internal and external) as per Client policies.
2. Track escalated inquiries through resolution.

3.6 OTHER PROCESSING

1. Confirm there is no backlog of scanned invoices that have not been entered into SAP, in accordance with operating procedures.
2. Support month-end activities as documented in the PM.
3. Provide support for issues involving Vendor liens and/or other legal issues
4. Update Taulia customized discount tracking/rates

3.7 DEBIT BALANCE MANAGEMENT

1. Identify debit balances by Vendor and Purchase Order.
2. Collect debit balances in accordance with Client policy and procedures as documented in the policies and procedures document.
3. Reach an agreement for alternative payment plans with Vendors.
4. Prepare source documentation for Client legal review.
5. Research and resolve issues and inquiries regarding collection payments.
6. Prepare and submit collection adjustments.
7. Request statements from Vendors.
8. Research outstanding credits.
9. Perform reclamation procedures for outstanding credits.



HYDRO ONE

ATTACHMENT A TO EXHIBIT 1

THIRD-PARTY SOFTWARE

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK



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2.0 CLIENT THIRD PARTY SOFTWARE	3
3.0 SUPPLIER THIRD PARTY SOFTWARE	4



1.0 INTRODUCTION

This Attachment sets forth the Third Party Software provided by either the Client or Supplier as identified below.

2.0 CLIENT THIRD PARTY SOFTWARE

This section sets forth the Client Third Party Software utilized in the provision of the Services.

NTD: Verify data has been scrubbed.

Vendor Name	Product / Module	Description
SAP		
SAP		
Custom		
Custom		
Custom		
TD		
TD		
TD		
TD		
Taulia		
SAP		
DocuSign		
SAP		



3.0 SUPPLIER THIRD PARTY SOFTWARE

This section sets forth the Supplier Third Party Software utilized in the provision of the Services.

Vendor Name	Product / Module	Description	Version #	# of Licenses for Client Use
Capgemini	[REDACTED]	[REDACTED]	Software as a Service	No Restrictions
ACL				0
IssueTrak			9.5	No Restrictions



HYDRO ONE

ATTACHMENT B TO EXHIBIT 1

THIRD-PARTY SERVICE CONTRACTS

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK



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1.0 INTRODUCTION..... 3

2.0 CLIENT THIRD PARTY SERVICE CONTRACTS..... 3

3.0 SUPPLIER THIRD PARTY SERVICE CONTRACTS..... 3



1.0 INTRODUCTION

This Attachment sets for the Third Party Service Contracts provided by either the Client or Supplier as identified below.

2.0 CLIENT THIRD PARTY SERVICE CONTRACTS

This section sets forth the Client Third Party Service Contracts utilized in the provision of the Services for which the Supplier will take responsibility.

Vendor	Service / Description
Recall	Offsite storage of AP and purchasing documents

3.0 SUPPLIER THIRD PARTY SERVICE CONTRACTS

This section sets forth the Supplier Third Party Service Contracts utilized in the provision of the Services.

Vendor	Service / Description
Iron Mountain	Document scanning and indexing for Account Payable function



HYDRO ONE

ATTACHMENT C TO EXHIBIT 1

THIRD-PARTY EQUIPMENT MAINTENANCE

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK



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1.0 INTRODUCTION..... 3

2.0 THIRD PARTY EQUIPMENT MAINTENANCE..... 3



1.0 INTRODUCTION

This Attachment sets for the Third Party Equipment Maintenance contracts included in the Services solution.

2.0 THIRD PARTY EQUIPMENT MAINTENANCE

This section sets forth the Third Party Equipment Maintenance services utilized in the provision of the Services for which the Supplier will take responsibility.

Vendor	Contract Description
	As of the Effective Date there are no such contracts identified.



HYDRO ONE

ATTACHMENT D TO EXHIBIT 1

SITES

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK



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2.0 SUPPLIER SERVICE LOCATIONS..... 3



1.0 CLIENT SITES

As of the Effective Date, Services are performed at the following Client locations:

Ref.	Facility & Address	Nature of Services Provided	Client Interest	Use
[Redacted]				

2.0 SUPPLIER SERVICE LOCATIONS

Supplier will provide Services for Client at the location(s) listed below:

Ref.	Facility & Address	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications
[Redacted]					



HYDRO ONE

ATTACHMENT E TO EXHIBIT 1

EQUIPMENT ASSETS

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK



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2.0 CLIENT PROVIDED EQUIPMENT ASSETS..... 3

3.0 SUPPLIER PROVIDED EQUIPMENT ASSETS 3



1.0 INTRODUCTION

The Equipment Assets in this Attachment is the best information available to Client at the time of the Effective Date. The Parties will provide the assets as defined in section 2.0 and 3.0 below during the Term.

2.0 CLIENT PROVIDED EQUIPMENT ASSETS

This section sets forth the Equipment Assets that shall be provided and used in delivering the Services to Client during the Term that is dedicated to the delivery of Client Services and is not shared amongst other Supplier clients. Supplier shall maintain the equipment in good working order.

Ref.	Vendor Name	Model Number	Type	Quantity	Location
1	Cisco	[REDACTED]		1	Toronto
2		[REDACTED]			

3.0 SUPPLIER PROVIDED EQUIPMENT ASSETS

This section sets forth the Equipment Assets that shall be provided and used in delivering the Services to Client during the Term.

Ref.	Vendor Name	Model Number	Type	Quantity	Location
1	Brother	Intellifax 4100e	Fax Machine	1	[REDACTED]
2	Fujitsu	FI-5650C	Scanner	1	[REDACTED]
3					

Hydro One
Exhibit 2
Service Levels

CRITICAL SERVICE LEVELS

At-Risk Amount =	15%
Pool =	350%

Critical Service Levels														
Ref #	Service Level	Expected	Minimum	Functional Area	Measurement Window	Reporting Requirements	Tool	Method of Data Collection	Service Level Credit Percentage (%)	Subject to Earnback (Y/N)	Commencement Date + mos	Definition	Formula	Notes/Data Exclusions
CSL-1	Average Turnaround Overall - Requisition To Purchase Order Cycle Time	3 Days	4 Days	Purchasing	Purchasing	Monthly	SAP	Systematic, Manual	80%	Y	0 Months	This measurement establishes the average elapsed time between requisition approval and the relevant purchase order line items being sent to Vendor(s). This measurement is a number expressed in calendar days and is equal to the average of the number of calendar days between approved requisition line item to transmission of the completed purchase order.	Total number of calendar days between receipt of an approved requisition line item to the transmission of the completed purchase order line items to the applicable vendors for each requisition Divided by; Total number of approved requisition line items Multiplied by;100	N/A
CSL-2	Percentage of Automated Transactions	85.00%	83.50%	Purchasing	Quarterly	Monthly	SAP	Systematic	60%	Y	0 Months	This measurement establishes the proportion by line item count of Client spend purchased via automated transactions. This measurement is expressed as a percentage.	Total number of fully-automated transactions Divided by; Total number of transactions that can be automated (materials & agreed upon service host codes) Multiplied by; 100	Service lines removed from measure but included in supporting detail, except for; agreed upon service host codes as they are automated through Fieldglass
CSL-3a	Turnaround time to revise PO within 3 days	90.50%	87.50%	Purchasing	3 Months (Rolling)	Monthly	IssueTrak	Systematic	12.5%	Y	6 Months	This measurement captures the number of PO Change inquiries (Mass updates will count as one) closed within 3 days of receipt during the measurement window divided by the total number of PO Change inquiries received. The measurement is expressed as a percentage. Closed means the issue has been resolved and the requester has been contacted.	Total number of PO Change inquiries closed within 3 days of receipt (Mass updates will count as one) Divided by; Total number of PO Change inquiries received Multiplied by; 100	Exclusions include Time incurred for: 1. EAR/client approval 2. Re-open accounting (MARS) 3. Reason for change clarification 4. Off policy or single source revision Due to seasonality risks and lack of historical data, this SLA is subject to joint review and agreement after an implementation period of 6 months once post commencement.
CSL-3b	Turnaround time to revise PO within 5 days	97.50%	95.50%	Purchasing	3 Months (Rolling)	Monthly	IssueTrak	Systematic	12.5%	Y	6 Months	This measurement captures the number of PO Change inquiries (Mass updates will count as one) closed within 5 days of receipt during the measurement window divided by the total number of PO Change inquiries received. The measurement is expressed as a percentage. Closed means the issue has been resolved and the requester has been contacted.	Total number of PO Change inquiries closed within 5 days of receipt (Mass updates will count as one) Divided by; Total number of PO Change inquiries received Multiplied by; 100	Exclusions include Time incurred for: 1. EAR/client approval 2. Re-open accounting (MARS) 3. Reason for change clarification 4. Off policy or single source revision Due to seasonality risks and lack of historical data, this SLA is subject to joint review and agreement after an implementation period of 6 months once post commencement.
CSL-4	Procurement Documentation Accuracy	90.00%	85.00%	Purchasing	Quarterly	Quarterly	Excel	Manual	25%	Y	0 Months	This measures the errors found during any audit or review of Client identified critical criteria which Client chooses to conduct. Expressed as a percentage. Included in the measure are all documents pertaining to the execution of work.	1 Less; [Total number of failed documents Divided by; Number of documents audited]; Multiplied by; 100	New scorecard to be developed and agreed upon - timeframe 3 months to dev. & roll-out of a 3 month to measure ***New scorecard should be in effect Oct. 1st - but will continue to report on existing until Jan. 2019
CSL-5	Vendor Performance - On-Time and Accurate Delivery	86.50%	84.00%	Expediting	Quarterly	Monthly	SAP, Excel	Systematic, Manual	75%	Y	0 Months	This is a measurement of the proportion of purchase requisition line items filled on time, accurately and completely by Vendors during the measurement period. This measurement is expressed as a percentage. Each item is measured separately even if multiple items are shipped together. Measurement calculated one month in arrears.	Total number of purchase requisition line items received in compliance with the purchase order at Client location on or before the purchase order delivery date Divided by; Total number of purchase requisition line items that should have been received at Client location Multiplied by; 100 (Note: Each item is measured separately even if multiple items are shipped together)	1. Exclusions from calculations must be approved by Hydro One to become effective 2. Documented instances where HOI intervenes in scheduling the delivery of material 3. These exclusions should be provided in the supporting detail
CSL-6	% Invoices Paid within Client Terms	98.54%	96.57%	Accounts Payable	Monthly	Monthly	SAP, Excel	Manual	60%	Y	0 Months	This is a measurement of the percentage of invoices paid within Client terms. The measurement is expressed as a percentage. The measurement will be generated by comparing the invoice due date vs. cheque date.	Total number of payments that meet the terms of payment as provided in the PO for PO invoices, non-PO invoices per Client payment instructions Divided by; Total number of payments that should have been made Multiplied by; 100	Exclusions: Invoice was delayed payment due to: W = workflow (e.g. delay in approvals) R = invoice verification (PO not released, PO/Pricing issue, receipting issue)
CSL-7	Duplicate Payments	0.02%	0.05%	Accounts Payable	Monthly	Monthly	SAP, Audit Command Language, Excel	Manual	25%	Y	0 Months	This is a measurement of the percentage of duplicate payments made. The measurement is expressed as a percentage.	Total dollar value of duplicate payments Divided by; Total dollar value of vendor payments made Multiplied by; 100	Invoices processed and paid within 5 business days of receipt of invoice.



HYDRO ONE

EXHIBIT 3

PRICING

SOURCE TO PAY (S2P)

STATEMENT OF WORK



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PRICING AND PAYMENT PROVISIONS

1.0 GENERAL

1.1 References

1. All references in this Exhibit to articles, sections and schedules shall be to this Exhibit, unless another reference is provided.

1.2 Definitions

1. All capitalized terms used but not defined in this Exhibit shall have the meanings given to them in the applicable Statements of Work to which this Exhibit is attached, Common Exhibit 1 to the Statements of Work, or as elsewhere defined in the Agreement.

"S2P Minimum Committed Amounts" or "S2P Committed Amount" means the S2P Fixed Charges over the S2P Contract Term.

"S2P Fixed Charges" means the fixed charges as described below.

"Monthly S2P Fixed Charges" means the S2P Fixed Charges divided for billing on a monthly basis as described below.

"S2P Contract Year" is defined as follows

S2P Contract Year 2018: November 1, 2018 – December 31, 2018

S2P Contract Year 2019: January 1, 2019 – December 31, 2019

S2P Contract Year 2020: January 1, 2020 – December 31, 2020

S2P Contract Year 2021: January 1, 2021 – October 31, 2021

"S2P Contract Term" or "SOW Term": November 1, 2018 – October 31, 2021.

"Volume Metrics": means a measurable device, unit of consumption, staffing level, or other resource that is associated with the Services for a particular SOW and is utilized as a volume measure to determine the capacity of Services required to support the operational environment.

"Volume Metric Unit": is the unit being measured as part of a Volume Metric. Each Volume Metric Unit will be allocated a mutually agreed measurement of number of FTEs for the purposes of determining usage, Service Levels, and adding and removing Services.

"Volume Metric Baseline": means the estimated volume of Volume Metric Unit that will be required and utilized by Client during the SOW Term.



1.3 Purpose

1. This Exhibit sets forth the methodology for calculating all Charges for Services provided under the S2P SOW.

1.4 No Other Charges

1. The Parties agree that the Charges calculated in accordance with this Exhibit are the only amounts payable by Client to Supplier in relation to the S2P SOW and that no other charges, or expenses, costs or other amounts incurred by Supplier in performing the Services under the S2P SOW and its other related obligations pursuant to this Agreement shall be additionally chargeable to Client.
2. No Equipment, Software or other resource used to provide the Services under the S2P SOW shall be charged other than in accordance with this Exhibit.

2.0 ATTACHMENTS

Attached to and incorporated in this Exhibit are the following Attachments:

Attachment A: Supplier Pricing Forms. Includes each of the following subsections:

1. **All Fee Roll Up:** Not applicable.
2. **Monthly S2P Fixed Charges Tab:** Documents the S2P Fixed Charges for the Services under the S2P SOW.
3. **Resource Baselines Tab:** Not applicable.
4. **Base Unit Prices Tab:** Not applicable.
5. **ARC RRC Rates Tab:** Not applicable.
6. **Transition & One-Time Charges Tab:** Not applicable.
7. **Transformation Charges Tab:** Not applicable.
8. **Termination Fees Tab:** Not applicable.
9. **Pass-Through Expenses Tab:** Not applicable.
10. **Inflation Sensitivity Tab:** Not applicable.
11. **Skill Descriptions Rate Card Tab:** Documents the FTE rates for each Skill set and describes their skill set.
12. **S2P Minimum Committed Amounts:** Documents the S2P Committed Amounts.

Attachment B: Financial Responsibility Matrix (FRM): Outlines the financial responsibilities between Client and Supplier.

Attachment C: Resource Unit Definitions: Not applicable.

Attachment D: Volume Metrics Descriptions: Describes the Volume Baselines and Volume Metric Units.



3.0 S2P FIXED CHARGES

1. The S2P Fixed Charges, which are set forth in Attachment A to this Exhibit, are the Charges to Client for Supplier's provision of all Services under the S2P SOW as of November 1, 2018. The S2P Fixed Charges shall fully compensate Supplier for providing such Services. The S2P Fixed Charges are not adjusted based upon volume fluctuations for the performance of these Services by the Supplier, but are subject to adjustment pursuant to Review, Addition/Removal and Rebalancing of Services in Section 3.1 below.
2. Supplier assumes the risk that the underlying operational and financial assumptions associated with the S2P Fixed Charges, if applicable, may prove to be incorrect or incomplete, and Supplier shall not be entitled to adjust its pricing or any other terms of the Agreement other than in accordance with the other provisions of the Agreement and this Exhibit.
3. The S2P Fixed Charges shall be calculated on a calendar month basis, are referred to as the Monthly S2P Fixed Charges, and are set out in Attachment A to this Exhibit.
4. Supplier shall invoice Client on a monthly basis the Monthly S2P Fixed Charges specified in Attachment A to this Exhibit.
5. The Volume Baselines and Volume Metric Units shall be set as of Client's use on November 1, 2018. For those items that are consumption based, the period of January 1, 2017 to April 30, 2018 will be used to determine an average, and set the Volume Baselines. In addition to the review described in Section 3.1, the parties will also conduct a one-time "no harm/no foul" review of the Volume Baselines setting and Volume Metric Units being utilized three (3) months from the SOW Effective Date to validate that the Volume Baselines as set are reasonable, and agree to negotiate in good faith any change as necessary to Volume Baselines with no additional costs, expense or adjustment to S2P Fixed Charges.
6. Volume Metrics are a measure of the volume of resources used by the Supplier that can be demonstrated to implicitly impact on the delivery of the in-scope Services under the S2P SOW to the Client at the Service Levels agreed, where volumes are driven by Client requirements. Volume Metric Units refers to those discreet items that can be measured and identified and are inherent as part of the in-scope Services under the S2P SOW and are supported by the Supplier.
7. Client may at any time add or remove Volume Metric Units in type and number from the Services under the S2P SOW and there shall be no change to the S2P Fixed Charges associated with such changes except as described in Section 3.1 Review, Addition/Removal and Rebalancing of Services.
8. Each month as outlined in Exhibit 4 to S2P SOW Supplier will issue reports to Client on the Volume Metrics described in Attachment D to this Exhibit containing such information to support the review described in Section 3.1 Review, Addition/Removal and Rebalancing of Services.
9. Each month the parties will formally review the number of Volume Metric Units in accordance with the Review, Addition/Removal and Rebalancing of Services described in Section 3.1 below.



3.1 Review, Addition/Removal and Rebalancing of Services

1. General

The parties will review the Services monthly and the number of Volume Metric Units being utilized for the purpose of comparing utilization to baselines and to determine if more or less resources are required to support the S2P SOW Services based on the increases and/or decreases in the Volume Metric Units used over the prior periods as set out below. In addition, during the review, the parties may also discuss whether Services may need to be added which may include adding new Volume Metrics and associated Volume Metric Baselines, or adjusting resources within a Volume Metric or altering Volume Metric Baselines. If any permanent changes to the Baseline Volume as defined in Attachment D to this Exhibit under the S2P SOW are requested or required, such changes will follow the process outlined in this Section.

2. Bank of Services

The parties will establish and maintain a bank of FTE hours ("Bank") from resources that are under utilized as a result of decreasing volumes of Volume Metrics Units (as described in Section 4(b)(iii) below that the Client may use to apply to client initiatives. Volume Metric Units will be converted to FTE hours and will accumulate monthly for the purposes of the Bank but may not exceed the equivalent of [REDACTED] at any point in time. Client may apply hours from the Bank to initiatives that are within the general scope of the Services under the S2P SOW. Client may also draw on the Bank of hours to apply to purchase or pay increasing volumes of Volume Metric Units. FTE hours will be withdrawn from the Bank on First-In/First Out basis. Any FTE hours deposited into the Bank that are not applied as described herein will expire twelve (12) months after the month in which they were deposited on a rolling basis.

3. Review

During the monthly review, if one or more Volume Metrics usage is greater than the upper deadband set out in Attachment D to this Exhibit for 3 consecutive months then the Client and Supplier will formally review the number of Volume Metric Unit and resources allocated for the purpose of determining if more resources are required to support the S2P SOW Services based on the increases in the Volume Metric Units over the prior periods. Changes in resources and possible changes in Charges will be determined in accordance with the Rebalancing of Services described in Section 4 below or Addition and Removal of Services in Section 5 below.

If one or more Volume Metrics usage is less than the lower deadband set out in Attachment D to this Exhibit for 3 consecutive months then the Client and Supplier will formally review the number of Volume Metric Units and resources allocated for the purpose of determining if less resources are required to support the S2P SOW Services based on the decreases in the Volume Metric Units over the prior periods. Changes in resources and possible changes in Charges will be determined in accordance with the Rebalancing of Services described in Section 4 below or Addition and Removal of Services in Section 5 below.



4. Rebalancing of Services

(a) Increasing Volumes

If there are increasing volumes of Volume Metric Units for the Services of a Volume Metric under the S2P SOW that are sustained above the deadband as described in subsection 3 - Review above, then following options are available for the Client to use to manage the impact:

(i) the Client may rebalance by having the Supplier reduce the amount of resources supporting other Volume Metrics (ie. take from a different Volume Metric) and add such equivalent amount of resources to support the Volume Metrics experiencing the increased volumes, which may include making associated changes to the Volume Baselines, such changes to be mutually agreed by the Parties and documented in writing through the Change and New Service Procedure; and/or

(ii) The Client may have the Supplier provide additional resources allocated to the Volume Metric experiencing the increase, and make associated changes to the Volume Baselines, which will result in an adjustment to S2P Fixed Charges (unless otherwise agreed) as mutually agreed through the Change and New Service Procedure; and/or

(iii) The Client may have the Supplier provide additional resources allocated to the Volume Metric experiencing the increase, and make associated changes to the Volume Baselines utilizing the equivalent amount of FTE hours taken from the Bank, such changes to be mutually agreed by the Parties and documented in writing through the Change and New Service Procedure including documenting the new Volume Baselines and amounts subtracted from the Bank .

(b) Decreasing Volumes

If there are decreasing volumes of Volume Metric Units for the Services of a Volume Metric under the S2P SOW that are sustained below the deadband as described in subsection 3 - Review above, then following options are available for the Client to use to manage the impact:

(i) the Client may rebalance by having the Supplier reduce resources allocated from the Volume Metric experiencing the decrease and add such equivalent amount of resources to support other Volume Metrics, which may include making associated changes to the Volume Baselines, such changes to be mutually agreed by the Parties and documented in writing through the Change and New Service Procedure; and/or

(ii) the Client may add new Services including new Volume Metrics to the S2P SOW, reducing resources allocated from the Volume Metric experiencing the decrease and add such equivalent amount of resources to the new Volume Metrics created, which may include establishing and making associated changes to the Volume Baselines, such changes to be mutually agreed by the Parties and documented in writing through the Change and New Service Procedure; and/or

(iii) the Client may reduce resources allocated from the Volume Metric experiencing the decrease and add such equivalent amount of FTE hours to



the Bank to support other Client Initiatives, the result of which may include making associated changes to the Volume Baselines for the Volume Metric experiencing the decrease, such changes to be mutually agreed by the Parties and documented in writing through the Change and New Service Procedure including documenting the new Volume Baselines and amounts added to the Bank .

5. Additions and Removal of Services

Client shall have the right to remove Services with no change to the S2P Fixed Charges owed to Supplier. Removal of Services does not affect the Volume Baseline unless otherwise agreed. Client shall have the right to add or replace removed Services with other Services, which may change Volume Baselines and Volume Metrics without changing the S2P Fixed Charges owed to Supplier as long as what is added or replaced is the same or generally similar to what is describe in the Description of Services for S2P and the Services effort of the added or replaced Services together with the actual aggregate of the Services effort then in use across the all Volume Metric Units do not increase the Services effort beyond the sum of the then current aggregate Volume Baselines for all Volume Metric Units. Should the Client desire to add Services that are deemed out of Scope, the parties shall go through the Change and New Service Procedure.

3.2 **Economic Change Adjustment (ECA)**

ECA is not applicable to S2P Fixed Charges.

3.3 **Termination**

Should Client terminate any or all S2P Services for convenience, there shall be no termination fees, however, in any event the Client shall continue to pay to Supplier the S2P Minimum Committed Amounts less amounts paid at the effective date of termination according to the payment schedule set out in Attachment A to this Exhibit.

If the Client terminates the S2P SOW Services for cause in accordance with Section 14.1 of the main body of the Agreement, then the S2P Minimum Committed Amounts is reduced by the pro-rata amount of the affected Service.

3.4 **Discounts**

The Bundle Discount is not applicable to the S2P Fixed Charges.

The Project Spend Discount will continue to apply to S2P Projects.

3.5 **Holdback Procedure**

The following terms related to holdback shall apply to Supplier's fees for Fixed Fee Projects:



1. Each Client Acceptance referenced within this Section shall be in accordance with the Agreement.
2. All fees associated with a given milestone will be held back until Client Acceptance of the Payment Milestone ("Payment Milestone Holdback Amount").
3. In addition, ten percent (10%) of the fees will be held back until completion of the Work Order or Program phase ("Final Completion Holdback Amount"), whichever comes first, which shall mean Client Acceptance of the Final Payment Milestone deliverable of the Final Payment Milestone defined for such Work Order or Program phase, as applicable.



Hydro One
ATTACHMENT A
PRICING FORMS

TO EXHIBIT 3
PRICING
SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK

(CAD \$ in Thousands)

All Fee Roll Up	S2P Contract Year 2018	S2P Contract Year 2019	S2P Contract Year 2020	S2P Contract Year 2021	Total
S2P Fixed Charges					
S2P Fixed Charges	\$ 2,167	\$ 13,000	\$ 13,000	\$ 10,833	\$ 39,000
TOTAL S2P Fixed Charges	\$ 2,167	\$ 13,000	\$ 13,000	\$ 10,833	\$ 39,000

SOW	Sub-Domain	Resource Unit Grouping	Resource Unit	Unit of Measure	Currency	Months -->	2	12	12	10				
						S2P Contract Year 2018 Monthly Fee	S2P Contract Year 2019 Monthly Fee	S2P Contract Year 2020 Monthly Fee	S2P Contract Year 2021 Monthly Fee					
S2P	These cells intentionally left blank			Fixed Charges	CAD	\$	1,083,333	\$	1,083,333	\$	1,083,333	\$	1,083,333	
Monthly S2P Fixed Charges						CAD	\$	1,083,333	\$	1,083,333	\$	1,083,333	\$	1,083,333

Domain	Resource Unit	Unit of Measure	S2P Contract Year 2018	S2P Contract Year 2019	S2P Contract Year 2020	S2P Contract Year 2021
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Domain	Resource Unit	Unit of Measure	Currency	S2P Contract Year 2018	S2P Contract Year 2019	S2P Contract Year 2020	S2P Contract Year 2021
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Domain	Resource Unit	Unit of Measure	Currency	S2P Contract Year 2018	S2P Contract Year 2019	S2P Contract Year 2020	S2P Contract Year 2021
	These cells intentionally left blank						

Descripti	Mileston	Expected	Currency	S2P Contract Year 2018	S2P Contract Year 2019	S2P Contract Year 2020	S2P Contract Year 2021
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Description	Milestone	Expected Timing	Currency	S2P Contract Year 2018	S2P Contract Year 2019	S2P Contract Year 2020	S2P Contract Year 2021
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Termination Fees

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Description	Currency	S2P Contract Year 2018	S2P Contract Year 2019	S2P Contract Year 2020	S2P Contract Year 2021
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Grouping	S2P Contract Year 2018	S2P Contract Year 2019	S2P Contract Year 2020	S2P Contract Year 2021
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Skill Set Descriptions for SOW and Project Services)		
S2P	Summary Role Description	Project Skills
Tier I	Basic understanding of S2P Domains	Task responsibility
Tier II	Basic understanding of S2P Domains	Training in a project management methodology
Tier III	Comprehensive understanding of S2P Domains	Project management skills
Tier IV	Comprehensive understanding of S2P Domains	Senior project management skills
Tier V	Comprehensive understanding of S2P Domains	Program manager skills

S2P Project Rate Card in \$CAD	2018 Contract Year	2019 Contract Year
Tier I		
Tier II		
Tier III		
Tier IV		
Tier V		

Client Skills	Education Qualifications	Work Experience
Basic	Bachelor's degree required	1-3 years
Good	Bachelor's degree required	3-5 years
Very good	Bachelor's degree required	5-7 years
Very good	Bachelor's degree required. CPM/CPSM certification. Master's degree preferred	7-10 years
Excellent	Bachelor's degree required. CPM/CPSM certification. Master's degree preferred	Greater than 10 years

2020 Contract Year	2021 Contract Year

(CAD \$ in Thousands)

2018 S2P Contract Year		
	Month 1	Month 2
Committed Amounts	\$ 39,000	\$ 37,917

2019 S2P Contract Year												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Committed Amounts	\$ 36,833.33	\$ 35,750	\$ 34,667	\$ 33,583	\$ 32,500	\$ 31,417	\$ 30,333	\$ 29,250	\$ 28,167	\$ 27,083	\$ 26,000	\$ 24,917

2020 S2P Contract Year												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Committed Amounts	\$ 23,833	\$ 22,750	\$ 21,667	\$ 20,583	\$ 19,500	\$ 18,417	\$ 17,333	\$ 16,250	\$ 15,167	\$ 14,083	\$ 13,000	\$ 11,917

2021 S2P Contract Year										
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10
Committed Amounts	\$ 10,833	\$ 9,750	\$ 8,667	\$ 7,583	\$ 6,500	\$ 5,417	\$ 4,333	\$ 3,250	\$ 2,167	\$ 1,083

Amounts shown in the table above identify the S2P Minimum Committed Amounts at the beginning of each calendar month

Bank of Services	Change Order # / Service Banked FTE used on	S2P Contract Year 2018		S2P Contract Year 2019											
		Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
	Cumulative Running Banked FTE Hours by month	0	0	0	0	0	0	0	0	0	0	0	0	0	0

S2P Contract Year 2020												S2P Contract Year 2020									
Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



**Hydro One
ATTACHMENT B**

FINANCIAL RESPONSIBILITY MATRIX

**TO EXHIBIT 3
PRICING**

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK

Service Towers: S2P	Salary, Benefits, Add'l Comp	Travel	Training	Relocation	Increase / Decrease in Staffing	Severance	Reskilling / Outplacement Services	Retention Payments	Recruitment	Charging Mechanism
Cross-Functional General:										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
S2P:										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Client Retained Third-Party Contracts	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Projects:										
*Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
**Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Client Retained Third-Party Contracts	Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained

*Supplier Personnel refers to any Supplier employees and/or contractors required by and provisioned by the Supplier as part of their solution to perform Services

**Supplier Third-Party Contracts are any contracts that are required by and provisioned by the Supplier as part of their solution to perform Services.

Meaning of Headings	
Salary, Benefits, Add'l Comp	Who pays for all Personnel compensation including salary, benefits, bonus, other additional compensation and payroll taxes?
Travel	Who pays for Personnel travel?
Training	Who pays for training of Personnel?
Relocation	Who was responsible for any relocation of their own staff?
Increase / Decrease in Staffing	If staffing increases, who pays for the extra staff? If staffing goes down, who gets the benefit?
Severance	If Personnel separate from the Client or Supplier and severance is owed, who pays the severance payment?
Reskilling/Outplacement Services	Who is responsible for Reskilling and Outplacement
Retention Payments	Who pays the retention payment for their own Personnel?
Recruitment Payments	Who pays the recruitment payment for their own Personnel?
Charging Mechanism	By what mechanism is this item paid for?

	Acquisition						Support / Operational Expense					
	Ownership / License		Financial Responsibility				Operational Responsibility				Financial Responsibility	
	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Tower: S2P												
Supplier Personnel Primary Workspace Client Location Desktops, Laptops, Mobile Devices, Tablets, Print servers, fax servers, email servers, web / internet servers, application servers, database servers required to provide proposed services Office Equipment - printers, faxes and other equipment required to provide proposed	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Supplier Personnel Primary Workspace Supplier Location Desktops, Laptops, Mobile Devices, Tablets, Print servers, fax servers, email servers, web / internet servers, application servers, database servers required to provide proposed services Office Equipment - printers, faxes and other equipment required to provide proposed services	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
Supplier Owned Equipment ACD - equipment, setup and maintenance IVR/VRU (if needed) - equipment, setup and maintenance of standard / basic Client scripts on Supplier equipment plus routine changes/updates Basic CTI - equipment, setup and maintenance (If Needed) Call Routing / Mapping / Queuing - within / between Supplier Centres Supplier Personnel Desktop Computers and standard software suite - equipment, setup and maintenance LAN / WAN Internet / Intranet Access, Connectivity Telephony equipment & voicemail	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed

Meaning of Headings	
Acquisition	Represents the expenses related to procurement of the assets required to deliver the services?
Current Assets	Represents who will have ownership of each Asset type when the contract begins
Future Assets	Represents who will have ownership of each Asset type
Upgrades/Enhancements	Represents the expense associated with purchasing upgrades or enhancements for each hardware type.
Growth	Represents all expenses associated with changes in required levels of each hardware type to deliver the agreed upon services.
Technology Refresh	Represents the responsibility for the expense of replacing each hardware type as the hardware type assets expire or past their useful life.
Charging Mechanism	By what mechanism is this item paid for?
Support Operational Expense	Represents the expenses related to operating and maintaining the assets required to deliver the services identified in the Statements of Work.
Current Assets	Whos responsible for maintaining the Current Assets?
Future Assets	Whos responsible for maintaining the Future Assets?
Upgrades / Enhance-ments	Who's responsible for performing Upgrades and Enhancements?
Growth	Who's responsible for growth of assets already in place?
Technology Refresh	Who's responsible for the refresh of assets already in place?
Charging Mechanism	By what mechanism is this item paid for?

	Acquisition						Support / Operational Expense					
	Ownership / License		Financial Responsibility				Operational Responsibility			Financial Responsibility		
	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Towers: S2P												
Cross-Functional Software												
Asset Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Definitive Media Library (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Access Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Service Request (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Problem Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Change Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Incident Management (Defined in Ex 1)	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Cross-Functional Software as Part of License Access / Transfer fees	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Client Provided Software and Tools												
Client owned & licensed Applications operating in Client Facilities	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Client Software associated with Client Applications operating on Supplier	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Client provided Knowledge Base tool	Client	Client	Client	Client	Client	Retained	Client	Client	Client	Client	Client	Retained
Supplier Provided Software and Tools												
Supplier owned & licensed Software & tools operating in Supplier Facilities	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
Reporting Tool - standard performance metrics and operations reporting	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
Supplier provided Knowledge Base tool	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable

Meaning of Headings	
Acquisition	Represents the expenses related to procurement of the assets required to deliver the services
Current Assets	Represents who will have ownership of each Asset type when the contract begins.
Future Assets	Represents who will have ownership of each Asset type
Upgrades/Enhancements	Represents the expense associated with purchasing upgrades or enhancements for each hardware type.
Growth	Represents all expenses associated with changes in required levels of each hardware type to deliver the agreed upon services.
Technology Refresh	Represents the responsibility for the expense of replacing each hardware type as the hardware type assets expire or past their useful life.
Charging Mechanism	By what mechanism is this item paid for?
Support Operational Expense	Represents the expenses related to operating and maintaining the assets required to deliver the services identified in the Statements of Work.
Current Assets	Whos responsible for maintaining the Current Assets?
Future Assets	Whos responsible for maintaining the Future Assets?
Upgrades / Enhance-ments	Who's responsible for performing Upgrades and Enhancements?
Growth	Who's responsible for growth of assets already in place?
Technology Refresh	Who's responsible for the refresh of assets already in place?
Charging Mechanism	By what mechanism is this item paid for?

Service Towers: S2P	Current Assets	Refresh	Upgrades / Enhancements	Growth	Charging Mechanism
Client Facilities					
Environmental (e.g., HVAC (Defined in Ex 1-A), PDUs)	Client	Client	Client	Client	Retained
UPS (Defined in Ex 1-A)	Client	Client	Client	Client	Retained
Space Upgrades, Additions, Fit out	Client	Client	Client	Client	Retained
Furniture & Fixtures	Client	Client	Client	Client	Retained
Wiring (Defined in Ex 1)	Client	Client	Client	Client	Retained
Building Depreciation / Lease	Client	Client	Client	Client	Retained
Building Maintenance / Security	Client	Client	Client	Client	Retained
Utilities	Client	Client	Client	Client	Retained
Supplier Facilities					
Environmental (e.g., HVAC (Defined in Ex 1-A), PDUs)	Supplier	Supplier	Supplier	Supplier	Fixed
UPS (Defined in Ex 1-A)	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Space Upgrades, Additions, Fit out	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Furniture & Fixtures	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Wiring (Defined in Ex 1)	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Building Depreciation / Lease	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Building Maintenance / Security	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Utilities	Supplier	Supplier	Supplier	Supplier	Fixed Fee/Variable
Supplier Staff on Client Premises					
Use of Office Space	Client	N/A	N/A	N/A	Retained
Use of Office Equipment	Client	N/A	N/A	N/A	Retained

Meaning of Headings	
Current Assets	Represents who will have ownership of each Asset type when the contract begins.
Technology Refresh	Represents the responsibility for the expense of replacing each hardware type as the hardware type assets expire or past their useful life.
Upgrades/Enhancements	Represents the expense associated with purchasing upgrades or enhancements for each hardware type.
Growth	Represents all expenses associated with changes in required levels of each hardware type to deliver the agreed upon services.
Charging Mechanism	By what mechanism is this item paid for?

	Operational Responsibility				Financial Responsibility	
	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Towers: S2P						
Business Continuity Planning Supplier Facilities:						
Business Continuity Planning, Testing - as described in Business Continuity Plan	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed
Business Continuity / Execution of Recovery Plan / Manual Processes (if required) - as described in Business Continuity Plan	Supplier	Supplier	Supplier	Supplier	Supplier	Fixed

Meaning of Headings	
Current Assets	Whos responsible for maintaining the Current Assets
Future Assets	Whos responsible for maintaining the Future Assets
Upgrades / Enhancements	Represents the expense associated with purchasing upgrades or enhancements for each hardware type.
Growth	Who's responsible for growth of assets already in place
Technology Refresh	Who's responsible for the refresh of assets already in place
Charging Mechanism	By what mechanism is this item paid for?

	Operational Responsibility				Financial Responsibility	
	Current Assets	Future Assets	Upgrades / Enhancements	Growth	Technology Refresh	Charging Mechanism
Service Towers: S2P						
Network Connectivity / Transport For Voice & Data: Delivery / transport of voice/data to Supplier Network demarcation point	Client	Client	Client	Client	Client	Retained
Connectivity between Supplier Centres - including transport of voice/data from Supplier hubs to: Supplier centres VPN Connectivity to Supplier's Systems	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Supplier Supplier	Fixed Fixed Fee/Variable

Meaning of Headings	
Current Assets	Whos responsible for maintaining the Current Assets
Future Assets	Whos responsible for maintaining the Future Assets
Upgrades / Enhancements	Who's responsible for performing Upgrades and Enhancements
Growth	Who's responsible for growth of assets already in place
Technology Refresh	Who's responsible for the refresh of assets already in place
Charging Mechanism	By what mechanism is this item paid for?

Service Towers: S2P	Shipping	Charging Mechanism		Disaster Recovery Services	Charging Mechanism		Off-site Storage	Charging Mechanism
Cross-Functional General	Supplier	Fixed		Supplier	Fixed		N/A	N/A
Projects	Supplier	Project Charges		Supplier	Project Charges		Supplier	Project Charges

HYDRO ONE
ATTACHMENT D
VOLUME METRICS AND BASELINES
TO EXHIBIT # 3
SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK

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2.0 VOLUME METRIC TABLE..... 3

1.0 INTRODUCTION

This Attachment contains the summary for the Volume Metrics and Baselines

2.0 VOLUME METRIC TABLE

Services to be billed vs. Base FTEs	Components	Base	Upper Deadband + 30%	Lower Deadband - 30%	Monthly - Effort/Full Time Equivalent (FTE)	FTEs
Area		Base	Upper	Lower		
Accounts Payable Processing	Volume of Invoice Processed/Taulia Parked					
Accounts Payable Resolution	ATB Blocks/P1 to P4/Taulia Message Board & Error Log					
COE - Vendor/Material	Material Master Set-up/Amendments, Vendor Set-up/Amendments					
Expediting	Delivery Escalations					
Construction Service Desk - Order	Sourcing & Processing PREQ's					
Construction Service Desk - Back-end	Invoice resolution/PO Management					
Purchasing Activities						
Purchasing Services Effort = 30	# of PO's classified as PS					
Spot Buy Effort =50	# of PO's classified as Spot Buys					
PO Changes Effort = 2	# of PO Changes					
Total Purchasing Activities						
Note 1: Mass uploads are not included						



HYDRO ONE

EXHIBIT 4

SERVICE REPORTS

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK



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2.0 REPORTS..... 3



1.0 INTRODUCTION - REPORTS

This Exhibit contains a summary description of the format, content, and frequency of key reports required by Client. This Exhibit may not include all reports currently provided by the In-scope organization or otherwise requested as part of this Agreement. However, the Supplier is required to provide any and all such reports regardless of their inclusion in this Exhibit.

2.0 REPORTS

Area	Report Name	Description	Frequency	Recipient	Media
Source-to-Pay Cross Functional	Automation Candidate Report	<ol style="list-style-type: none"> 1. Report to identify MM candidates 2. Identify automation candidates for materials and services trends 3. OA Candidates 	Quarterly	S2P Client Supply Chain Management	Electronic
Source-to-Pay Cross Functional	Local Purchase Analysis	Report on local spend - ACL	Quarterly	S2P Client Supply Chain Management	Electronic
Source-to-Pay Cross Functional	Volume Metrics	Report to measure the volumes of various activities across the S2P scope. The volumes are indicative of the level of resourcing required in order to perform the functions.	Monthly	S2P Client Supply Chain Management	Electronic
Expediting	Expediting Report	Open Order Status Report	Monthly	S2P Client Supply Chain Management	Electronic
Expediting	Expediting Aging Report	Aging analysis of OOSR report	Monthly	S2P Client Supply Chain Management	Electronic



Area	Report Name	Description	Frequency	Recipient	Media
Source-to-Pay Cross Functional	Supplier Performance	Key Supplier Analysis	Monthly	S2P Client Supply Chain Management	Electronic
Contract Admin.	Contract Admin. Report	A listing of all active contracts with a 6 month look ahead	Monthly	S2P Client Supply Chain Management	Electronic
Purchasing	Returned Requisitions Analysis	Report showing the requisition returns by Line of Business and reason for return	Monthly	S2P Client Supply Chain Management	Electronic
Accounts Payable	AP cutoff testing	Year end report testing AP integrity	Annually	S2P Client Supply Chain Management	Electronic
Accounts Payable	Withholding Tax Analysis	Withholding Tax Analysis	Monthly	Hydro One Corporate Tax Department	Electronic
Accounts Payable	Monthly Early Pay Discount Report	Based on SAP BIBW report as provided by Client	Monthly	S2P Client Supply Chain Management	Electronic



HYDRO ONE

EXHIBIT 6

SOURCE TO PAY - WORK IN PROGRESS

SOURCE TO PAY (S2P) SERVICES STATEMENT OF WORK



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1.3.1	Pricing	7



1.0 SOURCE TO PAY WORK-IN-PROGRESS

1.1 Introduction

There are certain Services under the Previous S2P SOW, that the parties agree the Supplier will continue to perform until completed or as per date identified in this document.

1.2 Tactical Sourcing

The Services are described in the Previous S2P SOW in Exhibit 1, Section 6, Tactical Sourcing. The list of events are identified below:

a) Engineer/Procure/Contract (E/P/C)

Description	Work To Be Done (Location)



b) Tactical Sourcing Events

Purchase Requisition	Line Description
3009744386	RFP FOR LCC/KVM
3010048724	OA FOR OEM PARTS FOR CUMMINS - SSJ
3010033329	RFP for Helicopters contractors
3009976992	OA FOR INSTRUMENT TRANSFORMER
3009967233	OA FOR FORKLIFTS
3009756004	RFX-Hydraulic Tools/Parts/Services
3009702447	RFP for Transformer Cooling Fans
3010056686	OA for Metal Clad
3010056687	RFP for Temporary Road Construction
No PR to date	800 Class vehicles
No PR to date	Battery storage

1.2.1 Pricing

Effective January 1, 2019, the pricing for Tactical Sourcing Services are broken down as follows and will remain in effect until the completion of the items identified in Section 1.2. ECA is applicable.

Resource Unit	Unit of Measure	Currency	Effective Jan 1, 2019
Tactical Sourcing Tier 5 - E/P/C	# of Tactical Sourcing Projects	CAD	
Tactical Sourcing Tier 4 > \$7.5M	# of Tactical Sourcing Projects	CAD	
Tactical Sourcing Tier 3 > \$2.5M - \$7.5M	# of Tactical Sourcing Projects	CAD	
Tactical Sourcing Tier 2 > \$1M - \$2.5M	# of Tactical Sourcing Projects	CAD	
Tactical Sourcing Tier 1 \$0-\$1M	# of Tactical Sourcing Projects	CAD	

1.2.2 Financial Table

The Financial Table below identifies the estimated cost based on the list of Work in Progress in Section 1.1 above, however the quantities and price may decrease if they are completed prior to the start of November 1, 2018 or are no longer required.



Domain	Sub-Domain	Resource Unit Groupings	Unit of Measure/ Unit Price	Quantity/ Currency						Total
S2P	Tactical Sourcing	Tactical Sourcing Tier 1 \$0-\$1M	# of Tactical Sourcing Projects	Quantity						7
			█	CAD						\$152,829.67
S2P	Tactical Sourcing	Tactical Sourcing Tier 2 > \$1M-\$2.5M	# of Tactical Sourcing Projects	Quantity						3
			█	CAD						\$ 72,966.06
S2P	Tactical Sourcing	Tactical Sourcing Tier 3 > \$2.5M-\$7.5M	# of Tactical Sourcing Projects	Quantity						1
			█	CAD						\$ 28,078.07
S2P	Tactical Sourcing	Tactical Sourcing Tier 4 > \$7.5M	# of Tactical Sourcing Projects	Quantity						0
			█	CAD						\$ -
S2P	Tactical Sourcing	Tactical Sourcing Tier 5 - E/P/C	# of Tactical Sourcing Projects	Quantity						13
			█	CAD						\$479,478.43
				TOTAL						\$733,352.22

1.2.3 Partial Payments

Inergi will receive █ for Tactical Sourcing events included in the Section 1.1 of this document, if all of the following conditions are met for an individual Tactical Sourcing event:

1. The subject RFP is posted by an Inergi Buyer.
2. The subject RFP received submissions.
3. The subject RFP event closed.
4. Commercial Evaluation was in progress or completed.
5. The Line of Business cancels the requisition or rejects all submissions during the technical evaluation.

If all of the above conditions are met, Inergi will receive █ for the subject RFP, as identified in Section 1.2.2 of this document. The tier selected will be based on the lowest price provided in the RFP submissions.



1.2.4 Service Levels

Ref #	Service Level	Expected	Minimum	Measurement Window	Subject to Earn back (Y/N)	Comment - cement Date + mos	Definition	Formula	Data Inclusions / Exclusions
CSL - 1	Tactical Sourcing - 50 Calendar Day Turnaround Window	96.0%	92.0%	Quarterly	N	0 Months	This measurement establishes the percentage of purchase order lines sent to vendor(s) within 50 calendar days of receipt of a corresponding requisition line item that requires Tactical Sourcing.	$\frac{\text{Total number of purchase order lines issued as a result of Tactical Sourcing in less than 50 calendar days after requisition line item receipt}}{\text{Total number of purchase order line items issued as a result of Tactical Sourcing}} \times 100$	Exclusions: 1. Cycle Times will exclude time associated with Requisitions not compliant with Client Procurement Policy 2. Cycle Times will exclude time associated with Technical Evaluation period 3. Cycle Times will exclude time associated with Legal review 4. Cycle Times will exclude time associated with Hydro One Executive approval to the extent that it exceeds five (5) business days 5. Cycle Times will exclude time associated with Hydro One Commercial Management Office (CMO) review and approve time 6. RFX time in the market 7. Time lost due to documented HOI system unavailability, where the reason for the unavailability was due to planned outages and or was due to Client or Client 3rd Parties. 8. Single event causing CSL-1 Expected or Minimum target failure Inclusions: 1. Engineering, Procure & Construct requests
KM-1	Procurement Documentation Accuracy	90%	85%	Quarterly	N	0 Months	This measures the errors found during any audit or review of Client identified critical criteria which Client chooses to conduct. Expressed as a percentage. Included in the measure are all documents pertaining to the execution of work.	$\frac{1 - \text{[Total number of failed documents]}}{\text{Number of documents audited}} \times 100$	New QA Scorecard to be launched in October and will be used for this measure.



1.3 Inspection Services

The Services are described in the Previous S2P SOW in Exhibit 1, Section 10, Inspection Services. These Services are to be provided for the period of November 1, 2018 – June 30, 2019. These Services are to be extended from July 1, 2019 – December 31, 2019.

1.3.1 Pricing

The pricing for the 1 FTE will be consistent with the Previous S2P SOW and will remain in effect until June 30, 2019 and for the extended period from July 1, 2019 – December 31, 2019.

HYDRO ONE

EXHIBIT 7

PAYMENTS AND CREDITS

SOURCE TO PAY (S2P)

STATEMENT OF WORK



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1.0 General 3

 1.1 Payments 3

 1.2 Credits 3



1.0 General

1.1 Payments

In addition to the Fees set out in Exhibit 3 - Pricing of the S2P SOW, and elsewhere in the Agreement, in relation to the S2P SOW, the Client will make the following additional payment to the Supplier in accordance with the table identified below:

Description	Amount	Invoice Date
Transition to new SOW agreement	\$1.75 M	November 15 th , 2018

1.2 Credits

Notwithstanding the Fees set out in Exhibit 3 - Pricing of the S2P SOW and elsewhere in the Agreement, in relation to the S2P SOW, the Supplier will credit the Client for the amounts identified in the table identified below:

Description	Amount	Credit Memo Date
Continuous improvement cost sharing	\$ 1.0M	December 15 th , 2020
Continuous improvement cost sharing	\$0.75M	October 15 th , 2021

1 **CCC INTERROGATORY #39**

2
3 **Reference:**

4 F-03-01 p.7

5
6 **Interrogatory:**

7 Please provide a copy of the BGIS Agreement. What percentage of HON Transmission's
8 OM&A costs are paid to BGIS?

9
10 **Response:**

11 The BGIS Master Services Agreement (MSA) is provided as attachment 1 of this
12 interrogatory response.

13
14 The 2018 percentage of HON Transmission's OM&A costs paid to BGIS is
15 approximately 3%

16
17 2018 BGIS Tx OM&A cost was \$12.6M

18 2018 Total Tx OM&A cost was \$419.5M

HYDRO ONE NETWORKS INC.

- AND -

BROOKFIELD JOHNSON CONTROLS CANADA LP

MASTER SERVICES AGREEMENT

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MASTER SERVICES AGREEMENT

THIS AGREEMENT is made as of the day of September, 2014 (the “**Effective Date**”).

BETWEEN:

HYDRO ONE NETWORKS INC.

(hereinafter referred to as “**Client**”)

- and -

BROOKFIELD JOHNSON CONTROLS CANADA LP

(hereinafter referred to as “**Supplier**”)

WHEREAS Client wishes to acquire certain services related to facilities management and execution of certain capital projects (more fully defined in this Agreement as the “**Services**”)“ from Supplier;

AND WHEREAS Supplier submitted a Proposal (as defined herein) to the RFP (as defined herein) setting out its proposal to provide the Services, and credentials and capabilities of the Supplier;

AND WHEREAS Client’s objectives in entering into the Agreement include: (i) establishing a stable mutually beneficial relationship that encourages value-added activities; (ii) lower cost of services; (iii) defined commercially relevant service levels for measurable services; (iii) access to processes, change management and know-how in line with leading facilities management industry practices; (iv) permitting Client to focus skills and resources on its core business as an electricity transmission and distribution system provider; (v) ensuring the safety and security of Supplier Personnel, personnel of Client and general public; and (vi) transitioning the Services to Supplier in a manner that is efficient and enables continued receipt of such Services by Client during such transition, and minimizing any adverse impact or unplanned interruption to Client’s business or operations in connection therewith.

AND WHEREAS on the basis of and reliance upon the statements made in the Proposal, including subsequent discussions and additional information submitted thereafter, and the representations, warranties and covenants made herein, Client desires to engage Supplier to perform the Services, and Supplier has agreed to provide the Services;

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Wherever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the respective meanings ascribed to them as follows:

- (a) **“Affiliate”** means, with respect to any Person, any Person Controlling, Controlled by or under common Control with such other Person.
- (b) **“Agreement”** means this agreement entitled “Master Services Agreement” and all Schedules, Statements of Work (including all attachments thereto), exhibits or attachments annexed hereto, or otherwise incorporated herein.
- (c) **“Analyst”** has the meaning ascribed in Section 16.1 hereof.
- (d) **“Analyst Firms”** has the meaning ascribed in Section 16.1 hereof.
- (e) **“Ancillary Agreements”** means the agreements with Affiliates entered into pursuant to Section 4.3 hereof, the Guarantees, Capital Projects Agreements, certificate or other document related hereto or thereto or executed and delivered in connection with this Agreement (whether executed and delivered before or after the Effective Date).
- (f) **“Assigned Contract Effective Date”** has the meaning ascribed in Section 7.3(a)
- (g) **“Assigned Contracts”** means the contracts listed in a Statement of Work between Client and certain third parties which are to be assigned by Client to Supplier and assumed and performed by Supplier and such other contracts as the parties may mutually agree to add to such list.
- (h) **“Attachment”** means any attachment attached to an Exhibit to a Statement of Work or a Schedule to this Agreement.
- (i) **“Authorized Affiliate”** means any Affiliate of Client that has been authorized by Client to use and receive Services from Supplier under this Agreement, as designated by notice to Supplier from time to time.
- (j) **“Benchmarking Adjustment”** has the meaning ascribed in Section 16.1 hereof.
- (k) **“Benchmarking Process”** has the meaning ascribed in Section 16.1 hereof.
- (l) **“Business Continuity Plan”** means the business continuity plans contemplated by Schedule 11.1.
- (m) **“Business Day”** means any Monday through Friday except: (i) New Year’s Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day or Boxing Day; (ii) December 24 in years when Christmas falls on a Friday or Saturday; (iii) December 27 and the following January 3rd

in years when Christmas falls on a Saturday; and (iv) December 26 and 27 and the following January 2nd in years when Christmas falls on a Sunday.

- (n) “**Capital Projects**” means projects for capital improvements to Sites (“**Sustainment Capital Projects**”) or construction of new buildings or and facilities (“**New Build Projects**”, as Client requests from time to time.
- (o) “**Capital Projects Agreements**” means the separate agreements entered into by Client and Supplier for Capital Projects in: (i) for Sustainment Capital Projects, the form set out in **Schedule 1.1(o)(i)**; and (ii) for New Build Projects, the form set out in **Schedule 1.1(o)(ii)**.
- (p) “**Change**” means any upgrade, update, modification, improvement, amendment or adjustment to the Services provided that increases or decreases in the volume of the Services and changes in means of delivery of the Services are anticipated attributes of the Services and is not a Change.
- (q) “**Change Order**” has the meaning ascribed in Schedule 10.3.
- (r) “**Claim**” means any actual, threatened or potential civil, criminal, administrative, regulatory, arbitral or investigative demand, allegation, action, suit, investigation or proceeding or any other claim or demand.
- (s) “**Client Assets**” means the equipment, furniture, software and facilities or other assets owned, licensed or leased by Client or its Affiliates, provided by Client for use by Supplier.
- (t) “**Client Audit Representative**” means any internal or external Person designated by Client or an Affiliate of Client, from time to time, in its discretion, to conduct audits on its behalf.
- (u) “**Client Data**” has the meaning ascribed in Section 14.5 hereof.
- (v) “**Client Indemnified Parties**” means Client and each of its Affiliates and their respective Representatives.
- (w) “**Client Policies**” has the meaning ascribed ins Section 4.5.
- (x) “**Client Service Areas**” has the meaning ascribed in Section 8.1(b) hereof.
- (y) “**Commencement Date**” means the date Supplier will assume its obligation to provide the Services, to commence on **1 January 2015**.
- (z) “**Confidential Information**” means all information which can reasonably be considered to be confidential, whether in electronic form or in physical written form, relating to the business, operations, processes or technology of the Disclosing Party, or any of its Affiliates or Representatives, including all data, reports, interpretations, financial statements, forecasts and records containing or otherwise reflecting information concerning the Disclosing Party or any of its Affiliates or Representatives which the Receiving Party or its Representatives may receive from the Disclosing Party in

connection with this Agreement, including Proprietary Materials, business and marketing strategies (including pricing, pricing policies, cost and profit information), product development plans, information relating to the design of equipment or facilities or products, trade secrets, together with other documents, which contain or otherwise reflect information regarding the Disclosing Party or any of its Affiliates. For greater certainty, in the case of Client, Confidential Information includes the terms of this Agreement, all Client Personal Information and Customer Information of Client.

- (aa) “**Control**” and its derivatives mean, with regard to any entity, the legal or beneficial ownership, directly or indirectly, of fifty percent (50%) or more of the shares (or other ownership interest, if not a corporation) of such entity ordinarily having voting rights.
- (bb) “**Critical Assets**” means facilities, systems, and equipment which, if destroyed, degraded, or otherwise rendered unavailable, would affect the reliability or operability of any electricity distribution system.
- (cc) “**Critical Cyber Assets**” means programmable electronic devices and communication networks including hardware, software, and data essential to the reliable operation of Critical Assets.
- (dd) “**Contract Year**” means each of the period from the Effective Date to December 31, 2015 and each subsequent twelve-month (12) period during the Term.
- (ee) “**Current Year Adjusted Fees**” has the meaning ascribed in Section 16.1 hereof.
- (ff) “**Customer Information**” means any information relating to: (i) a customer of Client; or (ii) a customer of any retailer, wholesaler or generator of electricity.
- (gg) “**Deliverables**” means Proprietary Materials and other items or deliverables to be delivered in connection with, or as part of the Services, pursuant to this Agreement by Supplier.
- (hh) “**Disaster Recovery Plan**” means, collectively Client’s plans for disaster recovery contemplated by Schedule 11.1.
- (ii) “**Disclosing Party**” means the Party disclosing the Confidential Information or on behalf of whom Confidential Information is disclosed to the Receiving Party.
- (jj) “**Dispute**” has the meaning ascribed in Section 10.4(a) hereof.
- (kk) “**Effective Date**” means has the meaning ascribed in the first page of this Agreement.
- (ll) “**Exclusion Zones**” means areas containing equipment bounded by a physical barrier indicating restricted entry, for the purposes of safety to personnel and reliability of the electricity distribution system.
- (mm) “**Exhibit**” means any exhibit attached to a Statement of Work.
- (nn) “**Expected Service Level**” or “**Expected Service Level Target**” means the desired level of performance for a Service Level, as initially set forth in Exhibit 3-A (Service Level

Management) and its attachments, for the Service Levels at the Effective Date, and as the same may be changed in accordance with Section 7 of Schedule 5.1 (Service Level Management).

- (oo) “**Event of Force Majeure**” has the meaning ascribed in Section 11.2(a) hereof.
- (pp) “**Fees**” has the meaning ascribed in Section 17.1(a) hereof.
- (qq) “**Financial Terms**” means the Exhibits and Attachments setting out methodologies and amounts payable by either Party under this Agreement.
- (rr) “**Framework**” has the meaning ascribed in Section 13.2(a) hereof.
- (ss) “**Governance Process**” means the processes and procedures set out in Schedule 10.1.
- (tt) “**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, official, minister, Crown corporation, or court or other law, rule or regulation-making entity having jurisdiction over Supplier, Client, or any Person, property, transaction, activity, or other matter related to this Agreement, and includes the government of the Province of Ontario in its role as shareholder of Client’s parent, excluding, for greater certainty, Client, which will not be considered to be a Governmental Authority for the purposes of this Agreement.
- (uu) “**Guarantees**” means the performance bonds and/or other security, further described below in this subsection. Supplier acknowledges and agrees that, although Client has agreed to dispense with the execution and delivery of Guarantees by Supplier upon the execution of this Agreement, at any time and from time to time that there is a material change in the (1) ownership structure that involves a transfer of partnership interests of Supplier, or voting shares of Supplier’s general partner, to a Person other than an Affiliate of Johnson Controls, Inc. or Brookfield Office Properties Inc. and/or (2) creditworthiness of Supplier, Client may request and Supplier shall execute and deliver the Guarantees. The performance bonds will be in a form satisfactory to the Client and in the amount of Four Million Dollars (\$4,000,000) and shall be at the sole cost and expense of Supplier. The surety will be acceptable to the Client and licensed to issue performance bonds in the Province of Ontario. Once requested and delivered, the Supplier shall maintain the performance bonds in good standing until the fulfillment of its obligations under this Agreement.
- (vv) “**Intellectual Property Rights**” means all rights protectable by copyright, trade-mark, patent, industrial design or trade secret and other intellectual property rights under any Law, including common law.
- (ww) “**Internal Control Audit**” means: (1) an SSAE No. 16 audit as determined by the American Institute of Certified Public Accountants or any successor standards; (2) a CSAE No. 3416 audit as determined by the Canadian Institute of Chartered Accountants or any successor standards; or (3) any comparable audit of internal controls approved by Client, in its discretion.

- (xx) “**Internal Dispute Resolution Process**” means the process for addressing Disputes set out in Section 10.4 hereof.
- (yy) “**Key Position**” means any of the positions listed in Schedule 9.1 or identified as a “Key Position” in a Statement of Work.
- (zz) “**Laws**” means any applicable laws, statutes, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directives, directions and judicial, arbitral, administrative, ministerial or departmental judgments, awards or other requirements of any Governmental Authority, in each case, having the force of law in any jurisdiction in which Supplier provides Services or in which Client carries on business, or otherwise binding upon Client.
- (aaa) “**Liability Cap**” has the meaning ascribed in Section 20.2
- (bbb) “**Losses**” means any and all damages, fines, penalties, deficiencies, losses, liabilities (including settlements and judgments), costs and expenses (including interest, court costs, fees and expenses of lawyers, accountants and other experts and professionals or other fees and expenses of litigation or other proceedings or relating to any Claim, default or assessment).
- (ccc) “**Managed Contract**” means any contract identified as a Managed Contract in a Statement of Work, Exhibit or Attachment or Change Order.
- (ddd) “**Managed Contract Commencement Date**” means, for each Managed Contract, the date set out in the applicable Statement of Work or Change Order on which Supplier’s obligations pursuant to Sections 7.4, 7.5, and 7.6 commence.
- (eee) “**Managed Contract Supplier**” means each third party supplier that is a party to a Managed Contract.
- (fff) “**Managed Contract Termination Date**” means, for each Managed Contract, the date set out in the applicable Statement of Work or Change Order on which Supplier’s obligations pursuant to Sections 7.4, 7.5, and 7.6 will cease.
- (ggg) “**Mandated Change**” means a Change required by applicable Laws or requested of Client by any Governmental Authority.
- (hhh) “**Measurement Period**” has the meaning ascribed in Schedule 5.1.
- (iii) “**Minimum Service Level Default**” means Supplier’s level of performance for a particular Critical Service Level fails to meet the applicable Minimum Service Level in the applicable measurement period.
- (jjj) “**MSA Change Request Procedures**” has the meaning ascribed in Section 10.3(a) hereof.
- (kkk) “**New Service**” means any service requested by Client in accordance with this Agreement that: (i) is not included in the scope of the Services under this Agreement at the time of such request; and (ii) is not a Change.

- (lll) “**New Works**” has the meaning ascribed in Section 12.3 hereof.
- (mmm) “**Objection Notice**” has the meaning ascribed in Section 13.4(b) hereof.
- (nnn) “**OEB**” means the Ontario Energy Board and any successor authority.
- (ooo) “**Parties**” means Client and Supplier, and “**Party**” means any one of them.
- (ppp) “**Pass-Through Expenses**” or “**Reimbursable Charges**” means charges incurred by Provider that the parties have agreed are to be paid by Supplier on Client’s behalf and reimbursed by Client without mark-up, commission or rebate including:
- (i) Third party fees, charges and expenses,
 - (ii) Charges for work performed by Provider personnel and charged at an agreed rate, and
 - (iii) Expenses incurred by Provider in relation to employees dedicated to the provision of Services under this agreement.
- (qqq) “**Person**” means any individual, corporation, partnership, governmental body, trust, association or unincorporated organization.
- (rrr) “**Personal Information**” has the meaning set out in applicable Law for the protection of privacy as from time to time enacted or amended, (including the *Personal Information and Protection of Electronic Documents Act* (Canada)), including any information about an identifiable individual.
- (sss) “**Pre-Construction Services**” has the meaning ascribed in Section 4.15
- (ttt) “**Prime Rate**” means the prime commercial lending rate of interest (expressed as an annual rate) which The Toronto-Dominion Bank establishes as its reference rate of interest from time to time for the purpose of determining the rate of interest that such bank will charge to its customers for loans in Canadian funds.
- (uuu) “**Procedures Manual**” means the manuals to be developed and updated by Supplier which describes the hardware, software, Proprietary Materials, processes and procedures used to deliver the Services specified in this Agreement, including each Statement of Work, all as more particularly described in Section 3.2 hereof.
- (vvv) “**Proposal**” means Supplier’s or its Affiliate’s proposal to the RFP.
- (www) “**Proprietary Materials**” means any work product, software (including programming code, such as source code and object code), systems, data, modules, tools, methodologies, analysis, frameworks, building designs or drawings, specifications, reports, drawings, documentation, manuals, solution construction aids, interfaces, advertising and marketing materials, formula, designs, models, drawings and inventions, including all methods, processes, business or otherwise.

- (xxx) “**Receiving Party**” means the Party receiving Confidential Information and such of its Representatives as may receive Confidential Information on its behalf.
- (yyy) “**Renewal Term**” has the meaning ascribed in Section 2.2.
- (zzz) “**Representatives**” means with respect to a Party, each of its shareholders, directors, officers, employees, professional advisors (including lawyers, accountants, consultants and financial advisers), its Affiliates, and the shareholders, directors, officers, employees, and professional advisors (including lawyers, accountants, consultants and financial advisers) of each of its Affiliates.
- (aaaa) “**RFP**” means the request for proposal **Facilities and Capital Program Management** dated 7 February, 2014 for provision of the Services under the Statements of Work set out in Section 1.3 hereof.
- (bbbb) “**Restructuring Successor Entity**” has the meaning ascribed in Section 4.4.
- (cccc) “**Schedules**” has the meaning ascribed in Section 1.2 hereof.
- (dddd) “**Service Effective Date**” means, for Services to be performed by Supplier under a Statement of Work or Change Order: (a) the date for Service commencement set out in the Statement of Work or Change Order; or (b) if no such date is set out in the Statement of Work or Change Order, the effective date of the Statement of Work or Change Order.
- (eeee) “**Service Levels**” means the service levels and standards described in Schedule 5.1 and identified in the Statements of Work as “Service Levels”, as amended in writing by the Parties from time to time in accordance with this Agreement.
- (ffff) “**Service Level Credits**” means the financial credits, if any, as calculated in the manner specified in Schedule 5.1, to be awarded to Client by Supplier as a result of a failure to achieve certain Service Levels described in a Statement of Work.
- (gggg) “**Service Level Termination Event**” means the occurrence of Service Level Defaults in three (3) consecutive Measurement Periods or four (4) Service Level Defaults in any six (6) Measurement Periods.
- (hhhh) “**Service Locations**” has the meaning ascribed in Section 8.1.
- (iiii) “**Services**” means: (i) all of the services, tasks, facilities, deliverables and resources performed or provided by Supplier, and all other obligations of Supplier, pursuant to this Agreement, including the Statements of Work and the Termination Transition Services; and (ii) all services, tasks, duties, functions and responsibilities that are inherent, necessary or customarily provided as part of the Services described clause (i) even though they may not be fully described in the Agreement or the applicable Statement of Work, **excluding, for greater certainty, services, tasks, duties, functions and responsibilities set out in the Capital Projects Agreements.**
- (jjjj) “**Statement of Work**” means each statement of work identified in Section 1.3 and any other statement of work entered into by the Parties in connection with this Agreement in accordance with Section 4.2 hereof, including any attachments thereto.

- (kkkk) “**Successor Supplier**” means any service provider designated by Client to assume any or all of the Services upon termination or expiry of this Agreement or any Statement of Work, in whole or in part.
- (llll) “**Supplier Indemnified Parties**” means Supplier and each of its Affiliates and their respective Representatives.
- (mmmm) “**Supplier Personnel**” means employees of Supplier and its Supplier Subcontractors assigned to perform the Services pursuant to this Agreement.
- (nnnn) “**Supplier Subcontractor**” means any Affiliate of Supplier, or subcontractor to Supplier or any Affiliate of Supplier, that performs Services hereunder, even if not approved by Client to perform such Services as required pursuant to Section 9.4.
- (oooo) “**Target Results**” has the meaning ascribed in Section 16.1 hereof.
- (pppp) “**Taxes**” has the meaning ascribed in Section 17.8 hereof.
- (qqqq) “**Term**” means the Initial Term and all Renewal Terms.
- (rrrr) “**Termination Transition Plan**” means the plan to be prepared by Supplier in accordance with the termination transition plan requirements set out in Schedule 15.4.
- (ssss) “**Termination Transition Services**” has the meaning ascribed in Schedule 15.4.
- (tttt) “**Third Party Benchmarking**” has the meaning ascribed in Section 16.1(a) hereof.
- (uuuu) “**Third Party Claims**” means claims made against Client or its Affiliates, or against Supplier or its Affiliates, as applicable, by their respective customers or suppliers, or any other third parties.
- (vvvv) “**Third Party Materials**” has the meaning ascribed in Section 18.3 hereof.
- (wwww) “**Transition**” means the transition of the Services from Client or its service providers to those Services, systems, processes, methods, and personnel required under this Agreement.
- (xxxx) “**Transition Plan**” means the plans for Transition identified in the applicable Statement of Work.
- (yyyy) “**Transparency**” means providing Client with information about (which will not be less than Supplier would provide to its own management team) and reasonable direct input into procurement processes, potential suppliers, proposed products and specifications, supplier selection processes, costs and pricing, payment schedules, contract terms (including warranties, ownership of intellectual property, usage constraints), commitments (including volumes, length of term, etc.) and any special benefits offered by a supplier such as discounts, rebates, trade-ins and refunds.
- (zzzz) “**Wilful Misconduct**” means acts or omissions of a Party that are committed or omitted by such Party deliberately notwithstanding that it knows that such acts or omissions: (i)

constitute a breach of this Agreement; or (ii) are unlawful, negligent or reckless, including fraud and, in the case of Supplier, abandonment of any of the Services in breach of any term of this Agreement.

1.2 Schedules

The following schedules are annexed hereto and form part of this Agreement, as such schedules may be updated and revised from time to time pursuant to and in accordance with this Agreement (each such schedule and any other schedule mutually agreed in writing by the Parties and signed by an authorized signatory for each Party in accordance with Section 22.12 hereof, a “**Schedule**” and, collectively, the “**Schedules**”):

- Schedule 1.1 - Acronyms
- Schedule 1.1(o)(i) - Form of Agreement for Sustainment Capital Projects
- Schedule 1.1(o)(ii) - Form of Agreement for New Build Projects
- Schedule 1.3 - Form of Statement of Work
- Schedule 3.1 - Transition Plan
- Schedule 3.2 - Table of Contents of the Procedures Manual
- Schedule 4.5 - Client Policies and Guidelines
- Schedule 5.1 - Service Level Methodology
- Schedule 5.4 - Client Satisfaction Surveys
- Schedule 9.1 - Key Positions
- Schedule 10.1 - Governance
- Schedule 10.3 - MSA Change Request Procedures
- Schedule 11.1 - BC/DR Management
- Schedule 15.4 - Termination Transition Plan Requirements

1.3 Statements of Work

The following Statements of Work have been identified by the Parties and form part of this Agreement as of the Effective Date:

<u>Statement of Work</u>	<u>Title</u>
Statement of Work #1	Facilities and Capital Projects Management

The Parties may agree to add other Statements of Work not otherwise set out in the table above to this Agreement in accordance with Section 4.2.

1.4 Order of Precedence

In the event of a conflict or inconsistency, the following will be the order of precedence of documents comprising this Agreement (in descending order of priority):

- (a) Article 1 to Article 22 of this Agreement;
- (b) the Schedules annexed to this Agreement;
- (c) the Statements of Work (excluding any Attachments or Exhibits thereto);
- (d) the Attachments and Exhibits to the Statements of Work; and
- (e) the Proposal, as provided in this Section.

provided that the terms and conditions of any document executed subsequently to any other document will override the terms and conditions of a prior document if the subsequent document expressly refers to the provisions in the prior document over which it prevails and this Section, but only for the purposes of the specific prior document that contains such express reference, and provided further that such document is signed by an authorized signatory for each Party.

In the event of any ambiguity with respect to Supplier's obligations not resolved by items listed in Sections (a) to (d) in this Section, Supplier's statements in the Proposal shall be incorporated into this Agreement to the extent such statements resolve the ambiguity.

1.5 Consents

Where either Party has a right of consent or approval in respect of any matter in connection with this Agreement, unless expressly provided otherwise herein, it will not unreasonably withhold such consent or approval and will endeavour to respond to the other Party's request for such consent or approval in a timely manner. Where this Agreement provides that the Parties are to mutually agree upon certain procedures, standards or details, they will at all times act reasonably, co-operatively and in good faith. The foregoing requirements will not apply in respect of a request to amend or renew the provisions of this Agreement, including, for greater certainty, Change Orders or New Services.

1.6 General Interpretation

- (a) **Gender and Number** - In this Agreement, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- (b) **Article and Section Headings** - The insertion of headings and the division of this Agreement into Articles and Sections are for convenience of reference only and will not affect the interpretation hereof. The words "hereof", "hereunder", "hereto" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion of this Agreement.

- (c) **Extended Meaning** – (i) The use of the terms “including” or “include” mean “including, without limitation” or “include, without limitation,” respectively; (ii) the term “Services” or “the Services” means “Services, or any part thereof” or “the Services, or any part thereof”, as applicable; and (iii) a definition applies to other forms of the word.
- (d) **Currency** - All references to money amounts herein, unless otherwise specified, will be to Canadian currency and all amounts invoiced under this Agreement will be denominated and payable in Canadian currency.
- (e) **Generality** - No specific representation, warranty or covenant contained herein will limit the generality or applicability of a more general representation, warranty or covenant contained herein. A breach of, or inaccuracy in, any representation, warranty or covenant will not be affected by the fact that any more general or less general representation, warranty or covenant was not also breached or inaccurate.
- (f) **Construction** - The Parties acknowledge and agree that they have mutually negotiated the terms and conditions of this Agreement and that any provision contained herein, with respect to which an issue of interpretation or construction arises, will not be construed to the detriment of the drafter on the basis that such Party was the drafter, but will be construed according to the intent of the Parties as evidenced by the entire Agreement.
- (g) **Technical Terms** - Technical terms used in this Agreement that are not defined in this Agreement will have the generally accepted industry or technical meaning given to such terms.

1.7 Statutory References

A reference to a statute includes all regulations made pursuant to the statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements or supersedes the statute or the regulation.

1.8 Time Periods

Unless otherwise specified, time periods, within which or following which any payment is to be made or act is to be done, will be calculated by excluding the day on which the period commences and including the day on which the period ends and where the time is expressed in Business Days by extending the period to the next Business Day following, if the last day of the period is not a Business Day.

1.9 Time is of the Essence

Time is of the essence in respect of Supplier’s performance of the Services.

1.10 Accounting Principles

Supplier acknowledges that Client makes its financial calculations and maintains its books and records in accordance with generally accepted accounting principles as approved by the United States Financial Accounting Standards Board (“US GAAP”), or other generally accepted accounting principles approved by the OEB for use by Client. Upon request by Client, Supplier will provide Client with financial information in a form which permits Client to prepare its

financial records in accordance with US GAAP or other generally accepted accounting principles approved by the OEB for use by Client.

ARTICLE 2 TERM

2.1 Initial Term

This Agreement is effective as of the Effective Date and, unless terminated earlier as provided herein, will expire on 12:01 a.m. EST on the day that is the tenth (10) anniversary of the Effective Date (the “**Initial Term**”).

2.2 Renewal Terms

This Agreement may be renewed by Client for one additional term of three (3) years (“**Renewal Terms**”) on the same terms by providing Supplier with written notice no less than ninety (90) days prior to the expiry of the Initial Term.

2.3 Statements of Work Terms

Each Statement of Work will remain in force for the Term (but will not remain in force past the end of the Term), provided that a Statement Work may set out: (i) an alternative shorter period in which it is to remain in force, which shorter period will then apply to such Statement of Work; and, (ii) any terms and conditions relating to the renewal of the Statement of Work, which renewals may not exceed the Term of this Agreement.

ARTICLE 3 MIGRATION AND TRANSITION

3.1 Transition Plan

Supplier will assume the activities, in accordance with the applicable Transition Plan, at each Client Service Area as specified in the applicable Transition Plan, comprising the Services, whether at the time of Transition performed by Client or its service providers, and facilitate, as and to the extent set out in the Transition Plan, the uninterrupted and efficient continued operation of the Services during and after each Transition. Supplier represents and warrants that each Transition Plan has been or will be prepared in accordance with and conforms to leading industry practice and is otherwise suitable to carry out the timely migration of all such Services in accordance with leading industry practice. Supplier will complete the tasks and duties set out in each Transition Plan, including transition of specific Services in accordance with the timing requirements set out in each Transition Plan, subject to: (a) Client’s completion of any activities or tasks that Client will need to complete in order for Supplier to perform such Supplier tasks and duties, as and to the extent set out in the Transition Plan; and (b) Client’s completion of such Client activities or tasks on or prior to the applicable dates set out in the Transition Plan for Client’s completion of such Client activities and tasks. Supplier will report to Client weekly on progress towards completion of each Transition through a suitable dashboard tool and through the Governance Process.

3.2 Creation of Procedures Manual

- (a) In the course of Transition, Supplier will complete, at no additional charge, and deliver to Client a comprehensive Procedures Manual containing content in Schedule 3.2, and according to the terms thereof. The Procedures Manual will be updated to reflect Changes from no less frequently than annually during the currency of the Agreement, but no less frequently than annually.
- (b) The Procedures Manual will be, in form and substance, sufficient to enable Client, or a Successor Supplier that is reasonably skilled in the provision of services similar to the Services, to fully and effectively assume the provision of the Services without degradation of the Services. The Procedures Manual will include all system, application, operational documentation and user and training documentation relevant to the Services provided under this Agreement. Upon the expiration or termination of the Agreement, all such documentation together with an up to date Procedures Manual will be delivered to Client.
- (c) The Procedures Manual will describe how the Services specified in each Statement of Work are performed (including a description of business processes and methodologies), the responsibilities of Supplier and the activities or tasks that Supplier will be dependent on Client to perform in order for Supplier to perform its responsibilities, but, for greater certainty, no approval thereof will be interpreted so as to relieve Supplier of any of its performance obligations under this Agreement or any Statement of Work.

ARTICLE 4 SERVICES

4.1 Scope of Services

Supplier will provide to Client and, to the extent specified by Client, to its Authorized Affiliates all of the Services set out in each Statement of Work.

4.2 New Services and Statements of Work

Client may, from time to time, in its discretion, request that Supplier provide New Services (but nothing herein shall be deemed to require Client to offer New Services to Supplier). The Parties will set out each New Service and the terms and conditions relating to each New Service in a Statement of Work, provided, however, that Client may, in its sole discretion, elect to have a New Service implemented through a Change Order rather than through a Statement of Work. If Client elects to have the New Service implemented through a Statement of Work, each Statement of Work will be prepared jointly by the Parties and in a form substantially similar to the form of Statement of Work set out in Schedule 1.3, unless otherwise agreed by the Parties. To be valid, any such Statement of Work must be signed by an authorized representative of each Party and reflect the Parties' intention that it be a Statement of Work forming part of this Agreement. The Parties will take into account collective agreements and related obligations when considering New Services. Each Statement of Work will incorporate by reference the terms and conditions of this Agreement, unless the Statement of Work expressly provides otherwise, and

4.3 Client Affiliates

- (a) Supplier will provide Services to Authorized Affiliates designated by Client from time to time. Client will be responsible, including financially responsible, for the use of Services by an Authorized Affiliate.
- (b) Upon written request by any Affiliate of Client, Supplier will enter into a separate agreement with such Affiliate for the provision of services similar to the Services provided under this Agreement, on terms and conditions which are the same or substantially the same as those herein (including fee structure). Client will not be responsible for the performance of any separate agreement by an Authorized Affiliate.

4.4 Separation and Client Restructuring

Supplier will, upon request made by Client from time to time, enter into one or more separate service agreements, on terms and conditions which are the same or substantially the same as those herein (including fee structure), with (i) an Authorized Affiliate of Client designated by Client or (ii) successors in whole or part to Client's mandate to provide electricity transmission and distribution in the Province of Ontario (each a "**Restructuring Successor Entity**"), and in connection therewith, will diligently, co-operatively and in good faith work with Client to divide and allocate all of the Services, benefits and responsibilities under this Agreement among Client and the Restructuring Successor Entity, including under the Statements of Work, efficiently and equitably, between this Agreement and the separated agreements in a manner satisfactory to Client and Supplier, each acting reasonably. If as a result of entering into any such agreement with a Restructuring Successor Entity, there is a reduction of the Services to be provided by Supplier under this Agreement, the Fees and charges payable by Client will be reconciled and equitably reduced and any material increase in the aggregate Services provided by Supplier will be equitably allocated among this Agreement and any additional agreements entered into as described in this Section.

4.5 Client Policies and Guidelines

Supplier will comply with all of Client's written policies and guidelines including those listed in Schedule 4.5 hereto and in any Statement of Work (collectively, the "**Client Policies**"), copies of which have been provided or made accessible to Supplier. Supplier will also comply with new, additional or amended policies and guidelines as Client may, from time to time, reasonably require.

4.6 Technology, Process Evolution, and Continuous Improvement

In providing the Services to Client, Supplier will, at no additional cost to Client: (a) continually improve its technology, processes and methodologies in order to allow the Customer to take advantage of technology, process and methodology advances related to the Services; (b) provide for Client's evaluation any technology development that could reasonably be expected to have a positive impact on the Services, which Supplier uses or intends to use for any of its other customers for similar services; and (c) proactively identify, investigate, and present to Client opportunities to reduce the cost to Client or its Authorized Affiliates of their operations or of receiving the Services (including reductions in Fees in addition to any required reductions set out in this Agreement). No less frequently than annually, the Supplier will provide a report detailing

the activities and improvements of Supplier with respect each of the items in (a), (b) and (c) in this Section.

4.7 Reports

Supplier will provide to Client, in the form acceptable to Client, the reports described in this Agreement and any Statement of Work. For greater certainty, Supplier's costs in collecting and analyzing data and in preparing reports are included in the Fees, and Supplier's performance of such Services is not subject to any additional charges, fees or reimbursements. Client may at any time during the Term require reasonable additional ad-hoc reports. Such additional ad-hoc reports will be provided at no additional Fees to Client.

4.8 Responsibility for Resources

Except as otherwise expressly provided in this Agreement or the applicable Statement of Work, Supplier will be responsible for providing the facilities, personnel, equipment, tools, software, technical knowledge, expertise and other resources necessary for Supplier to provide the Services.

4.9 Cooperation

Supplier will cooperate at no cost with Client and any third party suppliers of equipment, software or services to Client, which cooperation will include at Client's request: (a) making available and providing access to the facilities being used by Supplier to provide the Services (as necessary for Client or a third party to perform its work); (b) making available and providing access to systems, software and tools to the extent necessary for Supplier to provide the Services or for Client to use the Services, as applicable, or for the third party suppliers to perform its work for Client; and (c) providing such information regarding the operating environment, system constraints and other operating parameters necessary for Client or a third party to perform its work. Client acknowledges that third parties retained by Client may be required by Supplier to agree to comply with Supplier's reasonable security and confidentiality requirements and, to the extent performing work on Supplier-owned, licensed or leased systems or software, to agree to Supplier's reasonable work standards, methodologies and procedures.

4.10 Delegation by Client

Client may from time to time, upon written notice to Supplier, appoint one or more third parties to act on its behalf in connection with this Agreement which may include delegation of authority, service management, service level management, decision making and oversight. Such notice will specify the extent of such third party's authority and, without limiting the provisions of Section 4.9, Supplier will comply with and will be entitled to rely on the instructions and decisions of such third party to the extent specified in such notice.

4.11 Notice of Adverse Impact or Safety or Environmental Issues

If Supplier becomes aware of any situation: (a) that has negatively impacted or reasonably could negatively impact the maintenance of Client's internal controls or compliance with Client's physical security, information security or other policies or procedures described in this Agreement or any Statement of Work, or applicable Laws; (b) that has had or reasonably could

have any other material adverse impact on the Services (including any delay in delivery or performance, change in Control or change in legal form of Supplier, or infringement of Intellectual Property Rights); (c) that will or could lead to any non-compliance with any Law, Client Policy, standard or Client practice relating to occupational or public health, worker, public or facility safety, or the environment; (d) any non-compliance with collective agreements and their related obligations or threatened work stoppages; or (e) any other act, omission or development which would be important for Client to be aware of in order to take precautions to prevent an adverse effect to its businesses or reputation; then Supplier will promptly inform Client verbally and confirm in writing of such situation and the impact or expected impact and, upon request by Client, Supplier and Client will meet in accordance with the Governance Process to formulate and implement an action plan to minimize or eliminate the impact of such situation.

4.12 Compliance with Law

Supplier will comply with all applicable Laws in the course of performing its obligations and other activities under this Agreement.

4.13 Compliance with Collective Agreements

Supplier will comply with all collective agreements in respect of the Services and related obligations that are: (a) binding upon Supplier; or (b) binding upon Client to the extent Client has provided such collective agreements to Supplier.

4.14 Liens

Supplier will use commercially reasonable efforts to prevent the application of liens to any Client Assets when carrying out the Services. If a lien arising from the performance of the Services is registered against any Client Asset or Client has received a written notice of lien, Supplier will, at its sole expense, vacate or discharge or cause the withdrawal of the lien, as required by Client within five (5) days of becoming aware of such lien.

4.15 Capital Projects

- (a) During the Term, Supplier will, pursuant to Capital Project Agreements, provide design, construction, and other related services in respect of Capital Projects for which the Client requests Supplier's assistance from time to time. Within fifteen (15) Business Days of receipt of Client's request, Supplier will provide Client with lump sum price for the performance of pre-construction and design services in respect of the Capital Project ("**Pre-Construction Services**"). If Client finds the fees proposal for the Pre-Construction Services acceptable, Client will notify Supplier and the Parties will enter into the applicable Capital Project Agreement for the requested Capital Project. For greater certainty, the form of Capital Project Agreement will depend on whether the Capital Project is a Sustainment Capital Project or New Build Project. Supplier will be the design builder under each Capital Project Agreement and will be responsible under each Capital Project Agreement for the design and construction of the contracted Capital Project.

- (b) For activities carried out under the Capital Projects Agreements, compensation will be as set out in each Capital Project Agreement. The Project Management Fee will be arrived at by applying the percentage set out in the Financial Terms applicable to the type Capital Project (depending on whether a Sustainment Capital Project or New Build Project) to the cost of the work as specified in the Capital Project Agreement.
- (c) Nothing in this Agreement obligates Client to: (i) enter into any Capital Project Agreement with Supplier for any particular Capital Project; or (ii) retain the Supplier for a minimum number of Capital Projects during the Term.
- (d) Supplier will be responsible for keeping Client fully informed of conformity to schedule and budgets for all Capital Projects being carried out by the Supplier, including consumption of the aggregate budgets established by the Client for all Capital Projects in a period. Supplier will report to Client in accordance with the requirements of the Governance Process with respect to the foregoing obligations. Supplier will generate value for money and savings across all Capital Projects taken as a whole, while maintaining quality and compliance with highest standards applicable in the construction industry and conformance with any applicable Client Policies.

ARTICLE 5 SERVICE LEVELS

5.1 Service Level Management

Supplier will perform the Services in accordance with the Service Levels. The Service Levels assigned to Services are set out in the Statements of Work, Exhibits or Attachments. Additional terms applicable to Service Levels are set out in Schedule 5.1, including the applicable methodology for calculating Service Levels and Service Level Credits, and for dealing with Service Level Defaults.

5.2 Service Level Default

If a Service Level Default occurs, Supplier will promptly: (i) investigate, assemble and preserve pertinent information with respect to, and report on the causes of, the Service Level Default, including performing a root cause analysis; (ii) take all steps necessary to prevent such Service Level Default from recurring; (iii) advise Client, as and to the extent requested by Client, of the status of remedial efforts being undertaken with respect to such Service Level Default; (iv) provide any applicable Service Level Credits to Client calculated in the manner specified in Schedule 5.1 or the applicable Statements of Work Exhibits or Attachments, provided that the provision and acceptance of Service Level Credits shall not limit any other remedies which Client may have with respect to the events giving rise to the Service Level Default.

5.3 Service Level Reporting

Supplier will deliver to Client detailed reports (including at Client's request, executive summaries) in respect of the achievement of Service Levels, including appropriate analysis of trends and variances on the frequency specified in the applicable Statement of Work, together with such other information as is required by the applicable Statement of Work. Without limiting the generality of the foregoing, such reports will be suitable to enable Client to: (i) review and

analyse the proficiency and accuracy of Supplier's provision of the Services; (ii) compare Supplier's actual performance against that specified in each of the Service Levels; and (iii) confirm the calculation of Service Level Credits. Upon request, Supplier will provide a copy of such reports to Client in a form and format approved by Client.

5.4 Client Satisfaction Surveys

Client satisfaction methodology is set out in Schedule 5.4.

ARTICLE 6 [RESERVED]

ARTICLE 7 ASSETS AND CONTRACTS

7.1 Client Assets

Client will make available for use by Supplier certain Client Assets. As between the Parties, Client will retain all right, title and interest in the Client Assets except as may be otherwise expressly set out in the applicable Statement of Work. Supplier will be responsible for all loss and damage in respect of all Client Assets or portions thereof which are caused by Supplier. Any tangible Client Assets returned to Client will be returned in the same physical condition as originally delivered by Client to Supplier, reasonable wear and tear or similar depreciation or depletion excepted.

7.2 Use of Client Assets

Supplier may not use any of the Client Assets for any purpose other than the provision of Services under this Agreement without the prior written consent of Client. Supplier will return all Client Assets to Client in an orderly manner at the earlier of: (a) the expiration or termination of this Agreement or the applicable Statement of Work; and (b) when the Client Assets that are no longer required by Supplier.

7.3 Assigned Contracts

- (a) Supplier will assume and perform all of the obligations of Client under any Assigned Contracts after the effective date of assignment of the applicable Assigned Contract (the "**Assigned Contract Effective Date**"), including payment of all related fees attributable to periods on or after the Assigned Contract Effective Date.
- (b) Once validly assigned by Client, the Assigned Contracts will become the responsibility of Supplier without further obligation on the part of Client owed to the other party to the applicable Assigned Contract, except in respect of the period prior to the Assigned Contract Effective Date. Client will use its commercially reasonable efforts to obtain any required consents to such assignments. Supplier will provide reasonable assistance in connection with Client's efforts to obtain such consents and will execute such documents as the other parties may reasonably require in connection therewith. In the event that Client cannot obtain any such consents, or cannot obtain such consents without the

obligation on its part to pay a material fee, each applicable Assigned Contract will be treated as a Managed Contract unless the Parties mutually agree to another alternative. In addition to any general budgeting and cost reduction measures described in this Agreement, Supplier shall use reasonable efforts to manage Assigned Contracts to reduce Pass-Through Expenses resulting from them, including, terminating, re-negotiating and replacing certain Assigned Contracts.

- (c) The Parties agree that Assigned Contracts will not include any employment contracts or collective agreements.

7.4 Maintenance, Administration and Operational Responsibilities Relating to Managed Contracts

For each Managed Contract, commencing on the Managed Contract Commencement Date and continuing until the Managed Contract Termination Date, Supplier will:

- (a) maintain in a secure manner copies of the Managed Contract and related documentation and information, including: (i) all agreed upon change requests; (ii) any amendments to the Managed Contract; (iii) all invoices and supporting financial documentation; (iv) all reports provided in accordance with the Managed Contract; and (v) any other correspondence relating to the Managed Contract;
- (b) at Client's request, provide Client with access to the Managed Contract and other documentation and information described in Section 7.4(a) above, or provide Client with answers to questions posed by Client relating to such Managed Contract, documentation or information;
- (c) manage the relationship and communicate with the Managed Contract Supplier as required under and in accordance with the Managed Contract, and assume all other administrative responsibility for the Managed Contract;
- (d) monitor, manage and use commercially reasonable efforts to ensure that each Managed Contract Supplier complies with its obligations under the Managed Contract, including any obligations of the Managed Contract Supplier to identify and analyze the cause of any failure to meet the service levels, specifications or any other performance requirement set out in the Managed Contract;
- (e) comply with the terms of the Managed Contract from the Managed Contract Commencement Date to the Managed Contract Termination Date, including, during such period of time, all of Client's obligations thereunder, except to the extent that such compliance is within the control of Client or the Managed Contract Supplier (and not Supplier);
- (f) assist Client with its compliance with any obligations under the Managed Contract that are solely within Client's control, including notifying Client of such obligations;
- (g) enforce, on behalf of and in the name of Client, all rights of Client under each Managed Contract, including any rights relating to a service level failure by the

Managed Contract Supplier and any remedies associated therewith; provided, however, that, with respect to disputes or Claims arising out of or relating to the Managed Contract, Supplier's obligations will be those set out in Sections 7.4(h) and (i) below;

- (h) promptly (or within such other period of time specified in the applicable Statement of Work) notify Client of any actual or potential dispute with the Managed Contract Supplier of which it becomes aware (including any notices of disputes received by Supplier from such Managed Contract Supplier in accordance with the dispute resolution provisions of the Managed Contract, if any) and, at Client's request, and until such time as Client notifies Supplier that it no longer requires Supplier's participation, participate with Client or on Client's behalf in any internal dispute resolution or escalation processes provided in the Managed Contract in respect of such disputes arising after the Managed Contract Commencement Date. If Client requests that Supplier participate in an internal dispute resolution or escalation process on Client's behalf, Supplier will: (i) comply with any instructions provided by Client with respect to the dispute or the process, provided, however, that any liability (including any liability of Supplier) that arises due to Supplier executing and complying with such instructions of Client will be the responsibility, and for the account of, Client; and (ii) report to Client regarding the progress of the process to ensure that at all times, Client has complete, accurate and up-to-date information regarding the status of the dispute and the status of the parties' dispute resolution efforts. Supplier will not settle any dispute without Client's prior consent, and will comply with any agreement or settlement relating to the dispute agreed to by Client and the Managed Contract Supplier (so long as any such agreement or settlement does not contain any admission of fault by Supplier, or create any liability or result in any economic loss of any kind on the part of Supplier, unless Supplier consents to such agreement or settlement). If, at any time at or following the provision by Supplier to Client of notice of an actual or potential dispute pursuant to this Section 7.4(h), Supplier reasonably believes that it would be in Client's best interests to consider pursuing resolution of the dispute through an external adjudication process, Supplier will notify Client of this belief. If Client elects to pursue or is otherwise subject to an external adjudication process with respect to a dispute, Supplier will thereafter be relieved of its obligations set out in this Agreement with respect to the particular dispute, and Supplier's obligations with respect to the dispute will be those set out in Section 7.4(i) below;
- (i) promptly (or within such other period of time specified in the applicable Statement of Work) notify Client of any actual or threatened Claim arising out of or relating to a Managed Contract of which it becomes aware, and, for any such Claims arising in respect of the period after the Managed Contract Commencement Date, cooperate with Client in the investigation, defence and settlement thereof. For greater certainty, except as described in this Agreement, Client, and not Supplier, will be responsible for the investigation, defence and settlement of any Claim arising out of or relating to a Managed Contract; provided, however, that Supplier will comply with any judgment, order or settlement (so long as any such settlement does not contain any admission of fault

by Supplier, or create any liability or result in any economic loss of any kind on the part of Supplier, unless Supplier consents to such settlement) relating to the Claim;

- (j) provide Client with assistance reasonably requested by Client in connection with the initiation, analysis and negotiation of a change in accordance with the change order procedure set out in the applicable Managed Contract;
- (k) identify to Client in writing any rights of Client to engage in benchmarking or other quality assurance testing or verification (including any requirements of the Managed Contract Supplier to provide confirmation that it has complied with any most favoured customer or most favoured pricing commitments included in a Managed Contract) at least 60 days prior to any deadline set out in the Managed Contract for the exercise of such rights (if a deadline is provided);
- (l) at Client's request, either: (i) initiate any benchmarking or other quality assurance testing or verification that Client is entitled to initiate pursuant to a Managed Contract on Client's behalf; or (ii) provide Client with assistance reasonably requested by Client in connection with such benchmarking or other quality assurance testing or verification; and
- (m) not use the services, rights or benefits under the Managed Contract for purposes other than the provision of Services to Client, unless otherwise agreed to in writing by Client.

7.5 Payment of Amounts Due Under Managed Contracts

- (a) Supplier will arrange for the delivery to Supplier by all Managed Contract Suppliers of: (i) invoices for all amounts payable pursuant to the Managed Contract; and (ii) all other supporting documentation that the Managed Contract Supplier is required to provide along with the invoice pursuant to the Managed Contract, as applicable (including, where applicable, charge out details or other details relating to the allocation of such amounts among Client and one or more of its Affiliates or business units thereof). Supplier will promptly review and verify such invoices and reconcile the amounts on the invoice with Client's payment obligations set out in the Managed Contract, and Supplier will pay such invoices in accordance with Client's payment obligations set out in the Managed Contract. Supplier will deliver to Client the original invoice together with a statement identifying which charges Supplier believes are proper and valid, and identifying any errors or other discrepancies identified in any such invoice. Supplier will cooperate with and assist Client to resolve disputes relating to such invoices.
- (b) Supplier will be liable to the Managed Contract Supplier for all interest charges, late fees, penalties or other liabilities payable under the Managed Contract to the extent that such liability is incurred as a result of a failure on the part of Supplier to comply with its obligations under this Agreement.

7.6 Obligations Relating to Expiration and Renewal of Managed Contracts

Supplier will provide to Client written notice of the expiry of any Managed Contract that is due to expire prior to the Managed Contract Termination Date (whether or not the Managed Contract provides for its renewal beyond the expiry date) no later than 60 days prior to: (a) the date by which Client is required to provide notice of its intention to renew or its intention to terminate the Managed Contract, if the Managed Contract includes such a deadline; or (b) the date on which the Managed Contract is due to expire, if the Managed Contract does not include such a deadline. If Client elects not to renew the Managed Contract, then Supplier will thereafter assume responsibility for continuing to provide the Services that were provided pursuant to such Managed Contract in accordance with the applicable service levels before the Managed Contract Termination Date pursuant to a Statement of Work or Change Order, as applicable, to be executed by Client and Supplier.

7.7 Managed Contract Required Consents

If a Managed Contract requires the consent of the Managed Contract Supplier to enable Supplier to perform any of the obligations set out in Sections 7.4, 7.5, and 7.6 above, Client will be responsible for obtaining such consent, and Supplier will not be obligated to perform any obligation that requires such consent until Client obtains such consent. Supplier will cooperate and assist Client in obtaining any such consent, including executing any non-disclosure or confidentiality agreements or other similar agreements as the Managed Contract Supplier may reasonably require.

ARTICLE 8 SERVICE LOCATIONS AND SITES

8.1 Service Locations and Sites

- (a) Supplier will provide the Services from service locations and will provide the services to the sites (in each case, in the Province of Ontario) as specified in the applicable Statement of Work (the “**Service Locations**”). Supplier will not provide Services from any location outside the Province of Ontario.
- (b) For Service Locations that are Client facilities (“**Client Service Areas**”), Supplier acknowledges and agrees that certain work space made available by Client to Supplier Personnel at the Client Service Areas will be shared with personnel of Client. Subject to the availability of space, Client may expand or reduce Client Service Areas as reasonably required to account for increased or decreased provision of Services by Supplier.
- (c) Client may from time to time reconfigure, relocate, alter and renovate the Client Service Areas and Supplier will co-operate with Client in connection therewith.
- (d) Supplier may not alter, renovate, or improve any of the Client Service Areas without the prior written consent of Client.
- (e) Supplier acquires no leasehold or other interest in any Client Service Area and acknowledges that its use of the Client Service Area is as a licensee and not as a

tenant. Supplier shall comply, at no additional cost to Client, with the relevant provisions of all Client Service Area leases that Client has entered into in respect of the Client Service Areas.

8.2 Physical Safety and Security Procedures

Without limiting Section 4.5, Supplier will comply and will require Supplier Personnel to comply with: (a) all policies and procedures relating to physical safety and security provided by Client to Supplier from time to time; and (b) all safety notices, signage and printed warnings related to physical safety and security located at each service location or site or affixed to any equipment or installation that Supplier Personnel have access to in the course of providing the Services.

ARTICLE 9 SUPPLIER PERSONNEL AND SUBCONTRACTORS

9.1 Supplier Personnel

- (a) Supplier will ensure that Supplier Personnel have suitable skills, training, expertise, experience, licences and certificates, as determined by Client, have the interpersonal skills necessary to be successful working with Client and any third party suppliers of equipment, software or services to Client.
- (b) Before assigning any individual to any Key Position in connection with this Agreement, including any re-assignment from one position to another, Supplier will advise Client of the proposed assignment and obtain Client's written approval of such assignment. Supplier will provide a resume to Client in respect each such individual (which will include references) and Client will have the right to interview such individual.
- (c) If Client objects to any individual proposed to be assigned to perform a Key Position, the Parties will resolve Client's concerns; provided, however, if the Parties have not been able to resolve Client's concerns within ten (10) Business Days of being notified by Client of such concerns, Supplier will not assign the individual to that position, and will, instead, within five (5) Business Days after such ten (10) Business Day period, propose to Client the assignment of another individual of suitable ability and qualifications.
- (d) Client, acting reasonably, may from time to time add to or change the positions designated as Key Positions.
- (e) Supplier will cause each individual filling a Key Position, to devote the applicable portion of their time specified in Schedule 9.1 or in the applicable Statement of Work to the provision of Services to Client. If no such portion is specified in respect of a Key Position, Supplier will cause such individual to devote one hundred percent (100%) of their time to the provision of Services to Client.
- (f) Supplier will not remove any individual from a Key Position without Client's prior written direction or consent, which consent will not be unreasonably withheld, except where forced to do so in the event of employee sickness, resignation or other similar causes beyond Supplier's reasonable control. Supplier will establish and maintain an up-

to-date succession plan for the replacement of individuals serving in Key Positions and will be review such plan with Client on an annual basis. Supplier will not assign the employment of any Key Position to an Affiliate of Supplier without Client's prior written consent.

- (g) The individuals identified in Schedule 9.1 have been approved by Client for the respective Key Positions set out in Schedule 9.1.

9.2 Qualifications, Retention and Removal of Supplier Personnel

- (a) Supplier will assign an adequate number of Supplier Personnel to perform the Services. Supplier Personnel will be properly educated, trained and fully qualified for the Services they are to perform. Supplier will also make Supplier Personnel available and cause Supplier Personnel to attend any other training, skills assessment, or other testing reasonably required by Client. Supplier will not charge Client for the costs of training Supplier Personnel, (including any replacement Supplier Personnel) to become familiar with Client's account or business, this Agreement or the Services.
- (b) Upon written request by Client, Supplier will promptly, and in any event within five (5) Business Days of Supplier's receipt of such request, replace any Supplier Personnel, including any individual assigned to a Key Position, with another individual acceptable to Client. Notwithstanding the foregoing, where Client notifies Supplier that Client has determined that its concern with an individual is of such a nature that such individual should be removed immediately from Client's account, Supplier will immediately remove such individual(s) from Client's account. In the event that Client requires the replacement of any Supplier Personnel within ten (10) Business Days after Client first becomes aware of the assignment of such individual to Client's account, Supplier will not charge Client for work done by such individual.
- (c) Supplier will not permit any Supplier Personnel to access any area at a Site to which Critical Cyber Assets, Exclusion Zones or other restricted access rules or policies apply, including any relay room or transformer area at any Site, unless such access has been approved in accordance with the Client policies, which approval may require that a criminal background check be performed in respect of such personnel. Supplier will be responsible for obtaining any consents required in connection with such criminal background checks and the disclosure of the results of such searches to Client.

9.3 No Responsibility for the Other Party's Personnel

- (a) Notwithstanding that Supplier Personnel may be required to comply with Client's policies and guidelines and may be present at the premises of Client and notwithstanding the exercise by Client of approval and removal rights in respect of Supplier Personnel, Supplier Personnel will at all times remain the employees of Supplier or the applicable Supplier Subcontractor and the sole responsibility of Supplier or the applicable Supplier contractor.
- (b) The employees of Client will at all times remain the employees of Client and the sole responsibility of Client. Supplier will not be required to provide the Services under conditions, whether by contract or operation of Laws, requiring Supplier to become a

party to collective agreements between Client, Client Affiliates, and their respective employees.

- (c) The Parties will do all such acts or things necessary or desirable to give effect to Sections 9.3(a) and 9.3(b).

9.4 Subcontractors

- (a) Supplier acknowledges that it is the prime contractor responsible for the performance of all Services under this Agreement. Supplier will not engage any Supplier Subcontractor in the performance of any material portion of its obligations hereunder (other than the subcontractors listed in Schedule 9.4 as at the Effective date, which are deemed to be Supplier Subcontractors for the tasks specified in that Schedule) where the amounts payable to the Supplier Subcontractor in any 12 month period exceed \$100,000 or where such subcontracting or delegation is prohibited under the applicable Statement of Work, unless Supplier obtains Client's prior written consent. In addition, Supplier will not subcontract on terms which do not permit assignment as of the subcontract upon termination or expiry of this Agreement to Client or a Successor Supplier, without the prior written approval by Client of the subcontractor entity.
- (b) Supplier will be responsible for and will ensure compliance by its subcontractors with all the terms and conditions of this Agreement applicable to the Services being performed by the applicable subcontractor. It will be a condition of any such subcontracting that the subcontractor will: (i) agree to provisions substantially similar to Section 4.9 (Cooperation), Section 4.5 (Client Policies), Section 4.11 (Notice of Adverse Impact), Section 4.13 (Collective Agreements), Section 4.14 (Liens), Section 9.4 (Subcontractors), Article 13 (Audit), Article 12 (Intellectual Property), Article 14 (Confidentiality and Personal Information), Section 15.4 (Orderly Termination), and Section 22.1 (Assignment); (ii) agree to maintain insurance appropriate to the tasks being performed by the subcontractor including W.S.I.B. coverage where required by Law; (iii) execute such compliance agreements as may be reasonably required in a form acceptable to Client and suppliers of third party information, software, products, or services to Client; (iv) agree that it will have remedies under its subcontract against Supplier only, and will have no rights against Client in respect of the subcontract or the services provided by the subcontractor; (v) specifically agree to comply with Client's requirements regarding health and safety and environmental protection; and (vi) agree to comply with the terms of any collective agreement to which the subcontractor is a party.
- (c) Supplier will not prohibit or attempt in any way to prevent any Supplier Subcontractor from: (i) providing services during the term directly to Client provided that they are different from the Services; or (ii) providing any services after the expiration or termination of this Agreement for any reason whatsoever.
- (d) Any approval of any Supplier Subcontractor granted by Client pursuant to this Section will relate only to the specific category of Services and the specific Supplier Subcontractor in respect of which such approval was granted. Any further subcontracting of the same category of Services to another subcontractor or additional categories of Services to the same Supplier Subcontractor or material amendment to the subcontract will require further approval from Client. For greater certainty, any breach by Supplier's

subcontractors, employees and other Representatives of any provision of this Agreement will be deemed a breach by Supplier under this Agreement.

- (e) If Supplier becomes aware of any actual or suspected breach by an Supplier Subcontractor of its subcontract with Supplier or of this Agreement that may affect the ability of Supplier to perform its obligations under this Agreement in a material respect, or if Supplier reasonably believes that any such breach may occur, Supplier will: (i) promptly notify Client in writing and provide Client with such information relating to the breach or alleged breach as Client may request; and (ii) use commercially reasonable efforts to ensure that the Supplier Subcontractor remedies such breach (which commercially reasonable efforts will include the delivery of default notices, use of prescribed governance and dispute resolution and escalation processes, resort to available contractual remedies and other available commercially reasonable steps). If the Supplier Subcontractor fails to remedy such breach within the cure period in the applicable subcontract, Supplier and Client will agree upon the actions that Supplier will take with respect to such Supplier Subcontractor; provided, however, that if Client reasonably believes that the ability of Supplier to perform its obligations under this Agreement will be affected in a material respect or that there will be a material adverse impact on Client (which may include an adverse reputational impact) if such supplier subcontract is not terminated, then Client may require Supplier to terminate such supplier subcontract.

9.5 Performance Principles

- (a) If and to the extent that Supplier is authorized to procure products or services under this Agreement on behalf of or in the name of Client the following will apply:
 - (i) Supplier will act in Client's best interests;
 - (ii) Supplier will ensure that there is Transparency;
 - (iii) if Supplier carries out a competitive procurement, Supplier will carry out a competitive procurement which is fair, in compliance with its terms and in compliance with Laws;
 - (iv) if Client designates a specific supplier, Supplier will contract with such supplier, provided that: (a) the applicable pre-approved Pass-Through Expenses will be adjusted pursuant to **Section 1.4.2 of Exhibit 4 to the Statement of Work #1 Facilities and Capital Project Management** solely to the extent required to account for any incremental expense of utilizing the Client-designated supplier; and (b) Supplier will be able to make adjustments to Service Levels pursuant to the MSA Change Request Procedures solely to the extent required to reflect the effect, if any, of utilizing the Client-designated supplier;
 - (v) Supplier will obtain Client's prior written consent before Supplier or its Affiliates accept, for their own benefit, any discounts, rebates, rewards, allowances, credits or similar benefits offered by provider of such products or services;

- (vi) for products or services intended to be compensated as Pass-Through Expenses, there will be no mark ups, profits or surcharges by Supplier or its Affiliates;
- (vii) Supplier will use reasonable measures to limit and reduce the amounts of Pass-Through Expenses attributable to Subcontractors and other suppliers; and
- (viii) Supplier will inform Client of any conflicts of interest of which it may become aware, including if (A) supplier of the products or services is an Affiliate of Supplier, or (B) Supplier's other commitments or relationships prevent it or materially impair it from fulfilling its obligations under this Agreement.

ARTICLE 10 GOVERNANCE AND CHANGE MANGEMENT

10.1 Governance Committees

In order to facilitate the proper management and control of the relationship of the Parties in connection with this Agreement, the Parties will institute and adhere to the governance structure described in Schedule 10.1.

10.2 Procedures Manual

Supplier will comply with the Procedures Manual in the course of providing the Services, including rules, policies and guidelines set out therein, specific procedures governing the provision of the Services, requirements regarding conduct while on sites and routine Changes to the Services.

10.3 MSA-Level Change Control

- (a) Supplier will not, without Client's prior written consent pursuant to the Change request processes and procedures set out in Schedule 10.3 (the "**MSA Change Request Procedures**"), implement any Change, including Changes that adversely affects Client or the achievement of Service Levels, increases safety or security risks in carrying out the Services, will result in changes to the allocation of personnel or impact collective agreements, result in Services being performed outside of Canada, or will result in a breach of applicable Law. Service requests contemplated by a Statement of Work and other routine installs, moves, adds and changes contemplated by the Statements of Work or the Procedures Manual, are not subject the MSA Change Request Procedure.
- (b) In the event that either party wishes to implement an MSA-Level Change, the Parties will follow the MSA Change Request Procedures.

10.4 Dispute Resolution

- (a) Except as otherwise provided herein, the Parties will endeavour to resolve all disputes or disagreements between the Parties with respect to: (i) the interpretation of any provision of this Agreement; or (ii) the performance by Supplier or Client of its obligations

hereunder (each, a “**Dispute**”), in each case, as provided in the informal dispute resolution process set out in the Procedures Manual (“**Internal Dispute Resolution Process**”).

- (b) Client and Supplier will exercise diligent, reasonable and good faith efforts to resolve the Dispute throughout the Internal Dispute Resolution Process.
- (c) If, despite compliance with the procedures set out in the Internal Dispute Resolution Process, the Parties are unable to resolve the Dispute within sixty (60) days of escalating to the invoking the Internal Dispute Process Committee or such other period as Client specifies in its notice of Dispute either Party may commence legal action in a court of competent jurisdiction.
- (d) Supplier will continue performing its obligations under this Agreement (including performance of Services) while a Dispute is being resolved, unless and until: (i) such obligations are terminated or expire in accordance with the provisions of this Agreement or the applicable Statement of Work; or (ii) the termination or expiration of this Agreement in accordance with the provisions of this Agreement.

ARTICLE 11 CONTINUED PROVISION OF SERVICES

11.1 Business Continuity and Disaster Recovery Related Services

- (a) Supplier will comply with the business continuity and disaster recovery plan described in Schedule 11.1.
- (b) Upon Client’s request, Supplier will:
 - (i) consult and cooperate with Client and assist Client in its development and refinement of its business interruption, disaster recovery or business continuity plans;
 - (ii) participate to the extent required by Client in the implementation of Client’s business interruption, disaster recovery or business continuity plans;
 - (iii) cooperate with and participate in Client’s testing of its business interruption, disaster recovery or business continuity plans, [once each Contract Year]; and
 - (iv) consult with Client and provide reasonable assistance to Client in connection with its efforts to continually update and improve Client’s business interruption, disaster recovery or business continuity plans.

11.2 Force Majeure

- (a) Each Party hereto will be excused from default or delay in the performance of its obligations hereunder if and to the extent that such default or delay is caused by an act of God or any other cause beyond its reasonable control (excluding work stoppages or

work-to-rule), including fires, riots, acts of war, acts or orders of government, acts of terrorism, accident, explosion, flood, storm, acts of third party providers which are not subcontractors, or failures or fluctuations in electrical power, heat light, air conditioning or telecommunications equipment, including, for greater certainty, any such causes affecting Supplier Subcontractors, provided such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing Party through the use of commercially reasonable efforts, including obtaining, at its cost, reasonable alternative sources for performing the Services, work around plans or other means (an “**Event of Force Majeure**”). In the event either Party anticipates an Event of Force Majeure arising, it will promptly notify the other Party.

- (b) Upon the occurrence of an Event of Force Majeure, the non-performing Party will be excused from performance for as long as such circumstances prevail and will, as soon as practicable, notify the other by telephone (to be confirmed promptly in writing) of any actual or anticipated delay and describe in reasonable detail the circumstances causing the delay, the expected duration and the steps being taken to circumvent or recover from such Event of Force Majeure. The Non-Performing Party will provide frequent updates and otherwise use reasonable efforts to keep the other Party fully informed. Except as set forth in Section 11.2(c) below, Supplier will continue to receive its Fees, but not any increased Fees as a result of the Event of Force Majeure.
- (c) If any Event of Force Majeure substantially prevents, hinders, or delays performance of any of the Services necessary for the performance of Client’s essential functions for:
 - (i) more than seventy two (72) hours, then at Client’s option, Client may procure such Services from an alternate source and, to the extent Client is paying the alternate source for such procured Services, reduce the Fees payable to Supplier for such Services accordingly; or
 - (ii) thirty (30) days or more, this Agreement may be terminated, either in part or in full, as of a date specified by Client in a written notice of termination to Supplier, as provided in Section 15.1(g).

ARTICLE 12 INTELLECTUAL PROPERTY

12.1 Pre-Existing Intellectual Property

- (a) All Proprietary Materials and the Intellectual Property Rights therein owned by a Party or its Affiliates, licensors or subcontractors as at the Effective Date will continue to be owned by such Party or its Affiliates, licensors or subcontractors, as applicable, and, except as expressly provided in this Agreement, the other Party will not acquire any right, title or interest in or to such Proprietary Materials or Intellectual Property Rights.
- (b) Client grants to Supplier (with a right to grant a sublicense to any Supplier Subcontractor of Supplier, provided that such subcontractor first agrees in writing to be bound by the provisions of this Section 12.1 and Section 12.4 in favour of Client) a non-exclusive, non-transferable right and license during the currency of this Agreement to use any Proprietary Materials of Client provided to Supplier under this Agreement, and the

Intellectual Property Rights therein, to the extent necessary for, and for the sole purpose of, providing the Services and otherwise performing its obligations under this Agreement.

- (c) Supplier grants to Client and its Authorized Affiliates a non-exclusive, non-transferable, irrevocable, perpetual (except for Supplier's RealSuite Software, which will be for the Term) right and license to use any Proprietary Materials of Supplier incorporated into or necessary for the proper functioning of New Works or any Deliverable that constitutes Proprietary Materials of Supplier, and any Intellectual Property Rights therein, only to the extent necessary for Client to utilize the Services and carry on its business activities related to or dependent upon the Services during and, except for Supplier's RealSuite Software, after the Term.

12.2 Ownership of Enhancements

All right, title and interest, including all Intellectual Property Rights in, all modifications, updates, upgrades or enhancements made, conceived or reduced to practice by Supplier, its Affiliates or its subcontractors to the Proprietary Materials of Client will be owned exclusively by Client.

12.3 Ownership by Client of New Works

All right, title and interest, including all Intellectual Property Rights, in all Proprietary Materials to the extent made, conceived or reduced to practice by Supplier after the Effective Date exclusively for purposes under this Agreement or in the performance of the Services (collectively, "**New Works**") will be owned exclusively by Client unless otherwise agreed by Client in writing, subject to the license rights granted in Section 12.1(b) hereof, excluding: (a) any Proprietary Materials of Supplier owned by Supplier or its Affiliates, licensors or subcontractors as at the Effective Date (including, for greater certainty, **Supplier's RealSuite Software**), and any modifications thereto; or (b) any Proprietary Materials of Supplier made, conceived or reduced to practice by Supplier after the Effective Date independent of this Agreement and the performance of the Services, and any modifications thereto. The Parties agree that the Procedures Manual will be deemed to be New Works.

12.4 Confirmation

Each Party will execute and cause its subcontractors to execute such assignments and other documents as the other Party may reasonably request in order to confirm its ownership of the Proprietary Materials as contemplated in this Article 12.

12.5 Residual Knowledge

Nothing contained in the Agreement will restrict either Party from the use of any know-how, concepts, or modifications of concepts, methodologies, processes, technologies, algorithms or techniques relating to the Services which either Party, individually or jointly, develops or discloses under the Agreement, provided that in doing so such Party does not breach its confidentiality obligations specified in this Agreement or infringe the Intellectual Property Rights of the other Party.

ARTICLE 13 AUDIT

13.1 Maintenance of, Access to, Return and Destruction of Information

- (a) Supplier and each Supplier Subcontractor will maintain in Canada all information relating to the provision of Services hereunder and required to enable Client, Client Audit Representatives or Governmental Authorities to exercise their respective rights under this Agreement or otherwise required for Client or each Affiliate of Client to comply with the requirements of any Governmental Authority having jurisdiction over one or more of them. Without limiting the generality of the foregoing, Supplier will maintain, and will cause all Supplier Subcontractors to maintain, data, records, reports, documentation, books, records (including supporting vouchers, invoices and other documentation showing all expenditures, charges, taxes and related calculations of whatsoever nature made by Supplier) and other information relating to all aspects of Supplier's performance of its obligations set out in this Agreement, whether performed by Supplier or by any Supplier Subcontractor (collectively, the "**Audit Information**").
- (b) Supplier will maintain, and will ensure that all Supplier Subcontractors maintain, all Audit Information in accordance accounting standards recognized by the Canadian Institute of Chartered Accountants or the United States Financial Accounting Standards Board. Supplier will assist Client in Client's reconciliation of any inconsistencies between Supplier's and Supplier Subcontractors' accounting practices and U.S. GAAP as requested by Client.
- (c) Supplier will maintain, and will ensure that all Supplier Subcontractors maintain, all Audit Information until the latest of: (i) seven years after expiration or termination of this Agreement; and (ii) the date all Disputes, tax assessments or reassessments, litigation or other matters relating to this Agreement are resolved.
- (d) Upon Client's request, Supplier will: (i) provide Client, Client Audit Representative or Governmental Authority having jurisdiction over one or more of them with access to the Audit Information; and (ii) deliver the Audit Information to Client in a format reasonably acceptable to Client.
- (e) After the period set out in Section 13.1(c) (or at such earlier time as Client may request), and unless prohibited from doing so by Laws, Supplier will destroy or otherwise dispose of the Audit Information in accordance with the requirements set out in this Agreement; provided, however, that Supplier must notify Client of any intended destruction or disposal at least 90 days prior to commencing the destruction or disposal and, unless Client indicates in writing that delivery is not necessary, Supplier must deliver such Audit Information to Client in a format reasonably acceptable to Client.

13.2 Supplier Internal Audit Function

- (a) Supplier will establish an appropriate internal control framework (the "**Framework**") which meets the requirements of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The primary objectives of the Framework are to ensure efficient and effective operations, accurate financial reporting, and compliance with

Laws. Supplier senior management is to consciously and willingly set and maintain an appropriate tone at the top through regular communications throughout the year.

- (b) Supplier will implement a governance structure where authority and responsibility is assigned for maintaining the Framework. The governance structure will be reviewed with Client at least annually at Client's option.
- (c) The Framework will include the following activities, although these are not comprehensive, and Supplier will ensure additional policies and procedures are in place to support and comply with the Framework:
 - (i) Supplier will establish a code of conduct and take disciplinary actions in cases of serious violations (e.g., availability, confirmation of compliance, and follow-up of deviations). The code of conduct will be made mandatory for Supplier employees and contractors and reinforced annually through education or information sessions;
 - (ii) Supplier will undertake a fraud risk assessment, and implement appropriate anti-fraud programs to protect Client's business and assets. Reports of all fraud occurrences will be provided to Client;
 - (iii) Supplier will maintain a confidential "whistle-blower" program;
 - (iv) new Supplier Personnel will be subject to personal risk assessments (e.g. police checks and references); and
 - (v) policies and procedures are to be maintained which address privacy, confidentiality, errors and omission procedures and conflicts of interest, where appropriate.
- (d) To support the Framework, Supplier will establish a competent and independent internal audit function (which internal audit may be performed by a Third Party) with a mandate and appropriate access within the organization to assess internal controls over its environment, as per this Agreement. Supplier will provide Client with the results of all Internal Control Audits and security audits regarding the Services, the Service Levels or the Fees. Client has the right to review Supplier's annual audit plan and to meet quarterly with the applicable auditors, whether internal or external to Supplier performing the audits described in this Section 13.2.
- (e) In addition, Supplier will, on a quarterly basis, provide a letter of management representation to Client noting:
 - (i) compliance with Laws;
 - (ii) safeguarding of assets;
 - (iii) appropriate level of segregation of duties;
 - (iv) disclosure of events whose impact may have significant impact on Client's financial statements; and

- (v) all occurrences of fraud reported to any Governmental Authority that: (A) relate to Supplier's performance under this Agreement; or (B) has been publicly disclosed or is reasonably expected to be publicly disclosed.

In addition to the foregoing, upon HONI's request or if any fraud report to any Governmental Authority has been publicly disclosed or is reasonably expected to be publicly disclosed, Supplier will provide Client with a list of all occurrences of fraud report to any Governmental Authority that: (A) relate to Supplier's performance under this Agreement; or (B) has been publicly disclosed or is reasonably expected to be publicly disclosed.

13.3 Right to Audit

- (a) During the Term and for the period Supplier is required to comply with Section 13.1(c), Supplier will provide Client, Client Audit Representatives, and any Governmental Authority authorized by Law or by Client, upon seven (7) days prior written notice (other than in the case of an audit conducted by a Governmental Authority, investigations of claims of misappropriation, fraud or business irregularities of a potentially criminal nature, for emergency type audits to address material operational problems and issues, or in the case of surprise audits by Client, all which may be conducted at any time as required and without satisfying the notice requirement), with reasonable access to all facilities, systems and assets used by Supplier to provide the Services and to all relevant Supplier books and records, including Audit Information, in order to conduct appropriate audits, examinations and inspections to: (i) verify the existence of adequate internal control procedures surrounding the delivery of the Services and the suitability of their design; (ii) assess the sufficiency and appropriateness of the internal control procedures to meet internal control objectives; (iii) verify amounts billed to Client by Supplier for Services; (iv) express an opinion on continuous control procedures and consistency with Client's objectives as required by the Internal Control Audit; (v) verify Supplier's reports on Service Levels (including providing access to all raw data from which such reports are compiled); (vi) verify compliance with all applicable Laws, including OEB standards and requirements; (vii) verify the achievement of the requirements specified in the Financial Terms; (viii) verify the physical, data and access security and the quality, accuracy or controls and processes relating to any of the foregoing; (ix) verify performance by Supplier or any Supplier Subcontractor of its obligations under this Agreement or under the applicable subcontract with the Supplier Subcontractor; and (x) verify any other subject matter as may be required by Law or any Governmental Authority.
- (b) Supplier and each Supplier Subcontractor will co-operate with and provide to Client, Client Audit Representatives, and Governmental Authorities any assistance that they may reasonably require in connection with any audits or inspections performed pursuant to Section 13.3(a). Supplier will use all reasonable efforts to arrange its affairs, relationships and agreements (including, security agreements, debentures and real property and equipment leases) in such a way that Client, its auditors and Governmental Authority can conduct their activities as permitted by this Section.
- (c) For greater certainty, no audit or inspection will relieve Supplier from its obligations to comply with the provisions of this Agreement.

13.4 Remediation and Compliance

Supplier will co-operate with audit and regulatory bodies and respond to and correct all audit findings in a timely manner and in compliance with the established Service Levels and other requirements hereof and, without limiting the generality of the foregoing, the following will apply:

- (a) Supplier agrees to respond in writing to any observations made by any audit, including any audit undertaken by Client Audit Representatives, or Supplier's internal or external auditors (to the extent related to the Services), within thirty (30) days of receipt of such observations. Subject to the Internal Dispute Resolution Process, if any audit or inspection by Client or Client Audit Representatives reveals that Supplier is not in compliance with any provision of this Agreement or any applicable generally accepted accounting principle or other audit requirement for which Supplier has responsibility (including in connection with any Internal Control Audit), Supplier will promptly bring itself into compliance, and in connection therewith, will complete and communicate in writing to Client a plan for remediation of the matters identified to be completed, at Supplier's cost, within a reasonable time, as requested by Client or the Client Audit Representative, as applicable.
- (b) If Supplier objects in writing to Client with respect to any observation made by any audit, examination or inspection, providing reasonable details as to the basis for its objection and its anticipated charges for compliance therewith, (the **"Objection Notice"**) and Client nevertheless requires Supplier to comply with such observation, then Supplier may refer such matter to the Internal Dispute Resolution Process.
- (c) If, as a result of any such audit or inspection, it is determined, subject to the Internal Dispute Resolution Process, if applicable, that there have been an overpayment of Fees, Pass-Through Expenses by Client or applicable Taxes, Supplier will promptly reimburse Client for such overpayment plus interest at a rate equal to the Prime Rate plus one percent (1%) per annum. If such audit or inspection shows that Supplier overcharged Client by more than five percent (5%) (including) of the total Fees, Pass-Through Expenses and Taxes in a given month, then Supplier will also reimburse to Client an amount equal to the reasonable cost of such audit or inspection incurred by Client.

ARTICLE 14 CONFIDENTIALITY AND PERSONAL INFORMATION

14.1 Exchange of Confidential Information

- (a) Confidential Information will remain the sole and exclusive property of the Disclosing Party that has disclosed the Confidential Information and the Disclosing Party will retain all right, title and interest in and to the Confidential Information it has disclosed to the Receiving Party except as may be provided otherwise in this Article 14. The Receiving Party will at all times maintain the Confidential Information in strict confidence, and will use and copy the Confidential Information solely to carry out the activities contemplated by this Agreement and will not otherwise use or copy the Confidential Information for any purpose including achieving any other commercial or financial benefit. In addition, the Receiving Party will not, subject to Section 14.2 below, publish, disseminate or

disclose the Confidential Information to others without the Disclosing Party's prior written consent. Notwithstanding the foregoing, Client may disclose Confidential Information of Supplier for the following purposes: (a) the solicitation by Client or any Affiliate of Client of proposals from third party service providers for related or alternative services (including as part of a request for proposal); (b) the procurement by Client or any Affiliate of Client of additional services; (c) the planning or implementation by Client or any Affiliate of Client of a transition from all or part of the Deliverables or the Services to an alternative solution or services; or (d) complying with disclosure requirements of a Governmental Authority having jurisdiction over Client or otherwise required by Laws.

- (b) The Parties acknowledge and agree that Client is a regulated entity. Supplier will comply with all requirements of the OEB and Laws concerning the protection, security and segregation of Confidential Information. Client agrees to update Supplier as to any changes to the requirements of the OEB concerning the protection, security and segregation of Confidential Information. Notwithstanding the foregoing, Supplier will familiarize itself generally with the requirements of the OEB and applicable Law in this regard and agrees to implement any requirements of the OEB to the extent to which it becomes so aware.

14.2 Exclusions

The Receiving Party's obligations under Section 14.1 will not apply to information which:

- (a) it can be shown was lawfully known or independently developed by the Receiving Party prior to use by or disclosure to the Receiving Party, without any reference to the Confidential Information of the Disclosing Party;
- (b) is previously known to or in the Receiving Party's lawful possession prior to the date of disclosure as evidenced by the Receiving Party's written record and was not so provided to the Receiving Party under circumstances wherein the Receiving Party was under a duty of confidentiality;
- (c) is obtained by the Receiving Party from an arm's length third party having a bona fide right to disclose same and whom the Receiving Party reasonably concludes, after due inquiry, was not otherwise under an obligation of confidence or fiduciary duty to the Disclosing Party or its Representatives;
- (d) is or becomes public knowledge through no fault or omission of, or breach of this Agreement by, the Receiving Party or its Representatives; or
- (e) subject to Section 14.4 below, is required to be disclosed pursuant to a final judicial or governmental order or other legal process.

The foregoing will not be interpreted as a grant of permission by or a grant of license by the Disclosing Party to the Receiving Party in respect of the use or disclosure of information in breach of any applicable Law or the use or disclosure of information (including Client Personal Information) of or pertaining to any other Person.

14.3 Disclosure to Representatives

The Receiving Party is permitted to disclose the Confidential Information only to such of its Representatives who need to know the Confidential Information to carry out the activities contemplated by this Agreement. The Receiving Party hereby specifically covenants and agrees that it will ensure that its Representatives comply with and are bound by the terms and conditions of this Article 14.

14.4 Compelled Disclosure

In the event that a Receiving Party, or anyone to whom a Receiving Party discloses Confidential Information pursuant to this Agreement or otherwise, becomes legally compelled to disclose any Confidential Information of the Disclosing Party, the Receiving Party will, at the request of the Disclosing Party, exercise reasonable efforts to prohibit the disclosure of the Confidential Information. In the event that both Parties are unable to prevent the disclosure in such aforesaid circumstances of such Confidential Information, the Receiving Party will, or will use reasonable efforts to cause such person to whom the Receiving Party disclosed the Confidential Information, to furnish only that portion of the Confidential Information which the Receiving Party is advised by written opinion of counsel as required under Laws to be furnished by the Receiving Party to such person and exercise reasonable efforts to obtain assurances that confidential treatment will be afforded to that portion of the Confidential Information so furnished. For the avoidance of doubt, Client will be free to disclose this Agreement and information concerning the Services to the OEB (even if such disclosure also discloses Confidential Information of Supplier), provided, however, that Client will only furnish that portion of the Confidential Information required under Laws to be furnished by Client to the OEB (unless otherwise consented to by Supplier in writing).

14.5 Client Data

- (a) Without limiting the generality of Section 12.1, all data of Client, including all specifications, reports (including reports, other than Supplier's own internal reports, and surveys prepared by Supplier) and documentation, Service Levels and all reports relating to the Services, whether prepared by Supplier, Client or a third party in any form (collectively, the "**Client Data**") will at all times remain the exclusive property of Client. Client Data will not be: (i) used by Supplier other than in connection with providing the Services; (ii) disclosed, sold, assigned, leased or otherwise provided or made available, intentionally or otherwise, to third parties by Supplier; or (iii) commercially exploited by or on behalf of Supplier. Annually, Supplier and Client will meet to determine whether any changes are required to be made for regulatory or other reasons with respect to the manner in which Supplier stores, uses or transmits Client Data and the continued retention and storage of Client Data.
- (b) Upon Client's request, at any time during the Term, where required by applicable Law or where not required by Supplier to perform its obligations hereunder, or upon termination or expiration of this Agreement, Supplier will promptly return to Client, in the format and on the media then existing, all or any part of Client Data or applicable Client Data, as the case may be, and erase or destroy all or any part of Client Data, as applicable, in Supplier's possession or control, in each case to the extent so requested by Client.

14.6 Personal Information

- (a) Supplier will not collect, create, handle, use, copy, disclose, dispose of or destroy any Personal Information of or about Client's or its Affiliates' employees, customers, suppliers and any other person dealing with Client or its Affiliates (the "**Client Personal Information**") or Customer Information or permit any of the foregoing by anyone for whom it is responsible in Law or contract except as is directed in writing by Client's privacy officer, required by applicable Law, or as necessary to perform its obligations under this Agreement.
- (b) Supplier will take reasonable steps to protect Client Personal Information and Customer Information from loss, theft or unauthorized use, access, disclosure, copying, alteration or destruction. "Reasonable steps" to be taken by Supplier include, the use of physical, organizational and technological measures designed to safeguard the Personal Information, such as, where appropriate, through access controls, encryption or other suitable means.
- (c) Supplier will not transfer any Client Personal Information or Customer Information outside of Canada or access any Client Personal Information or Customer Information from a location outside of Canada without Client's prior written consent.
- (d) All Client Personal Information and Customer Information is the property of Client, and Supplier will have no proprietary or licence right therein except as expressly permitted herein.
- (e) Supplier will, subject to applicable Canadian Law, deliver to Client all Client Personal Information and Customer Information, in its possession or control, in whatever form (or at Client's request, destroy such Personal Information), including all working papers, notes, memoranda, reports, data in machine-readable format or otherwise, and documentation which have been made or obtained in relation to this Agreement, upon the termination or expiration of this Agreement, or at such earlier time as Client may request.
- (f) Upon delivery of Client Personal Information and Customer Information to Client, Supplier will have no right, except as may be required by applicable Canadian Law, to retain any such Client Personal Information or Customer Information in any form and will ensure that no record of the Personal Information or Customer Information remains in Supplier's possession except as may be permitted by Client or as may be required by applicable Canadian Law.
- (g) Supplier will appoint a privacy officer to manage and monitor Supplier's privacy compliance as well as creating an appropriate written privacy policy for review and comment by Client. Supplier's privacy officer will act as Supplier's principal point of contact with Client regarding privacy matters. Client's privacy officer will act as Client's principal point of contact with Supplier regarding privacy matters.
- (h) Client may, upon reasonable notice assess and review Supplier's practices and procedures for receiving and processing Client Personal Information and Customer Information under this Agreement, for the purposes of ensuring that the privacy and security terms and conditions of this Agreement are being complied with. For these purposes, Supplier

will provide Client with reasonable access to the policies, procedures and protocols used for purposes of providing the Services and any other documents that may be relevant. Client will also have an opportunity to interview Supplier Personnel. Client will have no duty to make any such assessment and review, and will not incur any liability or obligation by reason of doing or not doing so.

- (i) If Supplier receives any inquiry or complaint relating to Client Personal Information or Customer Information that has been collected, used or disclosed under this Agreement, Supplier will (provided that it is not prohibited by Law from doing so) promptly notify Client thereof, and provide such particulars as Client may request, and if Client notifies Supplier that it requires assistance in investigating or responding to the inquiry or complaint, Supplier will fully cooperate with Client by furnishing it with complete information concerning its collection, use and disclosure of Client Personal Information or Customer Information, including responding, if requested to do so, to any inquiry by a Governmental Authority or to any complaint, at Client's expense (unless the inquiry or complaint arose due to the fault of Supplier or any Supplier Personnel). If any inquiry or complaint gives rise to regulatory or court proceedings, at Client's expense (unless the inquiry or complaint arose due to the fault of Supplier or any Supplier Personnel), Supplier will cooperate in the conduct of such proceedings and will attend hearings and assist in securing and giving evidence and obtaining the attendance of witnesses.
- (j) In the event that Supplier becomes aware that Client Personal Information or Customer Information has been stolen or lost, or a person has obtained unauthorized access to Client Personal Information or Customer Information through assets or facilities under the control of Supplier or any Supplier Personnel in connection with this Agreement, or Supplier or Supplier Personnel have used, disclosed or disposed of Client Personal Information or Customer Information other than as contemplated in this Agreement, Supplier will at the first reasonable opportunity notify Client's General Counsel by telephone followed by written notice. Supplier will, within five (5) Business Days investigate the matter and provide Client with an oral report stating the cause of the deficiency, if any, and the steps taken in an effort to prevent a recurrence, if required, all to the extent known to Supplier at the time. Within a further five (5) Business Days, Supplier will provide Client with a written report documenting the complaint or incident, investigation, or deficiency, if any, and the steps taken in an effort to prevent a recurrence, if required. Upon receipt by Client of such written report from Supplier, Client may, by written request within five (5) Business Days, require Supplier to take further reasonable steps to resolve the deficiency, if any, to the satisfaction of Client.
- (k) Supplier's obligations, if any, under this Article are absolute and are not conditional on Client's compliance with any of its obligations under this Agreement, including its obligation to pay Supplier. Supplier's obligations with respect to Client Personal Information and Customer Information will survive the expiration or termination of this Agreement for any reason and to the extent required by applicable Law.

14.7 Remedies

The Receiving Party agrees that damages alone may not be a sufficient remedy in the event of breach of the provisions of this Article 14 and that the Disclosing Party will be entitled to equitable relief, including a restraining order, injunctive relief, specific performance or other

relief as may be granted by any court to prevent breaches of this Article 14 and to enforce specifically the terms and provisions hereof in any action instituted in any court having subject matter jurisdiction, in addition to any other remedy to which the Disclosing Party may be entitled at law or in equity in the event of any breach of the provisions hereof. Such remedies will not be deemed to be the exclusive remedies for a breach of this Article 14 but will be in addition to all other remedies available at law or in equity.

ARTICLE 15 TERMINATION

15.1 Termination for Cause by Client

Client may terminate this Agreement or, at its option, any one or more Statements of Work, for cause by providing written notice to Supplier, specifying the effective date of such termination, if:

- (a) Supplier commits a material breach of this Agreement which material breach is not cured within thirty (30) days after the receipt by Supplier of a notice of the material breach from Client describing the material breach in reasonable detail;
- (b) Supplier commits a breach of a Client policy related to safety or if Supplier or a Subcontractor is negligent, and in each case, serious bodily harm or death to any individual occurs as a result;
- (c) Supplier commits a breach of the same obligation set out in this Agreement, including, for greater certainty, any Statement of Work: (i) three consecutive times; or (ii) four times in any six-month period;
- (d) an Event of Insolvency occurs in respect of Supplier;
- (e) a Service Level Termination Event has occurred;
- (f) Supplier's aggregate liability to Client for damages in connection with this Agreement would, in the absence of anything in this Agreement, exceed ten million dollars, and Supplier fails to execute and deliver to Client, within 30 days of the occurrence of such event, a binding commitment to pay to Client all damages for which it is liable to Client in connection with this Agreement as of the date of such event and an amendment to this Agreement to reflect the fact that, notwithstanding Supplier has paid an amount equal to such damages, such amount will not be taken into account for the purposes of applying the applicable dollar cap set forth in Article 20, and that accordingly the applicable dollar limit set forth in Article 20 applies as if no damages had been paid; or
- (g) a termination right on the part of Client that is set out in a Statement of Work as a remedy in the event of Supplier's failure to perform an obligation of Supplier set out in the Statement of Work occurs.

15.2 Termination for Convenience

Client may, upon at least ninety (90) days prior written notice to Supplier, by delivery of a written notice to Supplier designating the termination date, terminate this Agreement or one or

more Statements of Work for convenience. Upon the occurrence of such termination for convenience, Client will pay Supplier reasonable costs of terminating and severing employees dedicated to performing the Services, as set out in Exhibit 4 of the **Statement of Work #1 Facilities and Capital Projects Management**. The Parties agree that such fees or other amounts constitute Client's sole obligation to pay Supplier any fees or amounts in respect of the applicable termination.

15.3 Mitigation

- (a) Each Party will use commercially reasonable efforts to mitigate its Losses and other amounts claimable under this Agreement arising in connection with the termination or breach of this Agreement.
- (b) Where Supplier acquires software that will be solely used to provide any of the Services (as stipulated in a Statement of Work or otherwise), such software will be acquired in the name of Client or its Authorized Affiliates. If Supplier is unable to acquire software in the name of Client or its Authorized Affiliates, Supplier will use commercially reasonable efforts to facilitate an agreement under which such software rights as are then possessed by Supplier may be assigned to Client or Successor Supplier for the use of Client and its Authorized Affiliates, at no extra cost to Client, any of its Authorized Affiliates or Successor Supplier, other than any such costs set out in the applicable Statement of Work or that Client has agreed to be responsible for prior to Supplier acquiring such software that will be solely used to provide any of the Services.
- (c) Where Supplier enters into any subcontract agreement, services agreement, lease or any other agreement in order to provide any of the Services (as stipulated in a Statement of Work or otherwise), such subcontract agreement, services agreement, lease or any other agreement (i) will allow for termination without cause upon not more than one hundred and ninety (90) days prior written notice without payment of any additional fee or charge; and (ii) where the services under such subcontract agreement, services agreement, lease or any other agreement are substantially dedicated to Client and are a material cost under this Agreement, they will be transferable to Client or to a Successor Supplier at no extra cost to Client, any of its Authorized Affiliates and to a Successor Supplier or to any one of them.

15.4 Orderly Termination

- (a) Within one hundred and eighty days (180) days after the Effective Date, Supplier will prepare and deliver to Client a detailed plan (the "**Termination Transition Plan**") setting out the tasks, steps, deliverables, milestones, rehearsal strategy and suggested timetable necessary to carry out the transition of the Services to a new service provider in the event of the expiration or termination of this Agreement or one or more Statements of Work.
- (b) The Termination Transition Plan will be prepared in close consultation with Client and will be subject to review and approval by Client. Supplier will correct any defects or deficiencies raised by Client in connection with such review. The Termination Transition Plan will be consistent with, or satisfy the requirements of Schedule 15.4.

- (c) Within thirty (30) days after each anniversary of the Effective Date, Supplier will prepare and deliver to Client an updated version of the Termination Transition Plan which will take into account additions and changes in the Services and underlying systems, components and methodologies.
- (d) In the event of the expiration or termination of this Agreement or one or more Statements of Work, Supplier will perform and cause its Supplier Subcontractors to perform all the tasks, duties and obligations of Supplier set out in the Termination Transition Plan. If a Termination Transition Plan has not been completed by Supplier and approved by Client, Supplier will perform and cause its Supplier Subcontractors to perform all the tasks, duties and obligations of Supplier set out in Schedule 15.4.

ARTICLE 16

CONTINUOUS IMPROVEMENT AND COMPETITIVENESS

16.1 Third Party Benchmarking

- (a) Client reserves the right to have Supplier's Fees and Pass-Through Expenses for the Services, including for facilities management services and capital projects, under one or more Statements of Work, reviewed (each such review being referred to herein as a "**Third Party Benchmarking**", and the Services or obligations that are subject to each such review, the "**Benchmarked Services**") by independent third parties as suitable for each category of Services (the "**Analyst**"); provided, however, that Client will not be entitled to perform Third Party Benchmarking for the period ending three years after the Effective Date, and not more frequently than once every two years thereafter.
- (b) Analysts will be firms that are independent third party service providers or consultants (the "**Analyst Firms**") with expertise in benchmarking the types of Services provided under this Agreement. The Parties acknowledge and agree that, without limiting the ability to agree on additional firms, the following firms, as of the Effective Date, are acceptable Analyst Firms:
 - (i) Deloitte Touche
 - (ii) Ernst & Young
 - (iii) Price Waterhouse Cooper
 - (iv) any firm which is the successor thereto or any other mutually agreed upon organization.
- (c) Analyst Firms performing the Third Party Benchmarking will be selected and retained by Client.
- (d) The Analyst's fees for conducting a Third Party Benchmarking will be borne equally by the Parties. Supplier will provide the Analyst with reasonable access and co-operation for the purpose of conducting a Third Party Benchmarking, at Supplier's cost and expense. Prior to initiating any discussions with an Analyst Firm, the Parties and the Analyst Firm

will enter into a non-disclosure agreement with Client with protections no less onerous than the protections set out in Article 14 of this Agreement.

- (e) Subject to the provisions herein, the Analyst Firm, Client and Supplier will mutually agree on the scope, methodology, relative comparisons and other process-related matters for each benchmarking process (the “**Benchmarking Process**”) and will review and approve the results thereof. The Benchmarking Process will, insofar as possible, compare like with like in respect of the Benchmarked Services to peer group comparators which will be composed of other organizations that, in the opinion of the Analyst Firm after normalization share similar attributes as the Benchmarked Services.
- (f) The target results for such Benchmarking Process will be deemed to be the average of the comparators (the “Target Results”). If the final results of the Benchmarking Process conducted by the Analyst Firm, as set out in a report provided by the Analyst Firm:
 - (i) show that the Fees are five percent (5%) or more greater than the Target Results, then Supplier will be required to reduce its Fees for each applicable Statement of Work to five percent (5%) above the Target Results (the adjustment computed in accordance with the foregoing is the “Benchmark Fee Adjustment”). The Benchmark Adjustment will be applied to the current Contract Year Fees under the applicable Statement of Work for the Benchmarked Services, adjusted pro-rata effective as of the date that the Benchmarking Report was issued or made available by the Analyst Firm (such Fees as so adjusted by applying the Benchmark Adjustment, the “Current Year Adjusted Fees”), and to subsequent Contract Year Fees, provided that in the case of subsequent Contract Year Fees the Benchmark Adjustment, Supplier is required to make will be to the lower of (A) the Current Year Adjusted Fees; and (B) the original proposed Fees for such subsequent Contract Year as set out in the Statement of Work.; and
 - (ii) with respect to Pass-Through Expenses, if the Pass-Through Expenses are greater than 5% of the Target Results, then the results will be reviewed in accordance with the Governance Process and Supplier will present a budget plan to reduce Pass-Through Expenses to more closely achieve cost savings to conform to the Target Results without any Change to the Services;

provided, however, that Supplier may dispute the final results of the Benchmarking Process in accordance with the Internal Dispute Resolution Process, and if such dispute is not resolved pursuant to the Internal Dispute Resolution Process, the Parties agree that such dispute will be fully and finally determined by Client.

16.2 Most Favoured Customer

Supplier represents, warrants and covenants that the Fees for the Services provided pursuant to this Agreement will be as favorable to Client as the prices offered by Supplier for similar services to any of Supplier’s commercial customers which purchase in like quantities and on comparable terms and conditions taken as a whole, to those contained in this Agreement. If

during the term of this Agreement, Supplier agrees to more favorable prices with any such customer for the same or similar services purchased in like quantities and on comparable terms and conditions taken as a whole to those contained in this Agreement, such pricing will be made available to Client for such services within thirty (30) days following the date such agreement has been executed.

ARTICLE 17 FEES AND CHARGES

17.1 Fees and Payment

- (a) Client will pay to Supplier the following amounts:
- (i) in consideration for the performance by Supplier of Supplier's obligations under each Statement of Work (which, for greater certainty, will include the performance by Supplier of all of its applicable obligations under this Agreement), the applicable fees calculated in accordance with the Financial Terms to each Statement of Work;
 - (ii) in consideration for the performance by Supplier of Supplier's obligations under each Change Order, the applicable fees set out in each Change Order; and
 - (iii) in consideration for the performance by Supplier of Supplier's obligations under the Transition Plan, the applicable fees set out in the Financial Terms to each Statement of Work (the amounts described in (i), (ii) and (iii) being "**Fees**");
 - (iv) any Pass-Through Expenses,

in each case in accordance with the invoice and payment terms set out in this Article 17, as may be modified or supplemented in respect of certain Services by an applicable Statement of Work or Change Order.

- (b) Except as expressly set out in this Agreement, there will be no other fees or other amounts payable by Client to Supplier in respect of the Services.
- (c) Fees (including approved expenses, if any) will be calculated and invoiced in accordance with the applicable Statement of Work. If invoicing arrangements are not specified in a Statement of Work, Fees (including approved expenses, if any) will be invoiced monthly in arrears and will be due and payable thirty (30) days after Client's receipt of invoice. Periodic charges under this Agreement are to be computed on a calendar month basis, and will be prorated for any partial month. Client will pay the amounts due by electronic funds transfer or other means acceptable to the Parties. No Fees may be invoiced by Supplier more than three hundred and sixty 365 days after the date the relevant Service or Deliverable was provided.

For greater clarity, Supplier will not charge, and Client will not be responsible for paying, any fees, expenses, costs or charges whatsoever under this MSA for any services (such as, without

limitation, site visits) relating to Capital Projects, except in those exceptional cases where it would be commercially reasonable to do so (for instance, where Supplier personnel is already in the vicinity of a Client property that requires a site visit under a Capital Project and such visit can occur without any undue delay.) In those instances Supplier shall identify such charges to the Client and where deemed appropriate by the Client, Supplier shall provide a financial offset to the Client.

17.2 Invoice Format

Supplier will invoice Client separately for the Fee under each Statement of Work and each invoice will reference the applicable Statement of Work. Each invoice will contain sufficient detail to allow Client to verify the amounts invoiced. Supplier will include with each invoice, the calculations used to establish such Fees in sufficient detail to enable Client to confirm their accuracy. Supplier will mail all invoices to the address below and will also provide an electronic copy:

Hydro One Networks Inc.
P.O. Box 4500
Concord, Ontario
L4K 5E2
Attention: Accounts Payable

17.3 Pass-Through Expenses

- (a) Pass-Through Expenses will be invoiced by Supplier categorized separately from Fees, in accordance with this Agreement including as further required by the Financial Terms.
- (b) Supplier will use reasonable commercial efforts to minimize the amount of each Pass-Through Expense. With respect to services or materials paid for on a Pass-Through Expense basis, Supplier will provide complete Transparency. Subject to Section 9.5(a)(iv) above, with respect to Pass-Through Expenses, Client reserves the right to:
 - (i) obtain the underlying services or materials directly from one or more third parties;
 - (ii) designate the third party source(s) for such services or materials;
 - (iii) designate the particular services or materials (e.g., equipment make and model) required by Client;
 - (iv) designate the terms for obtaining such services or materials (including purchase or lease and lump sum payment or payment over time);
 - (v) require Supplier to identify and consider multiple sources for such services or materials or to conduct a competitive procurement; and
 - (vi) review and approve the applicable Pass-Through Expenses and contract terms before a contract for particular services or materials is entered into.

- (c) Client will have the right at any time to inspect any procurement documents, contracts and other records relating to the procurement of any services or materials by Supplier on behalf of Client.

17.4 Out-of-Pocket Expenses

Except as may be otherwise provided in this Agreement or a Statement of Work, out-of-pocket expenses that Supplier may incur in performing the Services are included in the Fees set out in this Agreement or the applicable Statement of Work. Accordingly, such Supplier expenses are not separately reimbursable by Client unless, on a case-by-case basis for unusual expenses, Client has agreed in advance and in writing to reimburse Supplier for the expense.

17.5 Refunds and Credits

If Supplier receives a refund, credit, rebate or similar benefit for goods or services previously paid for by Client (including if Supplier receives money or other benefits from other customers from the use of resources paid for by Client), Supplier will promptly notify Client of such refund, credit, rebate or benefit and will promptly credit the full amount of such refund, credit, rebate or benefit, as the case may be, to any outstanding or future invoices, provided that if no such outstanding or future invoices remain, Supplier will pay Client such amounts.

17.6 Credits and Set-offs

To the extent a credit is due to Client pursuant to this Agreement, Supplier will promptly provide Client with an appropriate credit against amounts then due and owing; if no further payments are due to Supplier, Supplier will pay such amounts to Client within thirty (30) days. Client will have the right to set-off any liquidated amounts owing by Supplier to Client against any amount owing by Client to Supplier.

17.7 Disputed Amounts

If Client Disputes any invoice, Client will promptly advise Supplier of the amount of the invoice that Client considers to be in Dispute, together with a reasonably detailed description of the dispute. Client may withhold the Disputed amount but will pay, when due, any undisputed portion.

17.8 Taxes

- (a) Client will pay all applicable federal and provincial sales and goods and services taxes (including any changes in the rates of such taxes), as legally required by Supplier to collect and remit on services provided to Client. For greater certainty, Client will not be responsible for taxes imposed by any government authority on Supplier's income or capital, property taxes, payroll taxes, or taxes of any other nature to which Supplier may be subject. Supplier's invoices, whether in paper or electronic format, will show any such taxes validly imposed and due hereunder as a separate line item on the invoice and indicating the services to which such taxes relate. Each invoice will contain the tax identification numbers of each tax imposed, as is required by Law.

- (b) The Parties will co-operate with each other to minimize the amount of tax payable by Client pursuant to this Agreement in accordance with applicable Laws. Each party will provide the other party, or any other Person, with any certificates, tax numbers, Supplier invoices or any other documents, which may reduce the taxes payable by a party or entitle a party to recover taxes paid. For clarity, valid exemption certificates (or other appropriate mechanism) must be provided by Client to Supplier to allow Supplier not to charge sales tax.
- (c) Should it be determined, upon audit by the appropriate Government Authority, that Supplier has incorrectly charged Client any Tax indicated in Section: (i) if the audit results 17.8(a) in an overpayment of taxes, Supplier will either, refund the overpayment to Client, or provide sufficient support to Client to allow Client to obtain a full refund of the overpayment directly from the Governmental Authority; or (ii) if the audit resulted in an underpayment of taxes, Client will pay the total taxes owing to the Governmental Authority or Supplier as the case may be provided that, the underpayment was as a result of Supplier's negligence or error, any penalty or interest assessed by a Governmental Authority as a result of an underpayment of taxes will be payable by Supplier.

17.9 Financial Responsibility

Financial responsibility relating to a particular function, and any and all related ancillary functions, lies with the Party who has the responsibility of performing that function unless otherwise indicated in this Agreement. Except as otherwise expressly provided in this Agreement, each Party will be responsible at its cost for providing all facilities, personnel, training, supplies and other resources as are necessary to perform their respective obligations under this Agreement.

17.10 Regulatory Adjustment

- (a) Client will notify and consult with Supplier in advance of any hearing in which it believes a Governmental Authority having proper jurisdiction over Client will render a decision directly affecting the Fees or Pass-Through Expenses payable by Client in respect of the Services. Supplier will cooperate with Client and provide such supporting documentation or other assistance as may be reasonably required by Client with respect to such hearing.
- (b) If a Governmental Authority renders a decision with respect to Client's rates which has the effect of disapproving the level of costs incurred by Client in respect of the Services, then Client and Supplier will promptly meet with one another and, acting reasonably and prudently taking into account the interests of Client, to mutually agree through negotiations in good faith on a plan for, and implement (in accordance with the agreed to plan), the required reduction in costs without a material reduction in the Services Levels or the Services. The Parties will use commercially reasonable efforts to implement and effect such reduction within ninety (90) days of the date of such governmental decision.
- (c) If a Governmental Authority renders a decision or Client agrees to a settlement, which has the effect of requiring Client to reduce its costs generally or requiring Client to reduce Services or Service Levels, then Client and Supplier will promptly meet with one another and, acting reasonably and prudently taking into account the interests of Client,

work together co-operatively to agree on a plan for, and implement, reductions and other changes to the Services and Service Levels and a corresponding commensurate reduction in Fees which is equitable to both Parties. The Parties will use commercially reasonable efforts to implement and effect such reductions in ninety (90) days of the date of such governmental decision or settlement.

ARTICLE 18 REPRESENTATIONS; WARRANTIES AND COVENANTS

18.1 Supplier Representations and Warranties

Supplier represents and warrants that:

- (a) it is a limited partnership validly organized and existing under the Laws of Ontario;
- (b) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
- (c) it has by proper action duly authorized the execution and delivery of this Agreement and when validly executed and delivered this Agreement will constitute a legal, valid and binding agreement enforceable against it in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy or the enforcement of creditors' rights and the discretion a court may exercise in the granting of equitable remedies;
- (d) the execution, delivery and performance by Supplier of this Agreement does not and will not result in the violation of any Laws in force on the date hereof to which Supplier or to the best of its knowledge, Client are subject, or conflict in any material respect with or constitute a material breach or material default under its organizational documents or under the terms and conditions of any documents, agreements (including collective bargaining agreements), licenses or other writings to which it is a party;
- (e) all of the Services and other obligations required to be performed by it pursuant to this Agreement will be performed diligently, on a timely basis, in good faith, using trained staff and personnel in accordance with good business practices, care and skill consistent with standards generally applicable to the facilities management industry and the construction industry and commensurate with Client's business supporting an essential public service;
- (f) it is a Canadian limited partnership and is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (g) Supplier will conduct its business in relation to the Services in a professional manner. Supplier will comply with all applicable Laws in its dealings with Client or its Representatives and in performing its obligations under this Agreement (including ensuring that all Services comply with applicable Law) and will refrain from engaging in any unfair or deceptive trade practice, or unethical business practice whatsoever;
- (h) that it has not agreed to provide any commission, consulting fee, discount, trade-in allowance, rebate, kick back, referral fee, inducement, gift or any other similar benefit to

any service provider, consultant, affiliate, contractor, employee, director, officer or shareholder of Client in any way relating to this Agreement or the transactions contemplated by this Agreement; and,

- (i) that each Deliverable will conform with the requirements and specifications set out in the applicable Statement of Work, Change Order, or elsewhere in this Agreement.

18.2 Client Representations and Warranties

Client represents and warrants that:

- (a) it is a corporation, validly organized and existing under the Laws of its jurisdiction of incorporation;
- (b) it has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder;
- (c) it has by proper action duly authorized the execution and delivery of this Agreement and when validly executed and delivered this Agreement will constitute a legal, valid and binding agreement enforceable against it in accordance with its terms, subject only to any limitation under applicable Laws relating to bankruptcy or the enforcement of creditors' rights and the discretion a court may exercise in the granting of equitable remedies;
- (d) the execution, delivery and performance of this Agreement does not and will not result in the violation of any Laws or conflict in any material respect with or constitute a material breach or material default under its organizational documents or under the terms and conditions of any documents, agreements licenses or other writings to which it is a party; and
- (e) it has disclosed to Supplier all collective agreements to which it is bound that apply in respect of the Services.

18.3 Third Party Materials

To the extent that Supplier procure and deliver to Client any third party items (including equipment or licenses for third party software) pursuant to this Agreement (“**Third Party Materials**”), Supplier will use its commercially reasonable efforts to pass on to Client the manufacturer's or supplier's warranties to the extent that Supplier is contractually able to do so.

ARTICLE 19 INDEMNITIES

19.1 General Supplier Indemnities

Except to the extent caused by a breach of this Agreement by Client, or the negligent or unlawful acts, errors or omissions of Client Indemnified Parties, Supplier will indemnify, defend and hold harmless the Client Indemnified Parties from any and all Losses to the extent arising out of, under, or in connection with the following:

- (a) any breach of any representation or warranty of Supplier by Supplier (or Third Party Claims resulting from the negligent acts or omissions of Supplier Subcontractors or Supplier Personnel related to this Agreement);
- (b) any actual or alleged act or omission of Supplier Indemnified Parties or Supplier Subcontractors in their capacity as an employer, purported or prospective employer of a person, related to this Agreement, and arising out of or relating to (i) applicable common law, employment/labour standards, human rights, health and safety, labour relations, employment insurance, Canada Pension Plan, workers' compensation, workplace safety and insurance, pay equity and employment equity legislation; (ii) withholding and reporting requirements under federal, provincial or municipal tax legislation; (iii) workers' compensation claims, assessments, fines or penalties; and (iv) any other aspect of the employment relationship or its termination (including claims for notice, pay in lieu of notice, severance or for breach of an express or implied contract of employment) and which, in all such cases, arose when the person asserting the claim, demand, charge, action, cause of action or other proceeding was or purported to be an employee of a Supplier Indemnified Party or Supplier Subcontractor;
- (c) the obligations and liabilities of Supplier Indemnified Parties or Supplier Subcontractors to their employees or purported employees, and related to this Agreement, for salary, wages, benefits, bonus, commissions, overtime pay, accrued time off, banked overtime and vacation pay (whether or not such accrued amounts would otherwise be payable or owing), holiday pay and any other form of remuneration owing or accruing to an employee;
- (d) the obligations and liabilities, related to this Agreement, of Supplier Indemnified Parties or Supplier Subcontractors under any collective agreement to which any Supplier Indemnified Party or Supplier Subcontractor is a party;
- (e) any act or omission of Supplier Indemnified Parties or Supplier Subcontractors (including, for greater certainty, Supplier Personnel) in connection with the provision of the Services to Client Indemnified Parties, to the extent constituting gross negligence or Wilful Misconduct;
- (f) an act or omission of Supplier Indemnified Parties or Supplier Subcontractors (including, for greater certainty, Supplier Personnel) in connection with the provision of the Services which results in bodily injury or death to any Person or physical damage to or loss of tangible property, to the extent caused by gross negligence or Wilful Misconduct;
- (g) Third Party Claims in respect of obligations or liability under the Assigned Contract arising after the Assigned Contract Effective Date for the Assignment Contract;
- (h) Third Party Claims arising from a breach of any Supplier obligations in respect of a Managed Contract, or an act or omission that is in breach of any Law, or that constitutes negligence, gross negligence, or Wilful Misconduct, of Supplier Indemnified Parties or Supplier Subcontractors (including, for greater certainty, Supplier Personnel) with respect to such Managed Contract;

- (i) as a result of the use by Supplier Indemnified Parties or Supplier Subcontractors (including, for greater certainty, Supplier Personnel) of Client Assets for the benefit of any Person other than Client and its Affiliates; or
- (j) any breach of Article 14 by Supplier, Representatives of Supplier or Supplier Subcontractors.

19.2 Supplier Intellectual Property Indemnification

Supplier will indemnify, defend and hold harmless Client Indemnified Parties from and against all third-party Claims against, and any related Losses incurred by, the indemnitee as a result of the software, Deliverables, equipment, Services or other items or materials (including Proprietary Materials) supplied by Supplier or any subcontractors of Supplier constituting an infringement of any Intellectual Property Right. In the event of any third-party Claim against the Client Indemnified Parties in respect of use of such infringing items or materials, Supplier, at its option, will: (a) obtain a right to use such items or materials without obligation on the part of the Client Indemnified Parties to the owner of the allegedly infringed Intellectual Property Rights; (b) modify or replace such items or materials, without materially diminishing the functionality or performance thereof, to become non-infringing at Supplier's sole expense; or (c) if neither of the foregoing is possible, require that the Client Indemnified Parties discontinue the use of the infringing items or materials and refund to the Client Indemnified Parties all amounts paid to Supplier to acquire infringing items or materials.

19.3 General Client Indemnities

Except to the extent caused by a breach of this Agreement by Supplier, or the negligent or unlawful acts, errors or omissions of the Supplier Indemnified Parties, Client will indemnify, defend and hold harmless the Supplier Indemnified Parties from any and all Losses to the extent arising out of, under, or in connection with the following:

- (a) any breach of any representation or warranty of Client by Client (or Third Party Claims resulting from negligent acts or omissions of third party suppliers of Client described in Section 4.9);
- (b) any actual or alleged act or omission of Client Indemnified Parties in their capacity as an employer, purported or prospective employer of a person, related to this Agreement, and arising out of or relating to (i) applicable common law, employment/labour standards, human rights, health and safety, labour relations, employment insurance, Canada Pension Plan, workers' compensation, workplace safety and insurance, pay equity and employment equity legislation; (ii) withholding and reporting requirements under federal, provincial or municipal tax legislation; (iii) workers' compensation claims, assessments, fines or penalties; and (iv) any other aspect of the employment relationship or its termination (including claims for notice, pay in lieu of notice, severance or for breach of an express or implied contract of employment) and which, in all such cases, arose when the person asserting the claim, demand, charge, action, cause of action or other proceeding was or purported to be an employee of a Client Indemnified Party;
- (c) the obligations and liabilities of Client Indemnified Parties to their employees or purported employees, and related to this Agreement, for salary, wages, benefits, bonus,

commissions, overtime pay, accrued time off, banked overtime and vacation pay (whether or not such accrued amounts would otherwise be payable or owing), holiday pay and any other form of remuneration owing or accruing to an employee;

- (d) any act or omission of Client Indemnified Parties related to this Agreement, to the extent constituting gross negligence or Wilful Misconduct;
- (e) an act or omission of Client Indemnified Parties in connection with this Agreement which results in bodily injury or death to any Person or physical damage to or loss of tangible property, to the extent caused by gross negligence or Wilful Misconduct;
- (f) Third Party Claims in respect of obligations or liability under the Assigned Contract arising on or prior to Assigned Contract Effective Date for the Assigned Contract;
- (g) Third Party Claims arising from a breach of Client's obligations in respect of a Managed Contract, or an act or omission that is in breach of any Law, or that constitutes negligence, gross negligence, or Wilful Misconduct, of Client Indemnified Parties with respect to such Managed Contract; or
- (h) any breach of Article 14 by Client or Representatives of Client.

19.4 Indemnification Procedures

A Client Indemnified Party or Supplier Indemnified Party seeking indemnification under this Article 19 (each, the “**Indemnified Party**”) will give Supplier or Client (each, the “**Indemnifying Party**”), as applicable, prompt written notice of any Claim, in respect of which the Indemnified Party requires indemnification pursuant to this Article 19 and information and reasonable assistance, at the Indemnifying Party's expense, for the defence or settlement thereof. The Indemnifying Party will have sole control of the defense and settlement of such Claim or related action, provided that the Indemnifying Party will not settle such claim or related action in a manner which imposes any obligation on the Indemnified Party, or involves a remedy other than the payment of money, without the prior written consent of the Indemnified Party (which consent will not be unreasonably withheld). The Indemnified Party will be entitled to engage counsel at its sole expense to consult with the Indemnifying Party with respect to the defense of the Claim.

ARTICLE 20 LIMITATION OF LIABILITY

20.1 Consequential Damages

Except as otherwise provided in Section 20.3, Client and its Representatives, collectively, on the one hand, and Supplier, their Representatives, collectively, on the other, will be liable to the other with respect to non-performance under this Agreement and the Ancillary Agreements only for direct damages and except as otherwise provided in this Section 20.1, in no event will either Client and its Representatives, collectively, on the one hand, and Supplier, and their Representatives, collectively, on the other, be liable for consequential, indirect (provided that the foregoing will not exclude Third Party Claims for direct damages), incidental, special, punitive damages, losses or expenses regardless of whether such liability is based on breach of contract,

tort, strict liability, indemnity, breach of warranties, fundamental breach, breach of a fundamental term, failure of essential purpose or otherwise, even if it has been advised of their possible existence. The exclusions in this Section 20.1 will not preclude Supplier from being entitled to receive or be awarded Fees for Services pursuant to this Agreement.

20.2 Limitation of Liability

Notwithstanding any other provision of this Agreement, except as otherwise provided in Section 20.3, each Party's, Guarantor (if any) and their respective Representatives' maximum aggregate liability for damages to the other Party and, as applicable, Client Indemnified Parties or Supplier Indemnified Parties under any provision of this Agreement, regardless of whether such liability is based on breach of contract, tort, strict liability, indemnity, breach of warranties, fundamental breach, breach of a fundamental term, failure of essential purpose or otherwise, with respect to this Agreement will not exceed twenty-five million dollars, in the aggregate (the "**Liability Cap**"). The existence of more than one Claim under this Agreement will not enlarge or extend the foregoing limitation.

20.3 Exclusions

- (a) Section 20.1 will not apply:
 - (i) in the case of Losses arising as a result of breach of Article 14;
 - (ii) to Supplier's obligations pursuant to Section 19.1 or 19.2, excluding:
 - (A) Section 19.1(a) (other than Supplier's obligation pursuant to Section 19.1(a) in respect of bodily injury or death to any Person or Third Party Claims for physical damage to or loss of tangible property);
 - (B) Section 19.1(d);
 - (C) Section 19.1(g); and
 - (D) Section 19.1(h);
 - (iii) to Client's obligations pursuant to Section 19.3, excluding:
 - (A) Section 19.3(a) (other than Client's obligations pursuant to Section 19.3(a) in respect of bodily injury or death to any Person or Third Party Claims for physical damage to or loss of tangible property);
 - (B) Section 19.3(f); and
 - (C) Section 19.3(g);
 - (iv) to Losses arising from non-compliance with any obligation in a Statement of Work relating to security of Client Data; and

- (v) in the case of Losses arising as a result of Wilful Misconduct by a Party (or its Affiliate or subcontractor).
- (b) Section 20.2 will not apply:
- (i) in the case of Losses arising as a result of breach of Article 14;
 - (ii) to Supplier's obligations pursuant to Section 19.1 or 19.2, excluding:
 - (A) Section 19.1(a);
 - (B) Section 19.1(d);
 - (C) Section 19.1(g); and
 - (D) Section 19.1(h);
 - (iii) to Client's obligations pursuant to Section 19.3, excluding:
 - (A) Section 19.3(a);
 - (B) Section 19.3(f); and
 - (C) Section 19.3(g);
 - (iv) to Losses arising from non-compliance with any obligation in a Statement of Work relating to security of Client Data;
 - (v) to Losses arising from non-compliance with any obligation in a Statement of Work relating to environmental compliance; and
 - (vi) in the case of Losses arising as a result of Wilful Misconduct by a Party (or its Affiliate or subcontractor).

ARTICLE 21 INSURANCE

21.1 Insurance

Supplier agrees to provide and/or cause its subcontractors to provide and maintain in full force and effect during the Term of the Agreement and any period during which Termination Transition Services are being provided and for a period of twelve (12) months thereafter), with reputable and financially secure insurance companies having a rating of A+ or better, the following insurance coverage with the limits and deductibles set out below:

- (a) Automobile liability insurance covering all licensed vehicles owned, (and non-owned auto for policies written in U.S.), rented or leased and used in connection with the work to be performed under this agreement. Coverage shall include bodily injury and property damage liability, mandatory accident benefits and if applicable attached machinery, to a

combined inclusive minimum limit of \$5,000,000. To achieve the desired limits, excess or umbrella coverages may be used.

- (b) Commercial general liability insurance with limits of \$10,000,000 inclusive for both bodily injury, including death, personal injury and damage to property, including loss of use thereof, for each occurrence. To achieve the desired limits, excess or umbrella coverages may be used. Coverage shall specifically include but not be limited to the following:
- blanket contractual liability;
 - damage to property of Client including loss of use thereof,
 - liability arising out of unlicensed equipment;
 - pollution liability coverage on at least a sudden and accidental basis;
 - products & completed operations to be continuously maintained through the operational liability insurance
 - employer's liability;
 - non-owned automobile liability;
 - broad form property damage; and
 - XCU endorsement.
- (c) Crime insurance including employee dishonesty and computer fraud coverage for theft of money or securities that Supplier holds for or on behalf of Client or for which Supplier is legally liable, arising out of the dishonest acts committed by the employees of Supplier or its subcontractors, acting alone or in collusion with others, or through the use of Supplier's computer system to fraudulently cause a transfer, with coverage in a minimum amount \$5,000,000.00.
- (d) Property managers errors and omissions insurance with respect to the Services, including coverage for any and all claims for negligent acts, errors or omissions of, or attributable to or relating to the performance of the Services with limits of not less than \$5 million per claim and in the aggregate.
- (e) All risks installation floater covering physical loss or damage to the work, materials, operating equipment, and supplies for incorporation therein, owned or for which the Contractor has responsibility, contractual or otherwise, against the perils of all risks of loss or damage in an amount of the replacement value thereof. The policy shall provide: i) Client is an additional named insured and loss payee as respects its property while in the custody of Supplier but that any deductible shall be for the account of Supplier; ii) a waiver of subrogation in favour of Client and its Affiliates.
- (f) Inland transit insurance against risk of physical damage of the property being transported until such property is received on the project, including loading, unloading and storage during the course of transit including storage at secondary processing facilities.

21.2 Certificates of Insurance

- (a) In accordance with the provisions herein, Supplier will supply and cause its subcontractors to supply Client a certificate of insurance completed by a duly authorized representative of their respective insurers certifying that at least the minimum coverages required here are in effect and that the coverages will not be cancelled, restricted or reduced without 30 days advance written notice by registered mail, receipt required, to:

Hydro One Networks Inc.
483 Bay Street
14th Floor, North Tower
Toronto, ON M5G 2P5

Attention: Hydro One Buyer / Supply Chain Department

(with copy to Hydro One Networks Inc., Risk & Insurance Department, 483 Bay Street, TCT 07, South, Toronto, Ontario. M5G 2P5)

- (b) Failure of Client to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Client to identify a deficiency from evidence provided will not be construed as a waiver of Supplier's obligation to maintain such insurance. No one acting on behalf of Client has any authority to waive any insurance requirement herein, unless done so by making specific reference to the provision being affected, and done so in a written instrument signed by hand (and not electronically) by Client's authorized signing authority.
- (c) Client's acceptance of delivery of any certificate of insurance evidencing the required coverages and limits does not constitute approval or agreement by Client that the insurance requirements have been met or that the insurance policies shown in the certificates of insurance are in compliance with the requirements.
- (d) Supplier's failure to maintain the required insurance, or to provide such certificate or other evidence of full compliance with these insurance requirements, as set forth here may result in immediate termination of this Agreement at Client's option.
- (e) If any of the coverages are required to remain in force after final payment, an additional certificate evidencing continuation of such coverage will be submitted with Supplier's final invoice.
- (f) Certificates of insurance are required to be provided prior to the Services beginning.
- (g) All deductibles shall be to the account of Supplier or Supplier Subcontractors or both of them.
- (h) With the exception of automobile liability insurance, all insurance noted above shall specify that it is primary coverage and not contributory with or in excess of any other insurance that may be maintained by Client.

- (i) Client shall be included as an additional insured under coverages noted in commercial general liability and excess/umbrella liability but only with respect to their rights and interest in the operations of Supplier and shall be added a loss payee as Client's interest may appear, under-coverage all risks' installation floater.
- (j) Coverages noted in commercial general liability and excess/umbrella liability shall contain a cross liability clause and a severability of interests clause.
- (k) Coverage provided for Client shall not be invalidated or vitiated by actions or inactions of others.
- (l) In the event that the limits set out above are exhausted by virtue of third party claims, Supplier shall reinstate such limits.
- (m) The aforementioned insurance requirements shall be in force prior to the commencement of the Services under the Agreement and shall remain in force during the entire Term of the Agreement and during the provision of any Termination Transition Services. Notwithstanding anything else in this Agreement:
 - (i) Neither Supplier nor Supplier Subcontractors shall commence providing the Services prior to Client's receipt of a valid standard insurance certificate evidencing compliance with all terms of this Section;
 - (ii) if the required insurance coverage expires during the Term or during provision of any Termination Assistance Services, Supplier shall ensure that replacement insurance coverage as required above shall be in place immediately so that coverage shall be continuously maintained; and Supplier shall provide a renewal certificate within 14 days of expiration evidencing continued compliance with all terms of this Section.

ARTICLE 22 GENERAL

22.1 Assignment

Except as otherwise provided herein, the rights and obligations of each Party under this Agreement are personal and may not be assigned, in whole or in part, either voluntarily or by operation of Law, or indirectly by means of a change of Control in respect of such Party, without the prior written consent of the non-assigning Party. Notwithstanding the foregoing, Client may assign this Agreement or one or more Statements of Work, in whole or in part, to an Affiliate or pursuant to a merger, amalgamation or other corporate reorganization, without the prior written consent of Supplier. Notwithstanding the foregoing, Supplier acknowledges that, as of the Effective Date, all of Client's shares are indirectly owned by the Province of Ontario and as such, Client may be subject to legislative or other government directive in terms of its corporate organization. In the case of legislative or other government directed changes to its corporate organization, Client need not obtain Supplier's consent to an assignment of this Agreement in whole or in part. Client will provide timely written notice of any assignment. In the event of a permitted assignment of this Agreement, in whole or in part, to a third party, and upon completion of all obligations under this Agreement, including payment of any amounts due

to Supplier under this Agreement, in respect of the period prior to the effective date of such permitted assignment, Supplier will, in a timely manner after receipt of written request by Client, agree to release Client from further obligation under this Agreement.

22.2 Relationship of Parties

Except where this Agreement expressly provides to the contrary, (including where this Agreement or any Statement of Work specifies that Supplier will act as an agent for or on behalf of Client, in which case Supplier is acting as Client's agent, and except where Supplier is authorized to handle, receive or disburse funds on behalf of Client or to make commitments on behalf of Client, in which case Supplier acts under a fiduciary duty to Client), nothing contained in this Agreement will be deemed or construed by the Parties hereto, or by any third party, to create the relationship of partnership or joint venture between Client and Supplier it being understood and agreed that no provision contained herein will be deemed to create any relationship between the Parties hereto other than the relationship of independent Parties contracting for services. This Agreement is entered into solely by and between, and may be enforced only by, Client and Supplier; and this Agreement will not be deemed to create any rights in third parties, including employees, suppliers, clients or Affiliates of a Party, or to create obligations of a Party directly to any such third parties. Notwithstanding the foregoing, subcontractors of Supplier who are engaged to perform Services will be third party beneficiaries of the disclaimers, indemnification and limitations of liability set forth in Article 19 and Article 20 hereof.

22.3 Non-Solicitation

Except as permitted by the Termination Transition Plan, neither Party will directly or indirectly solicit or hire any employee of the other Party who was involved in the performance, utilization or management of any of the Services hereunder during the previous 12-month period, without the prior written consent of the other Party. The foregoing prohibition will not prevent a Party from publishing general advertisements for employees and subsequently hiring such employees who respond to such advertisements nor will it apply to prevent the employment by one Party of any employee whose employment was terminated by the other Party.

22.4 No Advertising

No Party will use the name of any other Party or its Affiliates in any advertising, promotional materials or publicity releases without securing the prior written approval of the Party whose name or whose Affiliate's name is to be used, provided that the foregoing will not prohibit internal announcements by a Party within its own organization and that of its Affiliates nor listing Client as a customer of Supplier in presentations to other customers.

22.5 Governing Law

This Agreement will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

22.6 Notice

Any notice required or permitted to be given hereunder (other than communication between the Parties for operational purposes) will be in writing and will be hand delivered or sent by prepaid registered mail or by facsimile, in each case addressed as follows:

If to Client: Hydro One Networks Inc.
483 Bay Street
8th Floor, South Tower
Toronto, ON M5G 2P5

Attention: Secretary

Telephone No.: 416-345-5000
Facsimile Number: 416-345-6240

If to Supplier: Brookfield Johnson Controls Canada LP

7400 Birchmount Rd

Markham, ON L3R 4E6

Att: President

Telephone: 905-415-3248

Facsimile Number: 905-470-4580

or to such other address as any Party may by written notice to the other Party, indicate as its new address for the purposes of this provision. Any such notice given by a Party in accordance with the foregoing will be deemed to have been received by the Party to which it is addressed, on the date of delivery or transmission, in the case of a notice that is hand delivered or sent by facsimile, and four (4) Business Days following the date of mailing, in the case of notice sent by prepaid registered mail. Notices will not be sent by mail in the event of actual or threatened disruption of postal service.

22.7 Waiver

The failure of any Party at any time to require performance by the other Party of any provision of this Agreement will not affect in any way the right to require full performance at any subsequent time; nor will a waiver by any Party of a breach of any provision of this Agreement be taken or held to be a waiver of the provision itself. Consummation of the transactions contemplated herein will not be deemed a waiver of a breach of or inaccuracy in any representation, warranty or covenant or of any Party's rights and remedies with regard thereto.

22.8 Severability

If any provision of this Agreement is held invalid or unenforceable for any reason, such invalidity will not affect the validity of the remaining provisions of this Agreement, and the

Parties will substitute for the invalid provision a valid provision which most closely approximates the intent and economic effect of the invalid provision.

22.9 Cumulative Remedies

Except as expressly provided in this Agreement to the contrary, the exercise or obtaining of any right, remedy or relief by a Party in connection with this Agreement, including the exercise of a right of termination, will be without prejudice to any other right, remedy or relief vested in or to which such Party may be entitled at Law, in equity or under this Agreement.

22.10 Survival

The applicable provisions of Articles 9, 11, 12, 13, 14, 15 and 19, and Sections 4.14, 17.8(c), 17.10, 18.3, and the Guarantee(s) (if any) and Termination Transition Plan will survive termination or expiration of this Agreement together with such other provisions of this Agreement which expressly or by their nature survive termination or expiration.

22.11 Publicity of Project

Prior to making any public announcement or press release as to the existence of this Agreement or either Party's role with respect to the Services, the disclosing Party will give the other Party no less than two (2) Business Days' written notice of any proposed public announcements or press releases, and will provide the other Party with a reasonable opportunity to comment on the contents of such announcement or press release.

22.12 Entire Agreement

This Agreement, and the Ancillary Agreements constitute the entire agreement between the Parties with respect to the subject matter thereof and supersede all prior negotiations and representations, whether written or oral, relating to the subject matter hereof. No amendment, modification, waiver or discharge of this Agreement will be binding unless executed in writing by an authorized signatory of the Party to be bound thereby.

22.13 Further Assurances

The Parties agree to co-operate with and assist each other and take such action as may be reasonably necessary to implement and carry into effect this Agreement to its full intent.

This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute one and the same instrument.

IN WITNESS HEREOF, the parties to this Agreement have caused it to be executed by their duly authorized officers as of the Effective Date.

HYDRO ONE NETWORKS INC.

By:

**BROOKFIELD JOHNSON CONTROLS
CANADA LP**

**by its general partner Brookfield Johnson
Controls Canada GP Ltd.**

By: _____

Name:
Title:
By: _____
Name:
Title:

Name:
Title:
By: _____
Name:
Title: