A - ENERGY PROBE INTERROGATORY - 001

Reference:

Exhibit A-3-1, Page 18, Table 4
Exhibit E-6-1, Attachment 2A

Interrogatory:

a) Please Provide/include the Historic 2018A-2021E values in Table 4

b) Please calculate the Year over Year percentages and Total%
   i. 2018-2022
   ii. 2022 Bridge –2023 Test

c) Please provide a variance report

Response:

a) Historical 2018-2020 values in Table 4 are contained in Exhibit E-06-01 Attachment 2A, and Exhibit E-06-01 Attachment 2B. These Tables are attached to this response in excel format. These Tables are attached to this response in excel format (I-08-A-Energy Probe-001-01).

b) Year over year percentages for years 2019 to 2027 are contained in Exhibit E-06-01 Attachment 2B. Actuals for 2018 has been added to these figures and are reproduced below.

2018 – 2022 YoY and Total %

	2018	**2019**	**2020**	**2021**	**2022**	**Total % change 2018-2022**
Capital – Transmission Compensation	453,379,455	405,302,208	416,748,694	448,948,977	478,188,667	
YoY variances (%)		-11.86%	2.75%	7.17%	6.11%	5.19%
OM&A - Transmission Compensation	196,210,244	157,890,378	159,808,786	174,945,749	188,955,014	
YoY variances (%)		-24.27%	1.20%	8.65%	7.41%	-3.84%
Total Transmission Compensation	**649,589,700**	**563,192,585**	**576,557,480**	**623,894,726**	**667,143,681**	
YoY variances (%)		-15.34%	2.32%	7.59%	6.48%	2.6%

2022 Bridge – 2023 Test (YoY & Total)

	2022	2023	YoY % change
	Bridge	**Test**	
Capital - Transmission Compensation	478,188,667	498,172,879	4.01%
OM&A - Transmission Compensation	188,955,014	195,673,989	3.43%
Total Transmission Compensation	**667,143,681**	**693,846,868**	**3.85%**

Exhibit E-06-01 Attachment 2B with 2018 historical values added ($K)

	2018 Actual	2019 Actual	2020 Actual	2021 Budget	2022 Plan	2023 Plan
Total Capital Compensation	453,379	405,302	416,749	448,949	478,189	498,173
YOY Change (Capital)		-11.86%	2.7%	7.2%	6.1%	4.0%
Total OM&A Compensation	196,210	157,890	159,809	174,946	188,955	195,674
YOY Change (OM&A)		-24.27%	1.2%	8.7%	7.4%	3.4%
Transmission Total Comp ($)	649,590	563,193	576,557	623,895	667,144	693,847
YOY Change Comp (%)		-15.34%	2.32%	7.59%	6.48%	3.85%

c) Exhibit E-06-01 Attachment 2B has been provided as a variance report.

A - ENERGY PROBE INTERROGATORY - 002

Reference:

Exhibit A-3-1, Page 21, Table 7
Exhibit E-6-1, Attachment 2A

Interrogatory:

a) Please Provide/include the Historic 2018A-2021E values in Table 7

b) Please calculate the Year over Year percentages and Total%
   i. 2018-2022
   ii. 2022 Bridge –2023 Test

c) Please provide a variance report

Response:

a) Historical 2018-2020 values in Table 7 of Exhibit A-03-01 are contained in Exhibit E-06-01 Attachment 2A, and Exhibit E-06-01 Attachment 2B. Excel version attached to Hydro One's response to A-Energy Probe-001.

b) Year over year percentages for years 2019 to 2027 are contained in Exhibit E-06-01 Attachment 2B. Actuals for 2018 has been added to these figures and are provided below.

2018 – 2022 Total %

	2018	2019	2020	2021	2022	Total % change 2018-2022
Capital - Distribution Compensation	312,560,355	338,008,485	346,552,311	372,338,314	395,241,353	
		7.53%	2.47%	6.93%	5.79%	20.92%
OM&A - Distribution Compensation	323,928,738	327,626,176	335,071,780	357,394,443	379,295,578	
		1.13%	2.22%	6.25%	5.77%	
Total Distribution Compensation	**636,489,094**	**665,634,662**	**681,624,091**	**729,732,757**	**774,536,931**	
		4.38%	2.35%	6.59%	5.78%	17.82%

2022 Bridge – 2023 Test (YoY & Total)

	2022	2023	YoY % change
	Bridge	Test	
Capital - Distribution Compensation	395,241,353	406,071,193	2.67%
OM&A - Distribution Compensation	379,295,578	391,638,108	3.15%
Total Distribution Compensation	**774,536,931**	**797,709,300**	2.90%

Exhibit E-06-01 Attachment 2B with 2018 historical values added ($K)

Total Capital Compensation	312,560	338,008	346,552	372,338	395,241	406,071
YOY Change (Capital)		7.53%	2.5%	6.9%	5.8%	2.7%
Total OM&A Compensation	323,929	327,626	335,072	357,394	379,296	391,638
YOY Change (OM&A)		1.13%	2.2%	6.2%	5.8%	3.2%

Dx Total Comp ($)	636,489	665,635	681,624	729,733	774,537	797,709
YOY Change Comp (%)		4.4%	2.3%	6.6%	5.8%	2.9%

c) Exhibit E-06-1 Attachment 2B has been provided as a variance report.

A - ENERGY PROBE INTERROGATORY - 003

Reference:

Exhibit A-4-1, Attachment 1, Page 50-54, Figure 14

Interrogatory:

a) Please provide a complete listing of input and output parameters for the Transmission Industry TFP Study using the Energy Probe Template Tab1 [Attached as an Excel Spreadsheet EB-2021-0110 HONI EP- Clearspring EA TFP/Benchmarking Parameters]

b) Specifically indicate/describe if any adjustments were made for autocorrelation and heteroskedasticity.

Response:

Response from Clearspring

a) Please see the included Excel spreadsheet entitled "EP_IR_A-Energy Probe-3a attachment_20211026 Clearspring edited TFP tab.xlsx" filed as I-08-A-Energy Probe-03-01. We only modified the "TFP Parameters" worksheet and did not examine or modify the "Benchmark Parameters" worksheet since the question referred only to the Transmission Industry TFP Study.

b) The TFP trend result is based on a calculation of the percentage change in the ratio of an output quantity index and an input quantity index. The TFP result is not directly derived from an econometric model. However, in constructing the output quantity index, it is necessary to weight the growth rates of the two output variables (KM of transmission line and the 10-year rolling average of peak demand) into one output quantity index. These weights are derived from the transmission total cost benchmarking econometric model, which does estimate standard errors that are adjusted for autocorrelation and heteroskedasticity.

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A - ENERGY PROBE INTERROGATORY - 004

Reference:

Exhibit A-4-1, Attachment 1, Page 50-57, Figure 14

Interrogatory:

a) Please provide the results of the Clearspring EA Tx Industry TFP Analysis.

b) Please compare and discuss the Clearspring EA Result to the recent Brattle and PEG Tx Industry TFP Studies as summarized by PEG in Reference 2.

Here is a summary by PEG of the Brattle and PEG Results and Clearspring Transmission Industry Productivity Trend calculations.

US Tx Industry Multifactor TFP Study Results

	Brattle		PEG		Clearspring EA
	(OHS)	(GD)		(GD)	(GD)
1994-2019	-1.04%	-1.82%	-0.62%		-1.66%. (2000-2019)
Last 15 years	-1.69%	-2.26%	-3.09%	-2.74%	(2010-2019)

c) Please confirm the extracted TFP values are correct, modify if required.

d) Provide the average of the three studies for the period 2000-2019.

e) Discuss whether, based on the other two Industry TFP estimates, Clearspring would/would not modify its recommendation for the HONI Transmission X factor.

Response:

Response from Clearspring:

a) The results of the Clearspring EA Tx Industry TFP analysis can be found on Table 13, p. 52 of the Clearspring Report. The results indicate Tx industry TFP has declined by 1.66% annually from 2000-2019 and declined by 2.74% from 2010 to 2019.

b) Based on the summary provided in the interrogatory, all the results show negative TFP trends for the transmission industry. All three also show that the TFP trend is becoming more negative in the more recent years. We do not recommend using the TFP trends prior to 2000, as the basis for the productivity factor before 2000 was skewed due to: (1) the large

restructuring of the transmission industry that began in the 1990s, and (2) the dissimilarity in the challenges encountered by transmission utilities in the 1990s relative to the far more challenging current conditions. However, even the TFP trends that begin in the 1990s reveal negative TFP trends. This evidence supports Clearspring's findings and recommendation of a productivity factor of 0.0% and our assertion that a productivity factor of 0.0% already contains a sizeable stretch factor.

c) We can confirm the results are the same as shown in Reference 2, but we have not conducted a thorough review of the Brattle or PEG study in the Quebec application. We can confirm that the Clearspring EA results cited match what we produced for this application.

d) We are not able to average the three studies for the period 2000-2019, because the time periods for the three studies are not the same (the Brattle and PEG studies cover 1994-2019, and the last 15 years). However, the average would clearly result in a negative TFP trend number.

e) In what we can tell from the included summary, all three studies indicate negative TFP trends. In our report we stated that a negative productivity factor should be considered by the Board, given the clear empirical evidence that TFP trends in the Tx industry are negative. However, based on Board and other CIR precedents, the negative TFP trends, and Hydro One's strong total cost benchmarking results, we continue to recommend an X-factor no greater than 0.0%. A productivity factor of 0.0% already contains a sizeable stretch factor given the negative TFP trends, and this should be accounted for when determining the stretch factor of the Company.

A - ENERGY PROBE INTERROGATORY - 005

Reference:

Exhibit A-4-1, Attachment 1, Table 3, Figure 7, Page 29-30

Preamble:

"Hydro One's ranking among the transmission benchmarking sample substantiates this total cost performance benchmark score. Each utility in the sample received a transmission cost performance score; for every utility except Hydro One, the score was based on that utility's transmission costs in the most recent three years where data was available (compared to the model's expected costs for that utility in those years). For Hydro One, the score was based on the average of the CIR years of 2023 to 2027 proposed costs (compared to the model's expected costs for Hydro One in those years).44 Hydro One's benchmark score ranks well in the top quartile. The Company ranks 2nd out of the 60 utilities in the full transmission benchmarking sample."

Interrogatory:

a) Based on the Clearspring EA HONI Transmission Benchmark results, what does Clearspring recommend as an appropriate Stretch factor?

b) Would the Stretch Factor be applied to both O&M and Capital in the 2023-2027 RCI Formula?

c) How would inclusion or exclusion of the following costs, directionally change the Benchmark Score: Contributions in Aid of Construction, High Voltage Expenses, Customer Service and Information CSI, Pensions and Benefits? Please discuss.

Response:

Response from Clearspring:

a) Based solely on the benchmark results, Clearspring could recommend a negative stretch factor for HONI's transmission operations, due to the finding that the Company is 34.5% below total cost benchmark expectations during the CIR period. However, regulatory certainty and precedents should be recognized, thus our recommendation of a 0.0% stretch factor.

b) Yes.

c) We assume this question is in relation to the distribution total cost benchmarking research. Contributions in Aid of Construction and High Voltage Expenses cannot be disaggregated for

the U.S. dataset; thus, we are unable to offer an opinion on those two items and we have no inclination on which direction it may move the results. We note that we chose to exclude Contributions in Aid of Construction and include High Voltage Expenses for Hydro One to match what is available for the sample.

Regarding including CSI expenses, if these were added back in for all the sampled utilities including HONI, the benchmark results for the Company would improve to -9.7% during the CIR period. This would continue to indicate a 0.3% stretch factor on distribution, although the result would be near the threshold for a 0.15% stretch factor. However, we caution that in the U.S. sample, CSI expenses may not be consistently reported, and some utilities may contain some or all of their CDM expenses, which can be sizeable. For this reason, we exclude those expenses from the cost definition in our study to assure consistency with the costs of HONI and the entire sample.

Regarding including Pensions and Benefits expenses, if these are added back into the distribution cost definition for HONI and the sample, the HONI results would improve to +6.2% during the CIR period. This would continue to indicate a 0.3% stretch factor on distribution.

A - ENERGY PROBE INTERROGATORY - 006

Reference:

Exhibit A-4-1, Attachment 1, Table 14, Page 60-61

Preamble:

Clearspring EA concludes: **"**Therefore with this initial research on this topic, Clearspring is unable to identify a consistent correlation in both the transmission and distribution datasets that aligns with the theory that as capital investments increase enough to reduce capital age, OM&A should decrease. In the case of Hydro One's capital age and its proposed change during the CIR period, this may be a moot point, given that the proposed capital investment levels are not expected to reduce the Company's overall system age to any significant degree."

Interrogatory:

a) Does Clearspring agree this result is counter-intuitive? Most Ontario Distribution Utilities request increased OM&A as Plant ages.

b) Please discuss if the Models are not properly specified, for example is Sustainment Capital included in the Net Book Value of assets? Please discuss.

Response:

Response from Clearspring**:**

a) No. We had no intuition prior to running the models on what the empirical models would show.

b) Our opinion is that the models are properly specified. Regarding the example in the question, the left-hand side variable in the models is "OM&A expenses," and one of the explanatory variables is the capital age of assets (as calculated by Clearspring and detailed in our report). In that capital age calculation, total plant additions and retirements are considered, and there is no disaggregation of sustainment capital. Based on the data we have, such a disaggregation would not be possible.

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A - ENERGY PROBE INTERROGATORY - 007

Reference:

Exhibit A-4-1, Attachment 1, Page 41, Figures 10 and 11

Preamble:

> *Hydro One ranking among the benchmarking sample substantiates this total cost performance score. Clearspring ranked the distribution sample using the three-year distribution cost performance benchmarking score. Each utility in the sample received a distribution cost performance score; for every utility except Hydro One, the score was based on that utility's distribution costs in the most recent three years where data was available (compared to the model's expected costs). For Hydro One, the score was based on the average forecasted CIR costs from 2023 to 2027 (compared to the model's expected costs for those years). Hydro One ranks in the third quartile. The Company ranks 49th out of the 82 utilities in the full sample.*

Interrogatory:

a) How does this 49/82 ranking compare with Hydro One Distributions Ranking under Ontario 4th Generation IRM? Please discuss.

b) Based on the Clearspring EA TC study finding, what does Clearspring recommend for the HONI Dx Stretch Factor for 2023-2027?

Response:

Response from Clearspring:

a) The ranking from the updated OEB benchmarking study is not appropriate to apply to HONI distribution. PEG is the author of the 4th Generation IRM OEB annual benchmarking study, and in the last HONI distribution application, PEG presented an entirely different model than the one it used in the OEB study (PEG's research in the last HONI distribution application used a U.S.-only dataset). PEG's change to include a U.S. dataset is consistent with Clearspring's approach and with the view that the OEB benchmarking model developed in the 4th Generation IRM is inappropriate to apply to HONI.

With that significant caveat, HONI's ranking in the 4th Generation IRM is 55 out of 59, based on our review of the latest OEB results. This result is produced annually using a model developed nearly a decade ago, with no model updates since that time. Total cost

benchmarking has evolved and improved substantially in the interim, as discussed in the Clearspring Report.[1] The evolution and improvements include more appropriate explanatory variables, more precise cost definitions, and a sample that is far more appropriate to benchmarking Hydro One Network's distribution total costs. We will not list all the various shortcomings of the OEB 4th Generation IRM total cost benchmarking model and results as they apply to HONI. However, one of the largest shortcomings is the Ontario-only dataset. The Ontario-only dataset cannot appropriately account for Hydro One's large and rural service territory. The fact that Hydro One's service territory comprises approximately 75% of Ontario itself is evidence enough that an Ontario-only dataset should not be depended upon when benchmarking Hydro One.

b) We recommend a 0.3% stretch factor for HONI's distribution CIR formula. This is in consideration of the 4th Generation IRM framework that sets stretch factors. While we would consider a 0.3% stretch factor alone to be reasonable (given the Company's average benchmarking results), the Company has also proposed an additional 0.15% stretch factor on capital. A stretch factor of 0.3% is a reasonable stretch factor for a utility found to be in the average range of its sampled peers using the most up to date and applicable total cost benchmarking research.

[1] See pp. 7 and 9-17 for a discussion on some of these improvements.

A - ENERGY PROBE INTERROGATORY - 008

Reference:

Exhibit A-3-1, Page 32, Table 9

Interrogatory:

a) Please explain the reason for the large increase in System Service capital expenditures in 2025.

b) Why is there no Productivity offset for Distribution similar to the Productivity offset in Transmission?

Response:

a) This increase can be attributed to load growth investments. Please see DSP Section 3.8 Table 7 for a yearly breakdown of all ISDs under System Service, as well as ISD D-SS-01 for a breakdown of all investments within "System Upgrades Driven by Load Growth".

b) As described in Exhibit B-01-01 Section 1.4, as part of this application, instead of applying a bottom line reduction to the capital envelope, which Energy Probe has referred to as the productivity offset, as was previously done for Hydro One Transmission in the 2020-2022 Transmission Application, Hydro One will achieve its progressive productivity targets in connection with the Custom IR Framework through the productivity factor and supplemental stretch factor on capital (both applied on a cumulative basis). This approach provides direct and upfront savings and revenue requirement reductions to Transmission and Distribution customers. customers.

Within this application, Hydro One remains committed to the previous progressive targets set in the last Transmission application, therefore Hydro One continues to provide as a bottom line adjustment those reductions for Transmission capital, despite the new approach. This is further described in interrogatory response A-CCC-007.

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A - ENERGY PROBE INTERROGATORY - 009

Reference:

Exhibit A-4-2, Page 3

Interrogatory:

a) Please confirm that the Revenue Cap Index formula includes escalation of the capital component of revenue requirement.

b) Is the proposed Capital Factor is needed to recover the cost of capital expenditures above the amount already recovered by the revenue cap formula? If the answer is yes, please provide a table that shows the amount of capital recovered by the revenue cap formula and the amount of capital recovered by the capital factor separately for each year for the 2023-2027 period.

c) How can the OEB be assured that there is no double recovery of capital expenditures?

d) What are the incentives for capital expenditure productivity in the proposed Custom IR formula?

Response:

a) Confirmed.

b) Correct. The relative amount of capital recovered through the capital factor and I-X adjustment is shown in lines 16-18 of Table 1. Line 16 provides the overall increase in capital related revenue requirement as a percentage of the previous year's revenue requirement. Of that increase, the amount related to the I-X adjustment is shown in line 17 and the amount related to the C-factor is shown in line 18. These values are reproduced in the table below, for convenience. Note that the figures below assume a 2.0% inflation factor for each of the four years.

($M)	2024	2025	2026	2027
Capital Recovered through I-X Formula	1.53%	1.55%	1.56%	1.58%
Capital Revenue Recovered through Capital Factor	4.29%	2.63%	3.56%	1.68%
Total Increase in Capital Related Revenue Requirements	5.82%	4.18%	5.12%	3.26%

c) Combined, the I-X adjustment and C-factor are designed to recover the total capital related revenue requirement (excluding working capital from the C-factor and excluding productivity) shown in line 12 of Table 1 in Exhibit A-4-2. This capital related revenue requirement is based on a bottom-up forecast of Hydro One's capital requirements in each year as further detailed in the TSP, DSP and GSP. As such, Hydro One does not believe that there is potential for double recovery.

d) The RCI includes a custom productivity stretch factor which is calibrated based on Hydro One's cost performance as outlined in the Clearspring study provided in Attachment 1 to Exhibit A-4-1. To incent further productivity and continuous improvement, and provide an upfront revenue requirement reduction to customers, Hydro One is also proposing a Supplemental Stretch on capital of 0.15% as detailed on page 4 of Exhibit A-4-1.

B2 - ENERGY PROBE INTERROGATORY - 010

Reference:

Exhibit B2-1-1, TSP Section 2.5, Page 24, Table 20

Interrogatory:

a) Are the percentages shown in the "Actual" line in Table 20 percentages of money spent or the percentage of work completed?

b) If the percentage of work completed is not shown in Table 20, is it shown elsewhere in the evidence?

Response:

a) The percentages shown in the "Actual" line in Table 20 are weighted percentages of work completed.

b) Not applicable.

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B2 - ENERGY PROBE INTERROGATORY - 011

Reference:

Exhibit B2-1-1, TSP Section 2.5, Page 29

Preamble:

Hydro One's past performance shows an increasing trend in the cost per kilometer, mainly attributable to the increase in work required to bring back corridors to design width across the province and increased work requirements to maintain urban corridors based on the transmission industry and NERC standards as discussed above and to be responsive to customers and local requirements.

Interrogatory:

a) What is the design width?

b) What percentage of corridors were not at design width?

c) Have all corridors been brought up to design width?

Response:

a) Hydro One's typical design widths are listed below:

Voltage	Typical ROW Width
115 kV	20 m (66 ft)- single circuit 30 m (100 ft)- double circuit
230 kV	45 m (150 ft)
500 kV	76 m (250 ft)

b) The percentage of ROWs cleared to design width is not available.

c) All ROWs have not been brought up to design width. Hydro One is working to bring all ROWs to design width.

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B2 - ENERGY PROBE INTERROGATORY - 012

Reference:

Exhibit B2-2-1, TSP Section 2.5, Page 30, Table 30

Interrogatory:

a) What were the consequences of not meeting the target in 2019?

b) In general, are there any consequences in not meeting annual targets?

Response:

a) The 2019 Brush Control unit cost reflected a one-time increase due to training costs for new equipment. As a result of this increase, 2019 Brush Control accomplishment units were adjusted to remain within the overall budget. Vegetation defects with the potential to impact system reliability were addressed and vegetation defects deemed to be a lower risk to system reliability were completed in 2020.

b) Hydro One Forestry works towards the Brush Control unit cost target but factors such as one time training costs, increased time to complete maintenance in urban areas and the brush control method best suited to a specific ROW can impact this target. If the Brush Control unit cost target is not being met, brush control work is reprioritized in order to remain within the annual Transmission Vegetation Management budget.

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B2 - ENERGY PROBE INTERROGATORY - 013

Reference:

Exhibit B-2-1, TSP Section 2.8, Page 1, Table 1

Interrogatory:

Please provide the System OM&A amounts for 2024 to 2027 as determined by the escalation factor.

Response:

The System OM&A shown in TSP Section 2.8 reflects total Operations, Maintenance and Administration expenses.

Hydro One Transmission's OM&A for the first year of the 5-year period (2023) is determined using a forward test year, cost of service approach, consistent with the OEB's RRF. The OM&A in the following years, 2024-2027, is determined using an OEB approved inflation factor calculated and issued by the OEB annually less Hydro One's Custom Stretch Factor that is calculated separately for both Hydro One Transmission and Hydro One Distribution.

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B2 - ENERGY PROBE INTERROGATORY - 014

Reference:

Exhibit B2-2-1, TSP Section 2.9, Attachment 1, Page 1, Table 2AA

Interrogatory:

If possible, please insert the column 2020 DRO Plan in Table 2AA and populate it with data. If it is not possible, please explain why not.

Response:

Please refer to Interrogatory B2-SEC-094.

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B2 - ENERGY PROBE INTERROGATORY - 015

Reference:

Exhibit B2-2-1, TSP Section 2.10, Pages 9 and 15

Interrogatory:

a) What percentage of construction work is performed by Hydro One employees and what percentage is contracted out?

b) How can the OEB be confident that Hydro One's construction labour costs are reasonable?

Response:

a) Approximately 75%-85% of construction work is performed by Hydro One's direct hire casual trade workforce, the remaining work is externally executed under a variety of contracting models by qualified service providers under a competitive Request For Proposal (RFP) process.

b) Unlike Regular employees, casual construction employees are unionized contingent employees that are hired to perform specific work for a set period.

Construction wages in the Electrical Power Sector (EPS) are generally negotiated for the entire sector by the Electrical Power Sector Construction Association (EPSCA) of which Hydro One is a member. The wages for all EPS construction trades (except the Canadian Union of Skilled Workers (CUSW)) are negotiated collectively for the sector therefore, all employers performing construction work in the transmission sector are subject to the same collective agreements and wage schedules.

Hydro One negotiates directly with the CUSW, which represents electrical construction casual employees. Historically, the rates paid to CUSW-represented workers are lower on a Total Wage Package basis than comparable transmission industry wages for IBEW (International Brotherhood of Electrical Workers), as documented in Exhibit E-06-01 Section 3.2.5.

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B2 - ENERGY PROBE INTERROGATORY - 016

Reference:

Exhibit B2-2-1, TSP Section 2.10, Page 13

Interrogatory:

a) Is contingency estimated at the portfolio level and not at project level? If the answer is yes, please explain why. If the answer is no, please explain at what level it is estimated.

b) Please provide more detail that explains how contingency is estimated including a numerical example.

c) Please provide more detail that explains how and when contingency is released.

Response:

a) No, contingency is estimated at the project level.

b) Project contingency is estimated by identifying the probability and consequence of individual project risks materializing. The contingency value for each risk is calculated by taking the mean of each probability range, multiplied by the cost impact, and then summed to form the project contingency. The table below shows an illustrative example of how project contingency is determined.

Risk Title	Risk Type	Cost Impact Estimate	Probability Ranking	Probability %	Probability Mean %	Contingency
Risk #1	Threats	$250,000	Very Likely	95%-100%	97.5%	$243,750
Risk #2	Threats	$350,000	Likely	75%-94%	84.5%	$295,750
Risk #3	Threats	$200,000	Even Odds	50%-74%	62.0%	$124,000
Risk #4	Threats	$96,000	Unlikely	25%-49%	37.0%	$35,520
Risk #5	Threats	$550,000	Remote	0%-24%	12.0%	$66,000
Total		**$1,446,000**				**$765,020**

c) Each risk is tied to a potential event. The project manager and their project controls support regularly review the risk register and update the project forecast to reflect the risk realization or risk mitigation. If the event occurs, project forecasts are updated and the contingency is

drawn down. If the mitigating actions are successful or the risk event does not occur, the contingency associated with that risk is 'released' and the project forecast is lowered.

B2 - ENERGY PROBE INTERROGATORY - 017

Reference:

Exhibit B-2-1, TSP Section 2.11, T-SA-01, Page 2-4, Table 2

Preamble:

This investment is required to respond to a request from a customer to connect two facilities in the City of Toronto. Each facility will have a loading of about 60 MVA. The new facilities will be connected to the Cherrywood TS to Richview TS 230kV circuits C5R/C20R and the Parkway TS to Richview TS 230kV circuits P21R /P22R. The planned in-service date is Q4 2024.

Interrogatory:

a) Please identify the customer. If it is not possible, please explain why not.

b) Please file a calculation that supports the estimate of the contribution paid by the customer.

c) When will the customer pay the contribution to Hydro One?

Response:

a) The identity of the customer is not relevant for the purpose of this rate application.

b) The Connection Cost Recovery Agreement (CCRA) has not yet been finalized, as such the project costs and capital contribution amounts are considered preliminary at this time, as noted in Exhibit B-2-1, TSP Section 2.11, ISD T-SA-01.

c) The payment schedule will be decided with the customer and included in the CCRA. The CCRA will be executed with the customer before the project is released for execution.

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B2 - ENERGY PROBE INTERROGATORY - 018

Reference:

Exhibit B-2-1, TSP Section 2.11, T-SA-04, Page 3

Preamble:

"The execution of each of the TPSS connection is subject to signing a Connection Cost Recovery Agreements (CCRA) with the Customer for each station."

Interrogatory:

a) What is the cost recovery agreement with Metrolinx? Please provide percentages of costs recovered for each category of expenditures.

b) Please file copies of the CCRAs.

Response:

a) The Connection Cost Recovery Agreement (CCRA) with Metrolinx for these projects have not yet been finalized or signed.

b) See response to part (a) above.

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B2 - ENERGY PROBE INTERROGATORY - 019

Reference:

Exhibit B-2-1, TSP Section 2.11, T-SA-05, Page 4, Table 2

Interrogatory:

Please explain how the forecast of amounts shown in Table 2 was developed using numerical examples.

Response:

Hydro One is proposing the Future Transmission Load Connection investment to ensure that adequate funds are available to accommodate future unforeseen request from load customers to connect to Hydro One's transmission system for which need, and scope have not been defined.

Figure 1 below shows the historic actuals and forecast expenditures for load connections. The forecast for load connections (excluding ISD T-SA-05 Future Connections) over the test years, primarily represents only the new load connections for the Leamington area. However the expectation is that load connections investments will continue to be required as in the past across the Province, and not solely for just one region. Hydro One considers this historical trend in the forecasting of these future connection costs to reflect the anticipation of needs over the next few years due to rapid development. Triggers like electrification and climate change policy can shift needs very quickly.

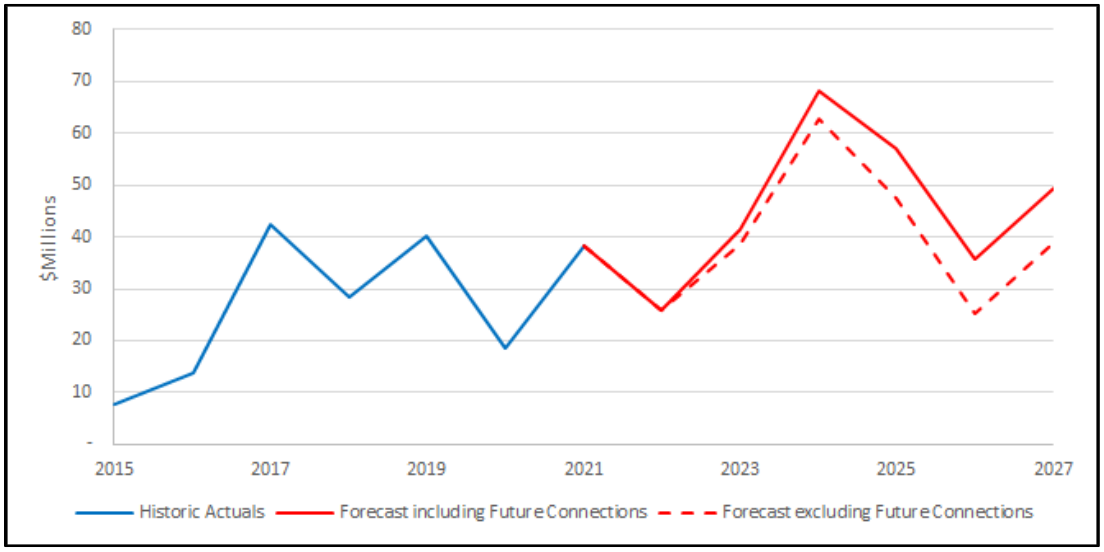


Figure 1. Load Connections Historical Actuals and Forecast Expenditures

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B2 - ENERGY PROBE INTERROGATORY - 020

Reference:

Exhibit B-2-1, TSP Section 2.11, T-SA-07, Page 3, Table 1
Exhibit B-2-1, TSP Section 2.11, T-SA-07, Page 5, Table 3

Interrogatory:

a) Is Metrolinx paying 100% of the $21.7 million cost of the Don Yard Relocation project. If the answer is no, please explain why not and provide the percentage paid by Metrolinx.

b) What proportion of the $40 million cost of the Barrie Rail Corridor project is Metrolinx paying? Please explain your answer.

c) Please reconcile the amounts shown in Table 1 with the amounts shown in Table 3.

Response:

a) Yes, Metrolinx will contribute 100% of the $21.7 million cost of the Don Yard Relocation project.

b) The proportion of the project cost of the Barrie Rail Corridor project to be paid by Metrolinx will be confirmed when the final cost recovery agreement for the project is executed.

c) In Exhibit B-2-1, TSP Section 2.11, ISD T-SA-07; Table 1 reflects only the material Secondary Land Use projects forecast over the plan period. Whereas Table 3 includes all Secondary Land Use projects at an aggregate investment level, including the amounts for the material investments in Table 1.

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B2 - ENERGY PROBE INTERROGATORY - 021

Reference:

Exhibit B-2-1, TSP Section 2.11, T-SA-09, Page 3, Table 1
Exhibit B-2-1, TSP Section 2.11, T-SA-09, Page 4, Table 2

Preamble:

> *"Commencement of the project is subject to signing a Connection Cost Recovery Agreement (CCRA) with the local distribution companies, Alectra Utilities, Newmarket-Tay Power Distribution and Hydro One Distribution, that would be supplied from the new station."*

Interrogatory:

a) Have the three CCRA's been signed?

b) How much is each of the three distributors expected to contribute?

c) How were the contribution amounts determined?

Response:

a) No.

b) As noted in Table 2 of Exhibit B-2-1, TSP Section 2.11, ISD T-SA-09; the total capital contribution is estimated at approximately $23.3 million. The amount each distributor is expected to contribute has not yet been finalized.

c) The capital contribution amounts are determined as detailed in Hydro One's Transmission Connection Procedures provided in response to part (b) of Exhibit I-1-B2-Staff-069.

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B2 - ENERGY PROBE INTERROGATORY - 022

Reference:

TSP Section 2.11, T-SR-01, Page 15, Table 3

Interrogatory:

Please add two lines to Table 2: Number of Stations, and Net Investment per Station and populate them with data.

Response:

It is assumed that the question is regarding Table 3 and not Table 2 as listed in the interrogatory.

The individual Network Station investments undertaken in T-SR-01 are multi-year investments that are currently at different stages of execution with associated expenditures summarized in Table 3. The requested Net Investment per Station using Table 3 expenditures would not be appropriate nor meaningful. A list of all the station investments including the net capital investment per station investment per year is included in T-SR-01, Appendix B – Detailed Investment Costs.

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B2 - ENERGY PROBE INTERROGATORY - 023

Reference:

TSP Section 2.11, T-SR-03, Page 16-18

Interrogatory:

Is the plan to use Alternative 3 (Bundled) for all work or is there a possibility that Alternative 1(Reactive) and Alternative 2 (Unbundled) would be used if there is a component failure at a station prior to its scheduled renewal? Please discuss.

Response:

Hydro One employs an integrated approach to planned transmission station renewal projects, as detailed in TSP Section 2.8 and has been determined as the preferred Alternative 3. As noted in T-SR-03, Alternative 1 (Reactive Replacement), Hydro One does not run transmission assets to failure given their criticality to the integrity of the transmission system. Should equipment fail unexpectedly and depending on the nature of the failure, it will be addressed through the Transmission Station Demand Program (T-SR-09) or the Power Equipment Corrective Maintenance program detailed in Exhibit E-02-02.

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B2 - ENERGY PROBE INTERROGATORY - 024

Reference:

TSP Section 2.11, T-SR-05, Page 2

Preamble:

> *"The Investment is an exemplary program that considers repair versus replace options. In this case, repairing the asset by coating, which extends asset service life, is the preferred option that results in a significant present value positive investment."*

Interrogatory:

a) Is the cost of coating steel structures treated as Capital or OM&A? Please explain your answer.

b) Please file the repair versus replace present value analysis.

Response:

a) It is treated as Capital. As discussed in T-SR-05 page 1 the investment is expected to extend the asset service life, hence, minimize life cycle cost in managing steel structures by preventing higher capital expenditures in the future due to costly steel member or complete structure replacement.

b) The repair versus replace present value analysis is shown below. The following assumptions apply:
   - Study period is 60 years.
   - Start time for the study is 2021.
   - Structure age at 2021 – 45: 1st coating is performed.
   - Structure age at 2031 – 75: 1st replacement is performed.
   - Expected new Coating Life: 35 years
   - Discount rate: 5.59%
   - Inflation rate: 2%

Table 1 - NPV of Steel Structures, Repair vs. Replacement Cost

	Cost/Occurrence	Cost/Occurrence	NPV	NPV
115 kV Structure	**Single Tower**	**Multiple Towers**	**Single Tower**	**Multiple Towers**
Replacement Cost ($k)	400	250	119	75
Coating Cost ($k)*	27	27	32	32
230 kV Structure	**Single Tower**	**Multiple Towers**	**Single Tower**	**Multiple Towers**
Replacement Cost ($k)	450	350	134	105
Coating Cost ($k)*	46	46	55	55

*Based on 60/40 split between double/single circuit structure coating unit cost, 2021.

B2 - ENERGY PROBE INTERROGATORY - 025

Reference:

TSP Section 2.11, T-SR-11

TSP Section 2.11, T-SR-12

Interrogatory:

a) Please explain the relationship between ISD T-SR-11, Legacy SONET System Replacement and ISD T-SR-12, Telecom Performance Improvements.

b) Would there be any savings if the two programs were combined? Please discuss.

Response:

a) ISD T-SR-11 replaces the legacy SONET system multiplexers at stations that form part of Rings 1-9 with new packet-based infrastructure i.e. the underlying communication technology of the SONET system. ISD T-SR-12 replaces obsolete digital microwave equipment on a segment of Ring 6 with OPGW infrastructure i.e. replaces a segment of communication links used by the system. The objective, scope and impact of the two Investments are fundamentally different, and thus are being executed under a different set of schedules and constraints.

b) No, the scope of work (and schedule) for the two investments are different as discussed in part a).

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B2 - ENERGY PROBE INTERROGATORY - 026

Reference:

TSP Section 2.11, T-SR-15, Page 6, Table 2

Interrogatory:

Please explain how the costs shown in Table 2 were estimated.

Response:

The costs for 2023 in Table 2 were based on the average gross five-year historical spending. For 2015-2019 the cost was $11.1M. Refer to Interrogatory B2-Staff-092 for historical actuals. For 2024-2027, the 2023 cost was inflated by 2% each year.

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B3 - ENERGY PROBE INTERROGATORY - 027

Reference:

Exhibit B3-1-1, DSP Section 3.11, Page 1-2, Table 1

Interrogatory:

Please add two columns to Table 1 showing 2020 OEB Approved and 2020 Actual for each Investment and populate them with data.

Response:

Please see interrogatory response B3-SEC-141, which includes the data requested in this interrogatory.

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B3 - ENERGY PROBE INTERROGATORY - 028

Reference:

DSP Section 3.11, D-SA-01, Page 6, Table 2

Preamble:

"Hydro One expects that demand for relocation requests will continue at historic levels since municipalities continue to expand at a relatively similar rate".

Interrogatory:

a) Please explain how the forecast of relocation capital expenditures was prepared showing all calculations and assumptions.

b) Why do capital expenditures for relocations decline after 2024 and increase in 2027?

c) Please file a list of all relocation projects expected from 2023 to 2027 with costs of each project.

Response:

a) Hydro One set its relocation forecast based on a review of its 5-year historical average spending; this historic amount was subsequently applied as a straight-line amount over the forecast period.

b) Hydro One expects that demand for relocation requests will continue at historic levels since municipalities continue to expand at a relatively similar rate. Road Authorities require any existing infrastructure to be relocated so as to provide for these expansions. While year-over-year expenditures may vary due to the large, multi-year nature of many road expansion projects.

c) Hydro One does not have a list of upcoming relocation projects; please refer to part A) for the approach to establishing the relocation budget.

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B3 - ENERGY PROBE INTERROGATORY - 029

Reference:

DSP Section 3.11, D-SA-02, Page 5-9, Table 3

Interrogatory:

a) Please explain the reason for the large number of service cancellations in 2016.

b) Please explain how the forecast of service cancellations was prepared showing all calculations and assumptions including the impact of the large number of cancellations on the forecast.

c) Please explain how the forecast of the number of customers that will be required to pay a contribution for a connection was prepared showing all calculations and assumptions.

d) Please explain how the forecast of the number of customers that will require service upgrade was prepared showing all calculations and assumptions.

e) Please explain how the forecast of customer connections was prepared showing all calculations and assumptions including the type of connection, average cost per connection and average contribution per connection.

f) Does the forecast of connections include the connections in all acquired utilities? If the answer is no, why not. If the answer is yes, please file a list showing the number of connections for each acquired utility?

Response:

a) There were a large number of service cancellations in 2016 due to the restart of the vacant premise portion of the program. The vacant premise portion of the program, which removes connection assets to services that have been disconnected for a prolonged period, did not run from May 2013-November 2015. The high volume of service cancellations seen in 2016 was the removal of this backlog.

b) The service cancellation volume forecast for Hydro One areas, excluding Norfolk, Woodstock and Haldimand, was calculated as the average annual number of service cancellations over the 2011-2017 period.

Table 1 - Service Cancellation Volume by Year, Hydro One Excluding Acquired LDCs

2011	2012	2013	2014	2015	2016	2017	Average
5750	5347	4438	4026	4579	6461	4342	**4992**

The service cancellation volume forecast for each of Norfolk, Woodstock and Haldimand areas was calculated based on the 2018-2020 three year historic Service Cancellation volume.

Table 2 - Acquired LDC Service Cancellation Volume by Year

2018	2019	2020	Average
125	168	116	**136**

c) Hydro One did not forecast the number of customers that will be required to pay a contribution. Instead, Hydro One determined the average contribution per connection, and multiplied this by the total number of connections.

d) The service upgrade volume forecast for Hydro One including acquired LDCs was calculated by multiplying the average annual number of upgrades over the 2017-2020 period by the compounded forecast annual customer growth rate.

Table 3 - Service Upgrade Volume by Year, Including Acquired LDCs

2017	2018	2019	2020	Average
4117	4306	4304	4774	**4375**

e) The new connection volume forecast for Hydro One including acquired LDCs was calculated by multiplying the average annual number of upgrades over the 2017-2020 period by the compounded forecast annual customer growth rate.

Table 4 - New Connection Volume by Year, Including Acquired LDCs

2017	2018	2019	2020	Average
18497	18291	16084	18625	**17874**

The forecast, excluding large expansion projects, was calculated using 2018-2020 average unit costs, adjusted for inflation.

The large expansion project portion of the new connection forecast was calculated as the average 2016-2020 net and gross cost for new connection large expansion projects, adjusted for inflation.

Table 5 - New Connection Large Expansion Projects – Net $ (in Millions)

2016	2017	2018	2019	2020
$(1.4)	$2.2	$2.5	$8.5	$10.2

f) Yes, the forecast includes connections for Norfolk, Haldimand & Woodstock. The table below provides the connections by each acquired utility.

Table 6 - Acquired Area New Connection Volume Forecast

Description	2023	2024	2025	2026	2027
Norfolk	255	255	256	257	257
Woodstock	184	185	186	187	188
Haldimand	418	421	424	426	429

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B3 - ENERGY PROBE INTERROGATORY - 030

Reference:

DSP Section 3.11, D-SA-03, Page 3-5, Table 1, Table 3

Interrogatory:

a) Please explain how the forecast of the number of customers that will require a DER connection was prepared showing all calculations and assumptions.

b) Please explain how the forecast of the cost of attaching DER's was prepared showing all calculations and assumptions.

c) What proportion of DER's are expected to be injecting and what proportion are expected to be non-injecting?

d) Is the cost of attaching an injecting DER different than the cost of attaching a non-injecting DER? Please discuss giving approximate costs of each.

e) If the cost of attaching an injecting DER is greater than the cost of attaching a non-injecting DER would the DER customer be required to pay the higher cost? Please discuss.

Response:

a) Please see interrogatory response to B3-PP-016 (a).

b) The cost forecast was based on the unit forecast from Table 3 considering average actual costs of connecting similar projects in the past and past ratios of net-metering projects that require mostly Tx upgrades vs Dx upgrades.

c) Hydro One uses the term "non-exporting" to describe a DER that is connected behind the meter and produces energy for the sole purpose of displacing the customer's own load. In other words, non-exporting DERs do not inject power back into the grid at any time and are also called load displacement generation (LDG) facilities. The forecast number of all renewable energy projects provided under table 3 of section 3.4 are expected to be exporting type DER and non-renewable energy projects are expected to be non-exporting type DER.

d) Exporting projects may incur the following additional scope items, compared to non-exporting:

- Line tap work at the point of connection for front of meter projects, including revenue metering.
- Replacement of the existing meter with a bi-directional meter for net-metering projects.
- The low voltage service may require upgrade to accommodate reverse power flows.
- Upstream transformers or feeder assets may require upgrade to accommodate reverse power flows
- Upstream protection and control assets are more likely to require upgrade to accommodate reverse power flows. The above upgrades can have a wide range of costs from under $10k to $1M or greater.

e) In accordance with the Distribution System Code sections 3.2.5 and 3.3, the DER customer is required to pay 100% of the connection cost minus any eligible Renewable Energy Source credits, regardless of the exporting status of the project.

B3 - ENERGY PROBE INTERROGATORY - 031

Reference:

DSP Section 3.11, D-SA-04, Page 1-8, Figure 2, Table 2

Interrogatory:

a) Please explain how the forecast of the cost of the sampling and verification of the meter inventory shown in Figure 2 was prepared showing all calculations and assumptions particularly the large fluctuations from year to year.

b) Please explain how the forecast of the total investment cost shown in Table 2 was prepared showing all calculations and assumptions.

Response:

a) The forecasted cost for sampling and verification meter inventory shown in Figure 2 is a function of meter volumes required for sampling and reverification, meter hardware costs, material surcharges, and overhead. Meter sampling and reverification volumes are based on meter age characteristics and derived based on Measurement Canada regulations for meter sampling (S-S-06 effective date 2021-07-28) and meter reverification (S-E-02 effective date 2021-07-28). Fluctuations in costs year-to year are primarily a result of fluctuating meter volumes to be sampled or reverified derived from the regulations.

See forecast of the cost of the sampling and verification of the meter inventory below.

Meter Inventory	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
Total Meters	2,706	3,169	1,953	3,274	1,557	12,659
Average $/meter*	$212	$216	$221	$225	$230	-
Total ($M/year)	**$0.57**	**$0.69**	**$0.43**	**$0.74**	**$0.36**	**$2.78**

**Average $/meter = average meter cost + overhead + material surcharge*

b) The forecast of total investment cost for the Metering Sustainment program funds the investments set out in D-SA-04 Section B. Please see the calculations and assumptions detailing out Table 2.

Original version per Table 2 D-SA-04

Corrective Maintenance Meters	2023	2024	2025	2026	2027	Total	Assumptions / Comments
Units	114,383	98,206	62,495	31,617	9,659	**316,360**	AMI 1.0 meter failure volumes based on 50% confidence interval from ALT study
Average unit cost ($)	200	204	210	218	242	-	Labour rate is based on blended 2020 actual cost Average unit cost includes overhead, escalation and Capital accounting treatment
TOTAL GROSS COSTS ($M)	**22.8**	**20.0**	**13.1**	**6.9**	**2.3**	**65.2**	
Less Removals ($M)	1.9	2.1	2.3	3.9	3.8	**14.1**	Error was identified in the calculation of removal costs which resulted in an overstatement of removal costs $9.6M. The updated removal costs are reflected in corrected version table below
NET INVESTMENT COSTS ($M)	**20.9**	**17.9**	**10.8**	**3.0**	**(1.5)**	**51.1**	

Corrected Version

Corrective Maintenance Meters	2023	2024	2025	2026	2027	Total	Assumptions / Comments
Units	114,383	98,206	62,495	31,617	9,659	**316,360**	AMI 1.0 meter failure volumes based on 50% confidence interval from ALT study
Average unit cost ($)	200	204	210	218	242	-	Labour rate is based on blended 2020 actual cost Average unit cost includes overhead, escalation & Capital accounting treatment
TOTAL GROSS COSTS ($M)	**22.8**	**20.0**	**13.1**	**6.9**	**2.3**	**65.2**	
Less Removals ($M)	1.6	1.4	0.9	0.5	0.2	**4.5**	Updated removal costs. Note, in Exhibit B-3-1 Section 3.11 D-SR-12, Table 7, the removal costs were also not properly reflected which results in a total net understatement of removal costs for both Exhibit B-3-1, DSP Section 3.11, D-SA-04 & D-SR-12 of approximately $0.8M from 2023 to 2027. For D-SR-12 Table 7 updated removal costs, please refer to IR I-01-B3-Energy Probe-38
NET INVESTMENT COSTS ($M)	**21.3**	**18.6**	**12.2**	**6.4**	**2.2**	**60.7**	

Original version per Table 2 D-SA-04

Corrective Maintenance Network	2023	2024	2025	2026	2027	Total	Assumptions / Comments
Units	2,725	2,733	2,634	2,129	1,449	**11,671**	Network failure volumes based on historical failure rates
Average unit cost ($)	908	926	945	964	983	-	Labour rate is based on blended 2020 actual cost Average unit cost includes overhead and escalation
TOTAL GROSS COSTS ($M)	**2.5**	**2.5**	**2.5**	**2.1**	**1.4**	**11.0**	
Less Removals ($M)	0.3	0.3	0.4	0.6	0.6	**2.2**	Error was identified in the calculation of removal costs which resulted in an overstatement of removal costs $1.5M. The updated removal costs are reflected in corrected version table below
NET INVESTMENT COSTS ($M)	**2.1**	**2.2**	**2.1**	**1.5**	**0.8**	**8.7**	

Corrected version

Corrective Maintenance Network	2023	2024	2025	2026	2027	Total	Assumptions / Comments
Units	2,725	2,733	2,634	2,129	1,449	**11,671**	Network failure volumes based on historical failure rates
Average unit cost ($)	908	926	945	964	983	-	Labour rate is based on blended 2020 actual cost Average unit cost includes overhead and escalation
TOTAL GROSS COSTS ($M)	**2.5**	**2.5**	**2.5**	**2.1**	**1.4**	**11.0**	
Less Removals ($M)	0.2	0.2	0.2	0.1	0.1	**0.8**	Updated removal costs. Note, in Exhibit B-3-1 Section 3.11 D-SR-12, Table 7, the removal costs were also not properly reflected which results in a total net understatement of removal costs for both Exhibit B-3-1, DSP Section 3.11, D-SA-04 & D-SR-12 of approximately $0.8M from 2023 to 2027. For D-SR-12 Table 7 updated removal costs, please refer to IR I-01-B3-Energy Probe-38
NET INVESTMENT COSTS ($M)	**2.3**	**2.4**	**2.3**	**1.9**	**1.3**	**10.2**	

Meter Inventory	2023	2024	2025	2026	2027	Total	Assumptions / Comments
Units	116,509	100,337	64,522	33,274	10,787	**325,429**	Includes meters, network, Primary mounted unit and Instrument transformers
Average unit cost ($)	262	275	310	371	554	-	Average AMI 1.0 meter cost based on the latest Outline Agreements and/or purchasing prices at the beginning of 2021. All other inventory unit costs based on historical costs Average unit cost includes overhead, material surcharge and escalation
TOTAL GROSS COSTS ($M)	**30.5**	**27.6**	**20.0**	**12.3**	**6.0**	**96.5**	
Less Removals ($M)						-	
NET INVESTMENT COSTS ($M)	**30.5**	**27.6**	**20.0**	**12.3**	**6.0**	**96.5**	

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Meter Conversion & Efficiencies	2023	2024	2025	2026	2027	Total	Assumptions / Comments
Units	313	313	313	140	52	**1,131**	Based on number of installations
Average unit cost ($)	18,086	18,086	18,115	27,395	55,900	-	Average unit cost includes labour (blended 2020 actuals) and materials
TOTAL GROSS COSTS ($M)	**5.7**	**5.7**	**5.7**	**3.8**	**2.9**	**23.7**	
Less Removals ($M)	0.1	0.1	0.1	0.1	0.1	**0.6**	
NET INVESTMENT COSTS ($M)	**5.5**	**5.5**	**5.5**	**3.7**	**2.8**	**23.1**	

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Accredited Meter Lab	2023	2024	2025	2026	2027	Total	Assumptions / Comments
Units						-	
Average unit cost ($)							
TOTAL GROSS COSTS ($M)	1.0	0.9	1.0	1.0	0.1	**4.0**	Based on replacing obsolete lab equipment to maintain accreditation
Less Removals ($M)	0.0	0.0	0.0	0.0	0.0	**0.1**	
NET INVESTMENT COSTS ($M)	**1.0**	**0.9**	**0.9**	**1.0**	**0.1**	**3.9**	

Wholesale Meter replacements & upgrades	2023	2024	2025	2026	2027	Total	Assumptions / Comments
Units	17	13	10	10	10	**60**	Based on a mix of partial and full upgrades
Average unit cost ($)	148,059	114,615	69,700	71,500	73,300		Average unit cost includes labour (blended 2020 actuals) and materials
TOTAL GROSS COSTS ($M)	**2.5**	**1.5**	**0.7**	**0.7**	**0.7**	**6.2**	
Less Removals ($M)						-	
NET INVESTMENT COSTS ($M)	**2.5**	**1.5**	**0.7**	**0.7**	**0.7**	**6.2**	

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B3 - ENERGY PROBE INTERROGATORY - 032

Reference:

DSP Section 3.11, D-SR-04, Page 1-14, Appendix A

Interrogatory:

Please explain how various projects in the Distribution Station Demand Capital Program are prioritized.

Response:

The capital investments in D-SR-04, Appendix A are not demand capital programs, they are planned capital investments. The projects were selected using the methodology detailed in B-03-01 Section 3.7.4.

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B3 - ENERGY PROBE INTERROGATORY - 033

Reference:

Exhibit B-3-1, DSP Section 3.11, D-SR-05, Page 6-7, Table 2

Preamble:

> *The forecast expenditures for this demand program are projected from historical costs and trends. Storm response expenditures are based on an inflation-adjusted average of annual expenditures since 2005, with "outlier" years of unusually high expenditures (i.e. due to more severe storms) removed from the forecast – namely, 2006, 2013, and 2018. The expenditures for other categories of activities are guided by an inflation adjusted three year historical average.*

Interrogatory:

Please provide the calculations that were used to derive the amounts shown in Table 2.

Response:

Table 2 is the output of the investment planning process as described in DSP Section 3.7.

The inputs into the investment planning process, excluding Norfolk, Woodstock, and Haldimand were the 2017-2019 inflation adjusted average expenditure with the following exceptions:

- "Emergency submarine and underground cable replacements" adjusted with additional $0.9M to account for increasing demand.

- "Post-trouble response" adjusted with $2.4M reduction to move out Power Quality related investments from this category.

Gross $ in millions 2020 dollar reference	**2017**	**2018**	**2019**	**Average**	**Adjustment**	**Total Gross**
Emergency pole and equipment replacements	$22.4	$22.4	$31.5	$25.4		$25.4
Emergency submarine and underground cable replacements	$6.5	$7.0	$9.1	$7.5	$0.9	$8.4
Post-trouble response	$18.0	$20.3	$23.0	$20.5	($2.4)	$18.1
Damage claims	$8.0	$9.3	$10.6	$9.3		$9.3

- "Storm damage response" was calculated as the 2005-2019 inflation adjusted average expenditure, excluding years 2006, 2013, 2018 as these had unusually high expenditures due to more severe storms.

Gross $ in millions (2020 dollar reference)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total Gross
Storm damage response	$51.5	$120.3	$40.6	$70.1	$47.8	$37.9	$83.9	$52.1	$117.4	$49.9	$63.6	$56.4	$66.2	$101.3	$41.2	$55.1

When reviewing the calculations for this activity, it was realized that 2005 was mistakenly left out from the calculation. When included, the result of the average is $0.33M less per year than what is presented in evidence. The change results in an update to table 2 as follows:

Table 1 - Total Investment Cost

($M)	2023	2024	2025	2026	2027	Total
Gross Investment Cost	$127.1	$129.6	$132.2	$134.9	$137.5	$661.3
Less Removals	$15.2	$15.6	$15.9	$16.2	$16.5	$79.4
Capital and Minor Fixed Assets	**$111.8**	**$114.1**	**$116.3**	**$118.7**	**$121.0**	**$581.9**
Less Capital Contributions	$6.1	$6.3	$6.4	$6.5	$6.7	$32.0
Net Investment Cost	**$105.7**	**$107.8**	**$109.9**	**$112.1**	**$114.4**	**$549.9**

The inputs into the investment planning process for Norfolk, Woodstock, and Haldimand was the 2018-2020 three year historical average expenditure across all activities which was $3.6M.

The total D-SR-05 Gross Investment Cost is $120.3M in 2020 dollar reference which translates to the Gross Investment Cost as shown in DSP Section 3.11, D-SR-05, Page 7, Table 2 when adjusted for inflation.

B3 - ENERGY PROBE INTERROGATORY - 034

Reference:

Exhibit B-3-1, DSP Section 3.11, D-SR-07, Page 11-12

Interrogatory:

a) Are all costs of the three alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

b) Was the decision to select Alternative 2, Address Highest Risk Poles, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis or was it based on a qualitative analysis that did not use any numerical methods? If the answer is yes, please file the analysis. If the answer is no, please explain why not.

Response:

a) The costs of all three alternatives are capital costs as all of them involve either extending the life of existing poles or replacement of the poles proactively or after a failure.

b) The alternative selected was based on a quantitative risk assessment using the methodology detailed in B-03-01 Section 3.7, Pg.9, Line 4, and the taxonomy tables found in B-01-01 Section 1.7, pg.19-20. The table below summarizes the total lifecycle risk mitigated for each pole grouping by reliability impact, as well as the Risk Spend Efficiency (RSE).

Pole Grouping	Risk Mitigated	Risk Spend Efficiency
Pole Replacement - Reliability 3	5,395,197	17,409
Pole Replacement - Reliability 4	11,727,320	70,273
Pole Replacement - Reliability 5	18,702,010	207,271
Pole Replacement - Reliability 6	17,547,396	475,594
Pole Replacement - Reliability 7	1,186,560	1,316,761
Wood Pole Test and Treat	37,211,644	758,397
Wood Pole Structural Refurbishment	1,404,213	37,563

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B3 - ENERGY PROBE INTERROGATORY - 035

Reference:

Exhibit B-3-1, DSP Section 3.11, D-SR-09, Page 5

Interrogatory:

a) Are all costs of the three alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

b) Was the decision to select Alternative 2, Planned Replacement or Refurbishment of Damaged and Exposed Cables, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis or was it based on a qualitative analysis that did not use any numerical methods? If the answer is yes, please file the analysis. If the answer is no, please explain why not.

Response:

a) The costs of all three alternatives are capital costs as they involve planned or reactive asset replacements.

b) The alternative selected was based on a quantitative risk assessment using the methodology detailed in B-03-01 Section 3.7, Pg.9, Line 4, and the taxonomy tables found in B-01-01 Section 1.7, pg.19-20. The table below summarizes the total risk mitigated, as well as the Risk Spend Efficiency (RSE).

Program	Risk Mitigated	Risk Spend Efficiency
Submarine – Damaged (Replace)	378,073	4,833
Submarine – Exposed (Refurbish)	119,561	16,489

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B3 - ENERGY PROBE INTERROGATORY - 036

Reference:

DSP Section 3.11, D-SR-10, Page 10-11

Interrogatory:

a) Are all costs of the three alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

b) Was the decision to select Alternative 3, Planned Lines Sustainment Initiatives, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis, or was it based on a qualitative analysis that did not use any numerical methods? If a quantitative analysis was used, please file the analysis. If the answer is no, please explain why not.

Response:

a) All alternatives are capital costs as they involve the replacement of assets.

b) The alternative selected was based on a quantitative risk assessment using the methodology detailed in B-03-01 Section 3.7, Pg.9, Line 4, and the taxonomy tables found in Exhibit B-01-01 Section 1.7, pg.19-20. The table below summarizes the total risk mitigated for the selected projects, as well as the Risk Spend Efficiency (RSE).

Project Name	Project ID	Risk Mitigated	Risk Spend Efficiency
Angus 44 kV Backlot Relocate, Barrie Line Relocate	SR-10.01	264733	162309
Lindsay M7 Line Relocation Stage 1+2	SR-10.02	21782	19740
Lindsay M7 Line Relocation Stage 3	SR-10.03	15202	8706
Owen Sound Line Rebuild - Part 3	SR-10.04	33053	13659
Owen Sound Line Rebuild - Part 4	SR-10.05	224804	113851
Gardiner TS M14 Relocation	SR-10.06	506745	81108
Kent TS M16 Relocation	SR-10.07	324337	120412
Kingsville M1 and M5 Relocation In Town	SR-10.08	26239	10230
Napanee TS M2 Relocation	SR-10.09	69299	10142
Tillsonburg TS M4 Relocation	SR-10.10	25270	11556
Town of Schreiber Relocation Phase 3	SR-10.11	413016	74719
Weston Lake DS F1 – Kukatush Line Section Relocation	SR-10.12	32996	9081
Manitoulin TS M25 - Relocation	SR-10.13	83053	27361

Muskoka TS M1 Relocation - Part 6	SR-10.14	41896	5799
Owen Sound TS M24 Rebuild - Stage 2	SR-10.15	24580	10793
Owen Sound TS M24 Rebuild - Stage 3	SR-10.16	94275	62359
Clarke TS M2 Towerline Relocation	SR-10.17	323281	104701
Muskoka TS M1 Relocation - Part 2 of 5	SR-10.18	248163	87832
Waubaushene TS M1 Rebuild	SR-10.19	169267	35445
Waubaushene TS M3/M7 Line Relocation	SR-10.20	1084955	242386
Crosby TS M6 Line Relocation	SR-10.21	14743	9336
Douglas Point TS 44kV U/G Cables	SR-10.22	25486	12799
Dymond TS M3 Rebuild - Stage 2	SR-10.23	15793	13242
Errington Street Rebuild	SR-10.24	27151	23849
Herridge Lake - Rebuild	SR-10.25	16337	13455
Kent TS M16 Relocation within Town	SR-10.26	143432	30683
Lambton TS M2 and M4 off road relocation	SR-10.27	359655	144459
Meaford TS M1 Relocate – Lower Valley Road	SR-10.28	246017	214383
Napanee TS M4 Relocation Phase 1 to Marysville	SR-10.29	341332	178080
Owen Sound TS M25 Rebuild Hepworth x Sauble	SR-10.30	2690924	455825
Stayner TS M2 Supply Rebuild	SR-10.31	670495	29237
Waubaushene TS M1 Rebuild Part 2	SR-10.32	1043643	155579
Commerce Way M2 Offroad Relocation	SR-10.33	27727	17676
Underground Cable Injection	SR-10.34	30244	26087

B3 - ENERGY PROBE INTERROGATORY - 037

Reference:

DSP Section 3.11, D-SR-11, Pages 7-8

Interrogatory:

a) Are all costs of the three alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

b) Was the decision to select Alternative 3, Address End of Life Assets Through Optimized System Planning, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis, or was it based on a qualitative analysis that did not use any numerical methods? If a quantitative analysis was used, please file the analysis. If the answer is no, please explain why not.

Response:

a) All costs of the three alternatives are capital costs. The "Do Nothing" alternative will eventually lead to asset failure, which would be resolved by other capital programs D-SR-01 "Distribution Stations Demand Capital Program" or D-SR-05 "Distribution Lines Trouble Call". Alternative 2 & Alternative 3 would be capitalized as they involve the planned replacement of assets.

b) The alternative selected was based on a quantitative risk assessment using the methodology detailed in Exhibit B-03-01 Section 3.7, Pg.9, Line 4, and the taxonomy tables found in Exhibit B-01-01 Section 1.7, pg.19-20. The table below summarizes the total risk mitigated for each project, as well as the Risk Spend Efficiency (RSE).

Project Name	Project ID	Risk Mitigated	Risk Spend Efficiency
Embrun Area Study	SR-11.1	50,114	37,793
Matheson DS	SR-11.2	16,366	10,783
St.Thomas DS	SR-11.3	12,490	3,983
Elliot Lake - Station Upgrades	SR-11.4	50,976	17,166

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B3 - ENERGY PROBE INTERROGATORY - 038

Reference:

DSP Section 3.11, D-SR-12, Pages 33-38

Interrogatory:

a) Are all costs of the three alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

b) Was the decision to select Alternative 3, Mass Replace the AMI System with a Competitively Procured AMI 2.0 System with Modern Functionality, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis, or was it based on a qualitative analysis that did not use any numerical methods? If a quantitative analysis was used, please file the analysis. If the answer is no, please explain why not.

Response:

a) Exhibit B-3-1 Section 3.11 D-SR-12 provides the investment summary for the replacement of Hydro One's current Advanced Metering Infrastructure (AMI 1.0) with a new AMI 2.0 system. There was an omission in the creation D-SR-12-Table 7 where removal costs and a previous year investment were not accurately reflected. The table should have contained an additional $30.3M in removal expense and an additional $0.7M in prev. year investment. The original Table 7 and a corrected version of Table 7 are provided below with impacted values denoted by an underline and highlighted:

Table 7 - Total Investment Cost (evidence per D-SR-12)

($M)	Prev. Years	2023	2024	2025	2026	2027	Forecast 2028+	Total
Gross Investment Cost	3.9	30.9	62.0	153.7	154.4	158.3	128.0	691.2
Less Removals	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0
Capital and Minor Fixed Assets	**3.9**	**30.9**	**62.0**	**153.7**	**154.4**	**157.3**	**128.0**	**690.2**
Less Capital Contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Investment Cost	**3.9**	**30.9**	**62.0**	**153.7**	**154.4**	**157.3**	**128.0**	**690.2**

Table 7 - Total Investment Cost (Corrected Version)

($M)	Prev. Years	2023	2024	2025	2026	2027	Forecast 2028+	Total
Gross Investment Cost	4.6	30.9	62.0	153.7	154.4	158.3	128.0	691.9
Less Removals	0.0	0.0	1.4	3.4	3.5	4.6	17.4	30.3
Capital and Minor Fixed Assets	**4.6**	**30.9**	**60.6**	**150.3**	**150.9**	**153.7**	**110.6**	**661.6**
Less Capital Contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Investment Cost	**4.6**	**30.9**	**60.6**	**150.3**	**150.9**	**153.7**	**110.6**	**661.6**

Note: Exhibit B-3-1 Section 3.11 D-SA-04 Table 2 had removal costs overstated (see IR response to B3-Staff-138). The total net impacts based on errors from Exhibit B-3-1 Section 3.11 D-SA-04 Table 2 and Exhibit B-3-1 Section 3.11 D-SR-12 Table 7 is a total understated net removal cost of $0.8M between 2023 and 2027.

Except for the $30.3M removal expenses, all the costs in Table 7 (Corrected Version) above are capital investments to extend the service life of the metering system.

b) The decision to select Alternative 3, Mass Replace the AMI 1.0 System with Competitively Procured AMI 2.0 System with Modern Functionality, was based on a qualitative analysis which is provided in Exhibit B-3-1, Section 3.11, D-SR-12, Subsection F. In summary:

- Alternative 1, the status quo option of continuing to reactively replace failed AMI 1.0 with AMI 1.0 meters was assessed to be not viable, not economically prudent, posed significant regulatory and customer service risk, and restricted Hydro One's ability to plan for, and address, foreseeable customer needs over the system's long service life (see response to AMPCO IR 107).

- Alternative 2, mass replacing the AMI 1.0 system with an AMI 1.0 system with the same functionality, would involve placing obsolete equipment into service at the time it was installed. Given that a new AMI system is a 20-year investment, any new AMI system must not only address current needs but must also consider and address future needs. This is particularly relevant to AMI given it is not economic nor practical to retrofit meters in-situ in the future. This is because costs would be incurred to visit, remove, retrofit, reseal, and re-install 1.4M meters as well as upgrading thousands of network devices. Also, each installation would require multiple additional visits, resulting in millions of dollars of unplanned costs over the whole program compared to the limited site visits in a mass replacement contemplated for AMI 2.0. An AMI 2.0 system with up-to-date functionality

not only addresses core functionality to ensure regulatory compliance, but also provides customers with benefits from advancements in AMI technology since 2007 (e.g., improved network coverage, additional features, enhanced security, etc.), savings (e.g., reduced manual meter reading, reduced network management costs, etc.) and responds to evolving customer expectations, technological innovation, and a changing policy landscape (e.g., carbon reduction initiatives in response to climate change). For further details, please refer B3-DRC-010.

- Alternative 3, the selected alternative, involved the release of the AMI 2.0 RFP in 2020, following Hydro One's established guidelines and processes ensuring quality, fairness, and due diligence in engaging third-party suppliers. Of note, Hydro One entered a joint procurement process with Alectra Utilities which in the event both parties independently select the same vendor, price benefits occur through joint purchase volumes. This process is expected to be completed in 2022.

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B3 - ENERGY PROBE INTERROGATORY - 039

Reference:

DSP Section 3.11, D-SS-01, Page 15

Interrogatory:

a) Are all costs of the two alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

b) Was the decision to select Alternative 2, System Upgrades to Meet Load Growth, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis, or was it based on a qualitative analysis that did not use any numerical methods? If a quantitative analysis was used, please file the analysis. If the answer is no, please explain why not.

Response:

a) All costs of the two alternatives are capital costs. The "Do Nothing" alternative will eventually lead to asset failure, which would be resolved by other capital programs D-SR-01 "Distribution Stations Demand Capital Program" or D-SR-05 "Distribution Lines Trouble Call".

b) The alternative selected was based on a quantitative risk assessment using the methodology detailed in B-03-01 Section 3.7, Pg.9, Line 4, and the taxonomy tables found in B-01-01 Section 1.7, pg.19-20. The table below summarizes the total risk mitigated for each project, as well as the Risk Spend Efficiency (RSE).

In the table below, there are four additional projects listed that were not shown in the ISD filed. These projects had been incorrectly listed under D-SR-04 "other projects <$1M", and are now being correctly listed under D-SS-01.

Project Name	Project ID	Risk Mitigated	Risk Spend Efficiency
City of Owen Sound Tie-Line Reinforcement	SS-01.01	48021	18241
Bradford North DS	SS-01.02	127475	25821
Colpoys Bay DS F2 Feeder Upgrade	SS-01.03	50606	40796
Lively DS F2 Upgrade - Black Lake Rd	SS-01.04	57817	35281
Mar DS	SS-01.05	145936	30143
Town of Shelburne voltage conversion	SS-01.06	99803	27623
New Old School DS and feeders	SS-01.07	501692	62125
King City DS - New Station & Feeders	SS-01.08	34426	10075
Caledonia TS New Feeders	SS-01.09	1804204	280270
Brockville 44kV Load Growth	SS-01.10	842588	78872
Dresden Area Load Relief	SS-01.11	364876	32871
Ancaster Area Load Relief	SS-01.12	101288	12099
Dover Center Load Relief	SS-01.13	131340	24086
Hawthorne TS M1 Load Growth	SS-01.14	133799	27011
Almonte TS M28 Load Growth	SS-01.15	103478	30559
Elginburg DS F2 and Station Load Growth	SS-01.16	56928	36926
Harrowsmith DS F3 F5 Load Growth	SS-01.17	49175	13287
Pembroke TS Load Growth	SS-01.18	90627	8609
Calabogie DS F1 Load Growth	SS-01.19	40230	17268
Manotick DS Add F3 Feeder Load Growth	SS-01.20	56928	21282
Stewartville TS Load Growth	SS-01.21	251771	186437
Kemptville 8kV Load Growth	SS-01.22	55929	31956
Chesterville TS Load Growth	SS-01.23	302922	249669
Listowel Load Relief - Load Growth	SS-01.24	71101	18950
Ferndale DS F2 Feeder Upgrade - Load Growth	SS-01.25	50587	20382
Saugeen Shores DS and Port Elgin Load Growth	SS-01.26	184966	32101
Commanda DS Load Growth	SS-01.27	15578	11212
Kirkland Lake Voltage Conversion - Stage 2	SS-01.28	148468	57559
Kirkland Lake Voltage Conversion - Part 3	SS-01.29	178954	57463
Manitoulin TS - Add Third Feeder - Load Growth	SS-01.30	70494	13257
Wikwemikong Supply - Station & Line Work	SS-01.31	71065	10279
Crilly DS Upgrade	SS-01.32	55746	7183
Elmhurst Beach DS	SS-01.33	51546	9486
Kleinburg TS M26 Extension	SS-01.34	34426	14462
Mount Albert DS	SS-01.35	143227	78229
Midhurst Wilson DS F2 Extend to Doran Rd Load Grow	SS-01.36	58040	23825

Midhurst Wilson DS Feeder Development to Carson Rd	SS-01.37	52033	52033
Carlisle DS Offloading	SS-01.38	44700	14114
Solina DS Upgrade and Feeder Expansion	SS-01.39	130118	25699
Bondhead Area Load Relief	SS-01.40	27107	5808
South Middle Road TS DESN1 Feeder Development	SS-01.41	716253	5061
Norfolk TS new feeder build	SS-01.42	87520	9470
Edgeware TS new feeder build	SS-01.43	35825	17457
Bloomsburg HVDS new feeder build	SS-01.44	119910	24015
South Middle Road TS DESN2 Feeder Development	SS-01.45	637479	9106
Rockland West Load Growth	SS-01.46	48674	17605
Brockville 8kV Load Growth	SS-01.47	62008	18684
Frontenac TS Load Growth	SS-01.48	35410	8364
Napanee TS M3 Load Growth	SS-01.49	251771	96961
Curve Inn DS New Feeder	SS-01.50	739955	179514
Belle River Load Growth	SS-01.51	19716	3509
Manning Road and Hwy 2 Load Growth	SS-01.52	19640	4314
Holland DS F1 to Doane DS F2 Feeder Tie	SS-01.53	45953	21099
Corbetton Area Load Growth	SS-01.54	12383	7284
Kleinburg TS M28 Expansion - Load Growth	SS-01.55	96966	11278
Tillsonburg TS M1 Load Relief	SS-01.56	2545989	220802
Strathroy Carroll St. Loop	SS-01.57	55929	34333
Strathroy TS Load Relief	SS-01.58	108949	43742
Wolverton HVDS Feeder Load Relief	SS-01.59	123683	71190
Meaford TS M2 Conductor Refurbishment Load Growth	SS-01.60	88551	58573
Owen SoundTS M26 Conductor Refurb Load Growth	SS-01.61	103234	41481
Meaford TS M2 Padmounts Lora Bay Oxmead DS F3	SS-01.62	223795	74145
Palmerston TS – M2 Load relief - New feeder	SS-01.63	118514	19854
Plainfield DS F3 Enhancement	SS-01.64	15125	5729
Dartford DS F3 Enhancement	SS-01.65	12009	4081
Jarvis TS New Feeder Build	SS-01.66	860806	141095
Shabaqua DS F1 upgrade	SS-01.67	127492	25279
Sunnidale Corners DS Load Growth	SS-01.68	12383	6131
Marionville DS Load Growth	SS-01.69	89515	16077
Kemptville East 8kV Load Growth	SS-01.70	44066	11297
Brockville 44kV Load Growth Part 2	SS-01.71	764170	117972
Newport PDS Load Relief	SS-01.72	143227	27126
Lambton TS M7 M8 Feeder Build	SS-01.73	399655	44406
Burleigh DS F2 1ph to 3ph Coversion - Part 2	SS-01.74	86134	57423

Leamington Area DESN5 Feeder Development	SS-01.75	722990	14864
Leamington Area DESN6 Feeder Development	SS-01.76	612128	12096
Forest Jura DS Fan Monitoring	SS-01.77	45554	31395
Dunnville DS F1 Load Relief	SS-01.78	159846	113366
Brockville Centennial DS Transformer	SS-01.79	35795	17898
Mount Forest DS #2	SS-01.80	6799	6756
Carleton Place Francis DS Padmounts	SS-01.81	44044	29019
Trenton Oak Contingency	SS-01.82	4343	4062

As a result of the aforementioned changes between SR-04 and SS-01, following are the revised investment tables for each respective ISD:

SR-04 : Table 2 - Total Investment Cost

($M)	2023	2024	2025	2026	2027	Total
Gross Investment Cost	48.5	46.1	30.7	34.9	34.5	194.6
Less Removals	5.0	6.1	3.7	3.1	3.4	21.3
Capital and Minor Fixed Assets	**43.5**	**40.0**	**27.0**	**31.8**	**31.1**	**173.3**
Less Capital Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Net Investment Cost	**43.5**	**40.0**	**27.0**	**31.8**	**31.1**	**173.3**

SS-01: Table 2 - Total Investment Cost

($M)	2023	2024	2025	2026	2027	Total
Gross Investment Cost	108.9	84.2	139.5	85.0	112.6	530.2
Less Removals	9.4	6.4	10.5	8.4	11.4	46.2
Capital and Minor Fixed Assets	**99.5**	**77.8**	**129.0**	**76.6**	**101.2**	**484.0**
Less Capital Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Net Investment Cost	**99.5**	**77.8**	**129.0**	**76.6**	**101.2**	**484.0**

B3 - ENERGY PROBE INTERROGATORY - 040

Reference:

DSP Section 3.11, D-SS-02, Reliability Improvements, Page 8

Interrogatory:

a) Are all costs of the two alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

b) Was the decision to select Alternative 2, Targeted Reliability Improvements, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis, or was it based on a qualitative analysis that did not use any numerical methods? If a quantitative analysis was used, please file the analysis. If the answer is no, please explain why not.

Response:

a) The "Do Nothing" alternative has no cost associated with it. All costs within the selected alternative are capital costs. These investments address reliability improvements through the construction of new feeder ties and switches to facilitate remote load transfer capabilities, which is capitalized.

b) The alternative selected was based on a quantitative risk assessment using the methodology detailed in B-03-01 Section 3.7, Pg.9, Line 4, and the taxonomy tables found in Exhibit B-01-01 Section 1.7, pg.19-20. The table below summarizes the total risk mitigated for each project, as well as the Risk Spend Efficiency (RSE).

Project Name	Project ID	Risk Mitigated	Risk Spend Efficiency
Orillia TS M2-M6 New Tie Line	SS-02.1	703,660	220,164
Muskoka TS M1-M5 New Tie Line	SS-02.2	779,779	73,764
Guthrie F1 x Medonte F2 44kV tie-line	SS-02.3	383,663	90,384
Muskoka TS M1 Reconductor	SS-02.4	114,747	20,876
Curve Inn, Park Rd and Wilson TS M11 Tie Line	SS-02.5	100,720	28,459
Palmerston TS M2-M4 Tie line	SS-02.6	429,458	57,566
Kent TS M18-M23 Tie	SS-02.7	419,406	226,401

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B3 - ENERGY PROBE INTERROGATORY - 041

Reference:

DSP Section 3.11, D-SS-03, Table 2, Page 4

Interrogatory:

Please explain how the forecast of the Gross Investment Cost was developed showing all calculations.

Response:

The 2023 forecast for this ISD is based upon 10-year trend data on net costs, with outlier years removed. Historical averages of 13% for removals were added to the net forecast, to obtain the gross forecast. The years beyond 2023 are adjusted for inflation.

The resulting trendline for 10-year historical net costs is:
Y = 0.2624X + 9.8127

For the year 2023:
X = 13 (10-year period from 2011 – 2020, plus 3 years to extrapolate to 2023)
Y = 0.2624(13) + 9.8127 = $13.2M (Net)

Gross Costs = $13.2M (Net) * 13% historical avg for removals = $14.9M

For greater clarity, the table below was used to establish the trendline:

Year	Net Costs ($M)
2011	~~5.7~~
2012	9.3
2013	10.3
2014	12.2
2015	~~16.5~~
2016	13.8
2017	12.0
2018	7.9
2019	11.8
2020	14.0

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B3 - ENERGY PROBE INTERROGATORY - 042

Reference:

DSP Section 3.11, D-SS-04, Pages 9-10

Interrogatory:

a) Are all costs of the four alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

b) Was the decision to select Alternative 3, Energy Storage Solution, Draft Plan Pace, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis, or was it based on a qualitative analysis that did not use any numerical methods? If a quantitative analysis was used, please file the analysis. If the answer is no, please explain why not.

Response:

a) The costs for all Alternatives aside from the Alternative 1 (Do nothing, which would have no costs associated with it) are capital costs. These investments address reliability issues for customers experiencing long interruption durations through the addition of new assets to the distribution system, which is capital.

b) The alternative selected was based on a quantitative risk assessment using the methodology detailed in B-03-01 Section 3.7, Pg.9, Line 4, and the taxonomy tables found in B-01-01 Section 1.7, pg.19-20. The table below summarizes the total risk mitigated for the selected alternative, as well as the Risk Spend Efficiency (RSE). Additionally, Customer Engagement results supported Hydro One's Draft Plan Pace, to provide reliability improvements for 4,100 customers.

Investment Name	Project ID	Risk Mitigated	Risk Spend Efficiency
Grid Scale Storage	SS-04.1	2,347,509	36,077
Residential Storage	SS-04.2	4,487,739	37,605

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B3 - ENERGY PROBE INTERROGATORY - 043

Reference:

Exhibit B-3-1, DSP Section 3.11, D-SS-05, Pages 10-11, Table 2

Interrogatory:

a) Please explain how the forecast of the Gross Investment Cost was developed showing all calculations.

b) Are all costs of the three alternatives assumed to be capital costs or are some of the costs expected to be OM&A? Please explain your answer.

c) Was the decision to select Alternative 3, Continue with the WPF Investment to Improve Reliability for 600,000 Customers, based on a quantitative analysis such as discounted cash flow or a quantitative risk analysis, or was it based on a qualitative analysis that did not use any numerical methods? If a quantitative analysis was used, please file the analysis. If the answer is no, please explain why not.

Response:

a) The average gross cost to deploy remote controllable switching equipment and communicating faulted circuit indicators was estimated per device. The expected number of devices needed per feeder was determined based on historical deployments under this program. The number of devices was then multiplied by expected cost per device.

The table below shows the calculation over the plan period:

	2023	2024	2025	2026	2027
Feeders with Switches	44	45	46	46	46
# of Feeders with CFCIs	60	60	60	60	60
Total Feeders	104	105	106	106	106
Number of CFCIs	1070	1070	1070	1070	1070
Expected Cost per CFCI ($k) ($3k/device in 2023)	3.0	3.0	3.1	3.1	3.2
Expected cost for CFCIs ($M)	**3.2**	**3.3**	**3.3**	**3.4**	**3.4**
Number of Switches	243	247	252	253	254
Expected Cost per Switch ($k) ($150k/Device in 2023)	150.0	152.3	154.5	156.9	159.2
Expected Cost for Switches ($M)	**36.5**	**37.6**	**38.9**	**39.7**	**40.4**
Total Program Cost ($M)	**39.6**	**40.9**	**42.2**	**43.0**	**43.8**

b) There is no cost associated with Alternative 1 (Do nothing alternative). The associated cost with Alternative 2 and 3 are all capital cost as it involves the installation of new equipment.

c) The alternative selected was based on a quantitative risk assessment using the methodology detailed in B-03-01 Section 3.7, Pg.9, Line 4, and the taxonomy tables found in B-01-01 Section 1.7, pg.19-20. The table below summarizes the results of total lifecycle risk mitigated as well as the Risk Spend Efficiency for each of the two major categories under this investment: installation of remote operable devices, and installation of communicating fault current indicators (CFCI). Furthermore, Customer Engagement results supported Hydro One's Accelerated Plan Pace, to provide reliability improvements for 600,000 customers.

The table below shows risk mitigated and Risk Spend Efficiency (RSE) for Remote Operable devices:

Plan Year	Risk Mitigated	Risk Spend Efficiency
2023	2,449,691	67,236
2024	624,685	16,818
2025	568,682	15,017
2026	502,441	12,688
2027	439,653	10,893

The table below shows risk mitigated and Risk Spend Efficiency (RSE) for Communicating Fault Current Indicators:

Plan Year	Risk Mitigated	Risk Spend Efficiency
2023	161,293	50,247
2024	144,598	44,355
2025	128,773	39,022
2026	113,773	33,962
2027	34,842	10,248

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B3 - ENERGY PROBE INTERROGATORY - 044

Reference:

DSP Section 3.11, D-SS-06, Page 4, Table 2

Interrogatory:

Please explain how the forecast of the Gross Investment Cost was developed showing all calculations.

Response:

The forecast for stray voltage related activities is calculated as a unit cost multiplied by expected units.

($M) 2020 dollar reference	Unit Cost	Units	Total Gross
Stray Voltage	$0.029	60	$1.73

The Gross Investment Cost for Power Quality is based on the 2017-2019 inflation adjusted average expenditure for this investment. Power Quality activities were previously captured under D-SR-05 as part of the Post Trouble activity.

($M) 2020 dollar reference	2017	2018	2019	Average	Total Gross
Power Quality	$1.90	$2.18	$3.02	$2.36	$2.36

The total D-SS-06 Gross Investment Cost is $4.09M in 2020 dollar reference which translates to the Gross Investment Cost as shown in ISD D-SS-06, Page 4, Table 2 when adjusted for inflation.

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B4 - ENERGY PROBE INTERROGATORY - 045

Reference:

Exhibit B-4-1, GSP Section 4.1, Page 8, Table 2, Figure 1 and Figure 2

Interrogatory:

a) Please Provide the Historic (5 year) together with the Bridge and 2023-2027 forecast, General Plant expenditures in the same format as Table 2 and Figure 1

b) Please provide the CAGR (%) for each year and the 10 year period.

c) Why are GP expenditures in 2022 forecast to be so low?

d) Under the prior IRM plans for Transmission and Distribution, please provide the annual and average percentages of General Plant Expenditures as a percentage of Total CAPEX.

e) Please provide the percentage for the current IRM plans.

f) Provide the following Metrics 2017- 2027:
   i. GP expenditures/MWh load
   ii. GP expenditures/customer
   iii. Based on the above, discuss how GP expenditures have/have not kept pace total CAPEX, load, and number of customers.

Response:

a) and b)

The Historic, Bridge and Forecast Period years are provided in Table 1 and Figure 1 below. In addition, Table 1 includes the CAGR for each year, relative to the 2018 base year. As shown in Table 1, the CAGR for the ten-year period is 5%.

Table 1 - Net Capital Expenditures for General Plant, including CAGR

General Plant Area	Historical Actual/Forecast ($M)				Bridge Forecast ($M)	Forecast Period ($M)				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Fleet	27.4	44.0	39.2	42.7	43.4	76.4	78.0	78.9	80.0	82.6
Facilities & Real Estate	37.1	31.6	64.7	39.1	42.0	91.4	92.1	61.7	58.1	50.5
Information Solutions	94.4	114.6	118.4	96.2	73.0	119.9	118.1	113.6	122.1	106.1
System Operations	9.1	10.7	71.6	114.8	27.5	27.4	18.5	8.2	8.0	6.5
Other	6.3	5.5	8.9	18.9	22.6	27.5	24.6	22.0	23.2	22.3
Total General Plant	**174.3**	**206.4**	**302.9**	**311.7**	**208.5**	**342.7**	**331.4**	**284.3**	**291.4**	**268.0**
General Plant - Transmission Allocation	83.6	92.1	124.7	137.8	102.8	146.8	124.0	114.2	115.9	105.0
General Plant - Distribution Allocation	90.7	114.3	178.2	173.8	105.7	195.9	207.4	170.1	175.5	162.9
CAGR (%)	**0%**	**18%**	**32%**	**21%**	**5%**	**14%**	**11%**	**7%**	**7%**	**5%**

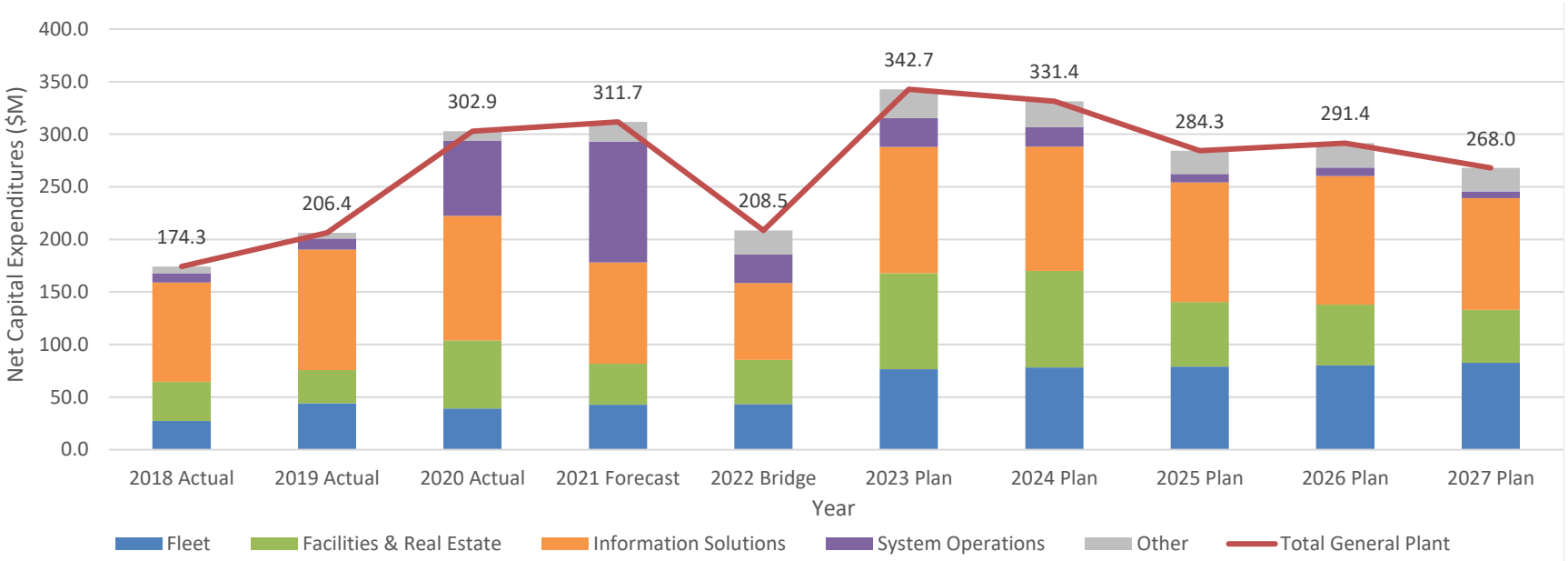


Figure 1: Net capital expenditures for General Plan by function from 2018-2027

c) Please refer to the interrogatory response in B4-Staff-158 question (a).

d) The annual and average percentages of General Plant Expenditures as a percentage of Total CAPEX are provided below in Table 2 for 2018-2022.

Table 2 - Annual and Average Percentages of General Plant Expenditures as a Percentage of Total CAPEX for 2018-2022

General Plant %	Actual			Forecast		5-Year Average
	2018	2019	2020	2021	2022	
General Plant % of Total Transmission CAPEX	9%	9%	11%	12%	8%	10%
General Plant % of Total Distribution CAPEX	16%	19%	26%	24%	16%	20%

e) The annual and average percentages of General Plant Expenditures as a percentage of Total CAPEX are provided below in Table 3 for 2023-2027.

Table 3 - Annual and Average Percentages of General Plant Expenditures as a Percentage of Total CAPEX for 2023-2027

	2023	2024	2025	2026	2027	5-Year Average
General Plant % of Total Transmission CAPEX	10%	8%	8%	8%	7%	8%
General Plant % of Total Distribution CAPEX	19%	20%	15%	16%	15%	17%

f) The requested metrics for (i) and (ii) are provided in Tables 4 and 5 for Transmission and Distribution, respectively.

Table 4 - Transmission Allocated General Plant Expenditures per MW and Delivery Point

Metric	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
(i) GP Expenditures per MW Load[1] ($/MW)	3,531	3,596	4,227	5,102	6,455	4,803	6,835	5,753	5,291	5,359	4,851
(ii) GP Expenditures per Delivery Point ($/DP)[2]	115,330	125,114	136,469	184,486							

Table 5 - Distribution Allocated General Plant Expenditures per MWh and Customer

Metric	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
(i) GP Expenditures per MWh Load ($/MWh)	3	3	3	6	5	3	6	6	5	5	5
(ii) GP expenditures per distribution customer ($/customer)	75	67	83	129	125	75	139	146	119	122	112

iii. Expenditures in General Plant are paced to help ensure that safe, reliable and functional General Plant assets are available to enable the Transmission and Distribution businesses to execute their work programs and achieve their strategic objectives. As such, these expenditures are not correlated with the number of delivery points, customers or load. For additional details on the pacing of General Plant expenditures, please refer to B4-Staff-158.

[1] 2017 to 2020 assumes the MW Load to be equal to the annual peak MW. For 2021-2027, the annual peak is not available, so the 12-month average peak forecast is used for the load.
[2] Delivery points are not forecasted for Transmission.

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B4 - ENERGY PROBE INTERROGATORY - 046

Reference:

Exhibit B-4-1, GSP Section 4.1, Page 15

Preamble:

"To support the preparation of its System Plans, Hydro One conducted an extensive customer engagement process, which informed the development of the System Plans in various respects as described in SPF Section 1.6. Two main customer engagement findings relate specifically to General Plant:

1. "…a majority of customers support Hydro One making the necessary investments in general plant to meet the *same standard as similar businesses* rather than just make do and only invest to address the most urgent needs."
2. Hydro One customers also identified "*minimizing the impact on the environment"* as a 'very important' outcome."

Interrogatory:

a) Please provide details of the outcomes HONI provides to customers from its GSP expenditures as to similar businesses.

b) Please provide details of the outcomes HONI provides to customers from its GSP Environmental expenditures given that "GHG is not a driver of Hydro Ones investments".

c) Specifically, how much GHG will be saved by 2027 by the Transport and Work Equipment renewal (GSP Section 4.11, G-GP-01) –increasing the rate of electric vehicles from an estimate 5% of the renewal forecast in 2021 to 50% by 2030.

d) What is the Incremental cost of the Electric Vehicles?

e) Specifically, how much Energy and GHG will be saved by 2027 by the Facilities & Real Estate (GSP Section 4.11, G-GP-03) – Hydro One is implementing energy savings initiatives at Operations and Service Centres.

f) What is the Program Cost?

Response:

a) As discussed in GSP Section 4.8.1.1:

General Plant investments play a critical, behind-the-scenes role in ensuring that Hydro One's Transmission and Distribution businesses are able to deliver safe and reliable energy and meet the needs and expectations of their customers. Fleet and F&RE ensure that the businesses have ready access to appropriate vehicles, equipment and infrastructure to run their day-to-day activities and respond promptly to outages and emergency situations. System Operations' investments provide critical control functions to manage Ontario's electricity grid and Information Solutions provides the underlying IT infrastructure and applications used to deliver and manage work programs and run Hydro One's corporate operations. These areas require investment to ensure Transmission and Distribution can effectively complete their work programs and in turn, provide customers with safe and reliable service.

For additional details on the outcomes HONI provides to customers, please refer to GSP Section 4.6, pages 1-8.

b) Please refer to SPF Section 1.8, page 11, lines 1-13 for details on Hydro One's General Plant investments that will contribute towards lower overall GHG emissions.

c) Hydro One has estimated that approximately 5,000 tCO2e, which is approximately a 3% reduction from 2018, will be reduced as a result of electric and hybrid vehicle purchases out to 2027. Please note that this estimate is dependent upon vehicle availability.

d) The rate of vehicle replacement will be executed as needed to maintain an optimized fleet, and where the total cost of ownership of an electric vehicle versus conventional fuel-based has no significant incremental cost.

e) Hydro One has estimated that approximately 1,400 tCO_2e, which is approximately a 21% reduction of Facilities emissions from 2018, will be reduced as a result of the LED, RCC, and Rooftop Unit Replacement Initiatives by 2027.[1]

f) The Rooftop units (HVAC) replacement is planned to cost $1.5M per year during the JRAP period. The LED lighting upgrade program is complete and the Remote Command Centre (RCC) installation program currently does not have any planned work beyond 2021.

[1] This is an estimate. Environment will be tracking actual emissions year over year. The generation mix for electricity reductions does play a factor in emission reductions and has not been considered at this time. This is for estimated reductions across Hydro One facilities electricity, natural gas, and propane sources.

B4 - ENERGY PROBE INTERROGATORY - 047

Reference:

Exhibit B-4-1, GSP Section 4.3, Page 6

Interrogatory:

a) When did Hydro One last undertake a Fleet life cycle study? Please provide a copy of the Study?

b) How are vehicles assigned to Transmission and Distribution? Please provide the split for 2021

c) Based on the Utilimarc Study, please provide the Capital Investment Plans related to the Historic and Proposed Scenarios (delineate by type of vehicle)

d) Please provide the 2021 -2027 Operating Costs related to the two scenarios (fuel and maintenance)

e) Please provide the labour hours for each scenario and annual labour cost.

Response:

a) As stated in Exhibit B-4-1 Section 4.3, this is the first time Hydro One has undertaken a study of this kind.

b) Vehicles are assigned based on line of business (LOB) work programs and execution needs and staffing requirements. For 2021, on-road vehicles were assigned 53% to Distribution LOBs, 36% to Transmission LOBs and 11% to other shared LOBs.

c) Table 1 below shows the capital investment plan by vehicle type under the Historic Funding Scenario. The capital investment plan for the Proposed Scenario can be found in GSP Section 4.11, ISD G-GP-01, Table 1, page 8. [1]

[1] Small Off-Road and Service Equipment were not included in the Utilimarc Fleet Lifecycle Study.

Table 1 - Capital Investment Plan by Vehicle Type under the Historic Funding Scenario

Vehicle Type	2023 ($M)	2024 ($M)	2025 ($M)	2026 ($M)	2027 ($M)
Heavy PTO	11.4	11.6	11.8	12.1	12.3
Light & Heavy Non-PTO	7.1	7.3	7.5	7.6	7.8
Miscellaneous	4.7	3.5	4.9	5.0	4.6
Off Roads	3.9	5.3	4.1	4.2	4.7

d) See Exhibit B-4-1 Section 4.3, Attachment 2, Section 3.2 (Projections), pages 12-13 for the maintenance related to the two scenarios. Equipment fuel performance is assumed to have a minimal difference between old and new units, thus fuel costs are expected to be in line between the two scenarios.

e) Table 2 provides the labour hours for each scenario.[2]

Table 2 - Labour Hours for each Funding Scenario

Year	2023	2024	2025	2026	2027
Full Funding	354,785	344,052	334,045	324,383	315,896
Proposed Funding	359,953	353,667	347,848	341,966	336,052
Historical Funding	375,880	383,991	391,955	399,617	406,851

Tables 3 and 4 provide the labour hours for each scenario by Internal Labour and External Labour, respectively.

Table 3 - Internal Labour Cost for each Funding Scenario ($M)

Year	2023	2024	2025	2026	2027
Full Funding	23.6	23.3	23.1	22.9	22.7
Proposed Funding	23.9	24.0	24.1	24.1	24.2
Historical Funding	25.0	26.0	27.1	28.2	29.3

[2] The model assumes consistent usage of equipment regardless of vehicle age. This is due to the implicit assumption that an older vehicle can do the same work as a young vehicle. However, this does not usually occur in practice. Equipment usually sees its peak utilization in years 2 and 3, which can be expected to drop to about 60% of peak utilization by the end of its life. This means that the above-noted labour hours projections should *not* be compared to historic labour hours or interpreted as staffing levels recommendations.

Table 4 - External Labour Cost for each Funding Scenario ($M)

Year	2023	2024	2025	2026	2027
Full Funding	17.1	16.9	16.7	16.6	16.5
Proposed Funding	17.3	17.4	17.4	17.5	17.5
Historical Funding	18.1	18.9	19.6	20.4	21.2

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B4 - ENERGY PROBE INTERROGATORY - 048

Reference:

Exhibit B-4-1, GSP Section 4.3, Attachment 3

Preamble:

Hydro One's 2019 IT Spending as a % of Revenue was 3.9% compared to an average of 3.4% for the Peer Group, and 4.9% of OpEx compared to 4.7% for the Peer Group.

Interrogatory:

a) The IT spending increase in 2019 over 2015 was due to significantly more capital spending. 1.8% of Revenue was spent on IT Capital in 2019, compared to only 0.8% in 2015.

b) Please Provide a schedule that corresponds to the Data used by Gartner from 2015-2019

- IT spend as percent of Revenue
  Operational
  Capital
- IT spend as a percent of OpEx
  Operational
  Capital

c) Please provide the same data for 2020 and 2021Bridge and a projection for 2022Test -2027.

d) Please reconcile the data to the IT Spending filed in this case.

Response:

a) There is no question being posed to Hydro One in part (a) of this interrogatory.

b) The IT benchmarks conducted by Gartner for Hydro One were explicitly analyzing data only from the reference year (2015 and subsequently 2019). No data was provided to Gartner for years 2016-2018 as this was not part of the defined scope. The data provided to Gartner was final values only, which are reflected in the referenced benchmark study report.

c) Please refer to B4-Staff-161 for response regarding data outside of the performed Gartner Benchmark, using the Gartner categorization methodology for which Hydro One cannot reproduce independently. Gartner's approach to splitting IT spend by capital and operational costs requires a detailed, bottom-up analysis of IT spend allocations based on actual costs.

Hydro One cannot replicate this calculation without Gartner's guidance and validation. Likewise, for 2021-2027, full year actual costs are not available, requiring a set of assumptions to be developed by Hydro One without the aid of Gartner, which would not result in values that could be directly compared with the completed benchmark data.

The requested metrics in the reported benchmark study were based on the reported revenue and operational expenses for the entirety of Hydro One Limited. Hydro One cannot provide this information for 2021-2027 as it is material forward looking financial information. This filing contains forward looking information for only the Transmission and Distribution Business. Accordingly, the requested calculation of the total Revenue and Operational Expenses would require Hydro One to make further assumptions to approximate comparable Revenue and Operational Expenses values. Those assumptions would be in addition to the assumptions required to levels of IT spend as described above. The resulting measures would not be directly comparable to the values reported in the Gartner benchmarks.

d) The IT metrics reported within the Gartner benchmark for 2019 is a subset of data captured within Information Solutions reported in B-04-01 Section 4.8 Table 1 on page 1 for Capital, and E-04-04 Table 1 on page 2 for OM&A. The 2019 revenue and operational expenses for Hydro One Limited can be found in the Hydro One 2020 Annual Report, Exhibit A-6-6, Attachment 2, page 15.

B4 - ENERGY PROBE INTERROGATORY - 049

Reference:

Exhibit B-4-1, GSP Section 4.3, Attachment 3

Preamble:

Hydro One relies much more heavily on Outsourcing (59% of IT spend in 2019) than the Peer Group (17%). Due to the magnitude of this spend ($147 million), Gartner recommends that Hydro One conduct market price assessments to support future outsourcing contract negotiations.

Interrogatory:

a) Please provide a list of material outsourcing contracts reviewed by Gartner in 2019, including type of service and cost.

b) Provide the material Outsourcing Contracts and cost for 2020 and 2021.

c) Has HONI increased or decreased the level of outsourcing since 2019? Please provide the total amounts and % for 2020-2021.

d) Please provide the projections for 2022 -2027.

e) Gartner suggests HONI conduct market price assessments to support future contract negotiations. Has this been done and has this reduced the price for outsourced services? Please discuss and provide examples.

Response:

Preamble:

As per the response to B4-Staff-161, the Gartner study required Hydro One to perform a rigorous review of actual spend data to parse information into the categories as defined by Gartner. These category definitions are unique to Gartner and therefore require significant due diligence and manual effort to consolidate, with guidance and direction provided by Gartner. The reference in the benchmark study to Outsourcing is one such category. Under Gartner's definition, the portion of Hydro One's reported IT Spend that is contained in "Outsourcing" includes all spend with 3rd parties that are not explicitly captured in the other benchmark categories of Hardware, Software, Software as a Service (SaaS), or Infrastructure as a Service (Iaas). Contracts for third party

providers to provide IT professional services, such as for capital project delivery support, would be included in Outsourcing. Hydro One does not categorize IT professional services as Outsourcing elsewhere in this filing.

The responses to the questions below reflect Gartner's definition of "Outsourcing."

Responses:

a) Gartner does not receive or review contracts for the utilities as part of the benchmark.

b) As noted in the preamble and in response to B4-Staff-161, a complete assessment of Hydro One's data for 2020 and 2021 would require significant manual effort to consolidate and has not been done with similar consultation from Gartner. To answer this question, Hydro One has identified material outsourcing and third-party IT professional services agreements that would align to the Gartner definition of Outsourcing.

Hydro One's largest IT outsourcing contract in 2020 was with Inergi. The original Inergi Agreement was filed under EB-2016-0160 (HONI Interrogatory response, I-2-11-1 Inergi Contract Redacted 20160930), and the amendments related to IT services was filed under EB-2019-0082 (HONI Interrogatory response, I-11-CCC-38).

In 2021 Hydro One ended the agreement with Inergi and entered into an agreement with Capgemini. The Capgemini Agreement is being provided as Attachment 1 to this interrogatory response, pursuant to the OEB's Practice Direction on Confidential Filings, due to the commercially sensitive nature and third-party data being requested.

The information technology portion of fees paid for 2020 and 2021 are as follows:

Table 1 - Summary of Total Annual Spend for IT Outsourced to Inergi and Capgemini ($M)

	2020	**2021**
Description	**Actual**	**Forecast**
Total Payments to Inergi LP	98.0	27.3
Total Payments to Capgemini Canada Inc.	-	44.0
Total Fees	**98.0**	**71.3**

Other material third party contracts for IT professional services in place for 2020 and 2021 were with Accenture Inc. and PricewaterhouseCoopers LLP. Materiality was assumed to be anything greater than $2M. The agreement with Accenture Inc. is being provided as Attachment 2 (Accenture MSA, 2015) and Attachment 3 (Accenture MSA, Amendment) to this

interrogatory response. The agreement with PricewaterhouseCoopers LLP is being provided as Attachment 4 (MSA for Project Delivery – PWC) and Attachment 5 (MSA for Project Delivery Appendix A - PWC) to this interrogatory response. All attachments to this interrogatory response are pursuant to the OEB's Practice Direction on Confidential Filings, due to the commercially sensitive nature and third-party data being requested. The information technology portion of fees paid for 2020 and 2021 are as follows:

Table 2 - Summary of Total Annual Spend for IT Professional Services to Accenture and PricewaterhouseCoopers ($M)

	2020	2021
Description	**Actual**	**Forecast**
Total Payments to Accenture Inc.	13.6	19.6
Total Payments to PricewaterhouseCoopers LLP.	8.0	10.0
Total Fees	**21.6**	**29.6**

c) In 2021 Hydro One entered into a new IT Outsourcing agreement with Capgemini, and as such repatriated over 150 IT staff from Inergi. This shift to insource a number of resources has resulted in HONI IT decreasing the level of outsourcing compared with previous years. Table 1 above shows the combined spend with Inergi and Capgemini is lower in 2021 compared with 2020, illustrating the decrease in outsourcing spend described. Please refer to the preamble and section d) below regarding calculations related to the benchmark outside of the 2015 or 2019 conducted studies.

d) As referenced in the Preamble and in response for B4-Staff-161, the Gartner benchmark definition of Outsourcing is based on a specific definition which requires Hydro One to perform a comprehensive bottom-up analysis of actual spend to categorize consistently, in consultation with Gartner. Due to the required effort and Hydro One not having engaged Gartner for a benchmark analysis based on 2020 or future years, the categorization of spend for years outside 2015 or 2019 benchmark is not available.

e) Hydro One engaged an outsourcing advisory firm, ISG, to assist with conducting market comparisons against Capgemini's proposal submissions for project rate cards. In Hydro One's evaluation of alternatives, ISG also performed an overall market comparison of Capgemini's initial proposal, which served as input during negotiations towards framing a sourcing agreement that would achieve the objectives of Hydro One's sourcing strategy. The outcome of the negotiation resulted in a more flexible and cost-effective, outsourcing arrangement, achieving lower rates for project resources and a lower fee commitment as presented in part (b) above.

An example of the value realized from the new negotiated contract can be seen as part of the lower forecasted spend for Base IT Sustainment as noted in Table 4 in Exhibit E-04-04, page 6. Another example is the lower overall project delivery costs, which can be seen as part of the forecasted productivity noted in SPF Section 1.4, Attachment 1, page 8 for items “Contract Reductions” & “Contract Rates – Minor Enhancements”.

EXECUTION VERSION

HYDRO ONE NETWORKS INC.

- AND –

CAPGEMINI CANADA INC.

MASTER SERVICES AGREEMENT

TABLE OF CONTENTS

Page

ARTICLE 1 INTERPRETATION 2
1.1 Definitions 2
1.2 Schedules 13
1.3 Statements of Work 14
1.4 Order of Precedence 14
1.5 Consents 15
1.6 General Interpretation 15
1.7 Statutory References 16
1.8 Time Periods 16
1.9 Accounting Principles 16
1.10 Non-Exclusive Relationship with Supplier 16
1.11 Services under Previous Agreement and Commencement Date 17

ARTICLE 2 TERM 17
2.1 Initial Term 17
2.2 Renewal Terms 17
2.3 Statements of Work Terms 17

ARTICLE 3 TRANSITION, TRANSFORMATION, AND PROJECTS 17
3.1 Projects, Transition Plan and Transformation Plan 17
3.2 Client Dependencies 18
3.3 Remedies for Failure to Meet Milestone Deadlines 19

ARTICLE 4 SERVICES 20
4.1 Scope of Services 20
4.2 New Services and Statements of Work 20
4.3 Client Affiliates 20
4.4 Separation and Client Restructuring 21
4.5 Client Policies and Guidelines 21
4.6 Technology, Process Evolution, and Continuous Improvement 21
4.7 Reports 22
4.8 Procedures Manual 22
4.9 Responsibility for Resources 23
4.10 Cooperation 23
4.11 Delegation by Client 23
4.12 Notice of Adverse Impact or Risk 23
4.13 Compliance with Law and Directives from the Government of the Province of Ontario 24
4.14 Liens 24

ARTICLE 5 SERVICE LEVELS 24
5.1 Service Level Management 24
5.2 Service Level Default 24

TABLE OF CONTENTS
(continued)

Page

5.3 Service Level Reporting 25
5.4 Client Satisfaction Surveys 25

ARTICLE 6 ASSETS AND CONTRACTS 25
6.1 Client Assets 25
6.2 Use of Client Assets 25
6.3 Required Consents re Client Assets 26
6.4 Assigned Contracts 26
6.5 Maintenance, Administration and Operational Responsibilities Relating to Managed Contracts 27
6.6 Payment of Amounts Due Under Managed Contracts 29
6.7 Obligations Relating to Expiration and Renewal of Managed Contracts 29
6.8 Managed Contract Required Consents 30

ARTICLE 7 SERVICE LOCATIONS AND SITES 30
7.1 Service Locations and Sites 30
7.2 Physical Safety and Security Procedures 31

ARTICLE 8 SUPPLIER PERSONNEL AND SUBCONTRACTORS 31
8.1 Supplier Personnel 31
8.2 Qualifications, Retention and Removal of Supplier Personnel 32
8.3 No Responsibility for Supplier Personnel 33
8.4 Supplier Subcontractors 33
8.5 Performance Principles 35

ARTICLE 9 GOVERNANCE, CHANGE, AND DISPUTE RESOLUTION 35
9.1 Governance 35
9.2 Change Control 35
9.3 Dispute Resolution 36

ARTICLE 10 CONTINUED PROVISION OF SERVICES 36
10.1 Supplier Enterprise Continuity Plan 36
10.2 Supplier Business Impact Assessment 37
10.3 Supplier Business Continuity Plan 37
10.4 Business Continuation 38
10.5 Support of Client's Business Continuity Operations 38
10.6 Force Majeure 38

ARTICLE 11 INTELLECTUAL PROPERTY 39
11.1 Pre-Existing Intellectual Property 39
11.2 Ownership of New Works 41
11.3 Confirmation 41
11.4 Residual Knowledge 41

TABLE OF CONTENTS
(continued)

Page

ARTICLE 12 AUDIT 42
12.1 Audit Information 42
12.2 Internal Control Framework 42
12.3 Securities and Regulatory Compliance and Other Compliance Requirements 44
12.4 Right to Audit 45
12.5 Remediation and Compliance 46

ARTICLE 13 CONFIDENTIALITY AND PERSONAL INFORMATION 47
13.1 Exchange of Confidential Information 47
13.2 Exclusions 48
13.3 Disclosure to Representatives 48
13.4 Compelled Disclosure 49
13.5 Client Data 49
13.6 Personal and Customer Information 50
13.7 Information Security 53
13.8 Security Audits 53
13.9 Export of Data 54
13.10 Remedies 54

ARTICLE 14 TERMINATION 54
14.1 Termination for Cause by Client 54
14.2 Termination for Convenience 56
14.3 Termination by Supplier 56
14.4 Mitigation 56
14.5 Orderly Termination 57

ARTICLE 15 COMPETITIVENESS 57
15.1 Third Party Benchmarking 57
15.2 Most Favoured Customer 59

ARTICLE 16 FEES AND CHARGES 59
16.1 Charges and Payment 59
16.2 Invoice Terms and Format 59
16.3 Pass-Through Expenses 60
16.4 Out-of-Pocket Expenses 61
16.5 Refunds and Credits 61
16.6 Credits and Set-offs 61
16.7 Disputed Amounts and Amounts Withholding Cap 61
16.8 Taxes 61
16.9 Financial Responsibility 62
16.10 Regulatory Adjustment 62

ARTICLE 17 REPRESENTATIONS; WARRANTIES AND COVENANTS 63

TABLE OF CONTENTS
(continued)

Page

17.1 Supplier Representations and Warranties 63
17.2 Client Representations and Warranties 64
17.3 Disclaimer 64
17.4 Third Party Materials 64

ARTICLE 18 INDEMNITIES 65
18.1 Supplier General Indemnification 65
18.2 Supplier Intellectual Property Indemnification 66
18.3 Client Intellectual Property Indemnification 66
18.4 Indemnification Procedures 67

ARTICLE 19 LIMITATION OF LIABILITY 67
19.1 Consequential Damages 67
19.2 Limitation of Liability 67

ARTICLE 20 INSURANCE 68
20.1 Insurance 68
20.2 Certificates of Insurance 70

ARTICLE 21 GENERAL 71
21.1 Assignment 71
21.2 Relationship of Parties 72
21.3 Non-Solicitation 72
21.4 No Advertising 72
21.5 Governing Law 72
21.6 Notice 72
21.7 Waiver 73
21.8 Severability 74
21.9 Cumulative Remedies 74
21.10 Survival 74
21.11 Entire Agreement 74
21.12 Amendment 74
21.13 Further Assurances 74
21.14 Counterparts 75

MASTER SERVICES AGREEMENT

THIS AGREEMENT is made as of the 8th day of February, 2021 (the "**Effective Date**").

BETWEEN:

HYDRO ONE NETWORKS INC.

(hereinafter referred to as "**Client**")

- and -

CAPGEMINI CANADA INC.

(hereinafter referred to as "**Supplier**")

WHEREAS Client wishes to engage a service provider to provide the Services (as defined herein) to Client;

WHEREAS Supplier's Affiliate, Inergi LP, submitted a proposal to the RFP to provide certain services to Client.

AND WHEREAS Client entered into a Master Services Agreement dated November 28, 2014 with Supplier's Affiliate, Inergi LP, pursuant to the RFP ("Inergi MSA"), that included certain business process operations ("BPO") services and certain information technology operations ("ITO") services.

AND WHEREAS Supplier has proposed that Supplier, rather than Inergi LP, perform certain of the ITO services that were performed by Inergi LP under the Inergi MSA, as further set out in this Agreement, including as described in the Supplementary Solution Documents as attached to this Agreement, as modified by this Agreement and the Statements of Work attached hereto.

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) having commercially comparable service levels relevant to Client's business for measureable services; (iv) access to processes, change management and global best practices in line with leading practices; (v) permitting Client to focus skills and resources on its core business as an electricity transmission and distribution system provider; (vi) ensuring the safety and security of Supplier Personnel, personnel of Client and general public; (vii) receiving continually-improved value for money; (viii) having the flexibility to change volumes, technology, process or scope; (ix) obtaining robust, effective performance management and governance that aligns Supplier's interests with Client's interests; and (x) delivering world-class service to its customers.

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:

"**Adjusted Charges**" means the Fees as adjusted according to Section 15.1(e) hereof.

"**Affiliate**" means, with respect to any Person, any Person Controlling, Controlled by or under common Control with such other Person.

"**Agreement**" means this agreement entitled "Master Services Agreement" and all Schedules (including all Attachments thereto), Statements of Work (including all Exhibits or Attachments thereto), Project Orders, and Change Orders entered into pursuant hereto or otherwise incorporated herein.

"**Amounts Withholding Cap**" means $17,500,000.00.

"**Analyst**" has the meaning ascribed in Section 15.1(a) hereof.

"**Analyst Firms**" has the meaning ascribed in Section 15.1(b) hereof.

"**Ancillary Agreements**" means the agreements with Affiliates entered into pursuant to Section 4.3 hereof, the Guarantees, 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).

"**Assigned Contracts**" means the contracts between the Previous Service Provider or Client and certain Third Parties listed in a Statement of Work (and such other contracts as the Parties may mutually agree in writing to add to such list) which are to be assigned by the Previous Service Provider or Client to Supplier and assumed and performed by Supplier.

"**Attachment**" means any attachment attached to an Exhibit to a Statement of Work or a Schedule to this Agreement.

"**Audit Information**" has the meaning ascribed in Section 12.1(a) hereof.

"**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.

"**Benchmarking Fee Adjustment**" has the meaning ascribed in Section 15.1(e) hereof.

"**Benchmarking Fees**" has the meaning ascribed in Section 15.1(f) hereof

"**Benchmark Price**" has the meaning ascribed in Section 15.1(f) hereof.

"**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.

"**Change**" means any upgrade, update, modification, improvement, amendment or adjustment to the Services, including:

(a) any change or modification to the applicable Service Locations;

(b) any change or modification to the Services that: (i) affects Client or the achievement of Service Levels; (ii) affects, or requires Client to make changes to, the processes, controls, standards, interfaces, hardware, software, or systems of Client; (iii) affects safety or security risks in carrying out the Services; or (iv) affects Supplier's or Client's compliance with applicable Laws;

(c) any change or modification to the nature or scope of any Services then currently being provided by Supplier; or

(d) any other change or modification to this Agreement that is expressly stated to be made in accordance with the Change and New Service Procedure,

but excluding: (i) unless explicitly stated in this Agreement, any increases or decreases in the volume of the Services (including any increases in Supplier's cost of acquiring, leasing, licensing, maintaining, supporting, updating, refreshing, compensating or retaining (as applicable) any hardware, software, systems, Materials, Service Locations, Client Service Areas, personnel and other resources used or required to be used by Supplier in order to provide the Services or other obligations of Supplier in accordance with this Agreement resulting from the increase or decrease in the volume of the Services); (ii) Service requests contemplated by a Statement of Work and other routine installs, moves, adds and changes contemplated by the Statements of Work or the applicable Procedures Manual; and (iii) Services modifications, improvements, amendments or adjustments under a Project Order or subject to the Project Governance Procedures.

"**Change and New Service Procedure**" has the meaning ascribed in Schedule 9.2(a).

"**Change Order**" has the meaning ascribed in Schedule 9.2.

"**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.

"**Client Assets**" means the equipment, furniture, software, data networks, systems and facilities (including Client Service Areas) or other assets owned, licensed or leased by Client or its Affiliates provided by Client for use by Supplier.

"**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.

"**Client Business Impact Assessment**" or "**CBIA**" means a report prepared by Client that sets out, among other things, Client's critical and non-critical business functions and activities supported by and related to the Services, business risk due to loss of business function and supporting resources, services, risk mitigation strategies, recovery times, recovery points and alternative locations.

"**Client Data**" has the meaning ascribed in Section 13.5 hereof.

"**Client Dependency**" means a Client activity, task, obligation or decision which if not made by the Client Dependency Target Date may impact Supplier's ability to carry out a Service, provided such Client activity, task, obligation or decision is identified as a Client Dependency in the applicable Project Order, Project Change Request, or Project Plan set out or incorporated therein or in a Statement of Work for a Project.

"**Client Dependency Target Date**" means, in respect of a Client Dependency, the target date for the completion of the Client Dependency specified in a Project Order, Project Change Request to a Project Order, or Project Plan set out or incorporated therein or in a Statement of Work for a Project.

"Client Executive Sponsor" has the meaning ascribed in Schedule 9.1.

"**Client Indemnified Parties**" means Client and each of its Affiliates and their respective Representatives.

"**Client Personal Information**" has the meaning ascribed in Section 13.6(a).

"**Client Personnel**" means employees of Client.

"**Client Policies**" has the meaning ascribed in Section 4.5.

"**Client Responsible Executive**" has the meaning ascribed in Schedule 9.1.

"**Client Service Areas**" has the meaning ascribed in Section 7.1(b) hereof.

"**Commencement Date**" means, for any Services the date Supplier commences its performance of such Services, as set out in the applicable Statement of Work, Change Order or Project Order.

"**Confidential Information**" means all information, in any form or media, 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 or any of the Disclosing Party's Representatives in connection with this Agreement, including Materials, business and marketing strategies (including pricing policies, cost and profit information), product and service development plans, information relating to the design of equipment or facilities, products or services, trade secrets, together with all documents, which contain or otherwise reflect information regarding the Disclosing Party or any of its Affiliates. For greater certainty, Confidential Information includes the terms of this Agreement and, in the case of Client, all Client Data.

"**Contract Year**" means each of the following four periods during the Term: (i) the period from the Effective Date to December 31, 2021 ("Contract Year 1"), (ii) the period from January 1, 2022 to December 31, 2022 ("Contract Year 2"), (iii) the period from January 1, 2023 to December 31, 2023 ("Contract Year 3"), and (iv) the period from January 1, 2024 to February 29, 2024 ("Contract Year 4").

"**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.

"**Control Rules**" has the meaning ascribed in Section 12.3 hereof.

"**Creditworthy**" with reference to a Person which is an Affiliate or a direct or indirect transferee or assignee of Client, means that such Person meets the criteria of a reasonable service provider in determining whether it will accept such person as a customer for the specific services being contemplated without taking undue financial risk. For greater certainty, creditworthy does not mean that such Person must have a credit rating or credit worthiness which is equivalent to that of Client.

"**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.

"**Critical Cyber Assets**" means programmable electronic devices and communication networks including hardware, software, and data essential to the reliable operation of Critical Assets.

"**Critical Deliverables**" has the meaning ascribed in Schedule 5.1.

"**Customer Information**" means any information relating to or regarding a consumer, retailer, wholesaler or generator of electricity.

"**Deliverables**" means Materials and other items or deliverables required to be delivered pursuant to this Agreement by Supplier.

"**Disaster Recovery Plan**" means the set of documents, instructions, process, and procedures to recover and restore information technology infrastructure, systems, network and applications in the event of a disaster based on the disaster recovery Services described in the applicable Statements of Work.

"**Disclosing Party**" means the Party disclosing the Confidential Information or on behalf of whom Confidential Information is disclosed to the Receiving Party.

"**Dispute**" has the meaning ascribed in Section 9.3(a) hereof.

"**Effective Date**" means has the meaning ascribed in the first page of this Agreement.

"**Event of Force Majeure**" has the meaning ascribed in Section 10.5(a) hereof.

"**Event of Insolvency**" means, with respect to a Party, that:

(i) the Party becomes bankrupt or insolvent within the meaning of the *Bankruptcy and Insolvency Act* (Canada), admits its inability to or fails to pay generally its debts as they become due or otherwise admits its insolvency, or ceases or threatens to cease carrying on business;

(ii) the Party makes a general assignment for the benefit of creditors, makes a proposal under the *Bankruptcy and Insolvency Act* or similar law, seeks relief under the *Companies Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any similar law, any proceeding seeking general relief as a debtor, any proceeding is initiated by or against the Party to declare it bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement or composition of it or its debts or for an order for similar relief under any law relating to bankruptcy, insolvency or relief of debtors or seeking appointment of a receiver, trustee or other similar official for the Party or for any substantial part of its assets, and, in the case of a proceeding instituted against the Party, such proceeding has not been dismissed or stayed within thirty (30) days; or

(iii) a receiver or similar official is appointed with respect to a substantial portion of the assets of the Party by a court or a creditor and such appointment has not been terminated within thirty (30) days.

"**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.

"**Exhibit**" means any exhibit attached to a Statement of Work.

"**Fees**" or "**Charges**" has the meaning ascribed in Section 16.1(b) hereof.

"**Financial Terms**" has the meaning ascribed in Section 16.1(a) hereof.

"**Framework**" has the meaning ascribed in Section 12.2(a) hereof.

"**Governance**" means the processes and procedures set out in Schedule 9.1.

"**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 (except when used in Article 12 and Sections 13.1(a), 13.6, and 16.10) the government of the Province of Ontario in its role as shareholder of Client's ultimate parent.

"**Guarantees**" means the separate guarantees referred to as the financial guarantee and the performance guarantee, each dated March 1, 2021, and executed and delivered by Capgemini America, Inc. and Capgemini North America, Inc., respectively.

"**Initial Term**" has the meaning ascribed in Section 2.1 hereof.

"**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.

"**Internal Control Audit**" means: (i) an audit of (A) reliability of financial reporting (such as SSAE 16), (B) effectiveness and efficiency of operations, and (C) applicable Laws relating to financial controls and reporting; or (ii) any comparable audit of internal controls approved by Client, in its discretion.

"**Internal Dispute Resolution Process**" means the process for addressing Disputes set out in Section 9.3 hereof.

"**Key Position**" means any Supplier Personnel position identified as a "Key Position" in Schedule 8.1.

"**Laws**" means any applicable laws, statutes, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, treaties, policies, notices, directives, operating licences, directions and judicial, arbitral, administrative, ministerial or departmental judgments, awards or other requirements of any Governmental Authority, in each case (other than in the case of the government of the Province of Ontario in its role as shareholder of Client's ultimate parent), having the force of law in any jurisdiction in which Supplier provides Services or in which Client carries on business.

"**Liability Cap**" has the meaning ascribed in Section 19.2 hereof.

"**Losses**" means any and all damages, fines, penalties, 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 Charges and expenses of litigation or other proceedings or relating to any Claim, default or assessment).

"**Managed Contract**" means any contract to be managed by Supplier and identified as a Managed Contract in a Statement of Work or Change Order.

"**Managed Contract Commencement Date**" means, for a particular Managed Contract, the date set out in the applicable Statement of Work or Change Order on which Supplier's obligations pursuant to Sections 6.5, 6.6, and 6.7 commence.

"**Managed Contract Supplier**" means each Third Party supplier that is a party to a Managed Contract.

"**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 6.5, 6.6, and 6.7 will cease.

"**Materials**" means any work product, software (including programming code, such as source code and object code), systems, data, modules, tools, methodologies, analysis, frameworks, designs, specifications, reports, drawings, documentation, manuals, solution construction aids, interfaces, advertising and marketing materials, formula, designs, models, spreadsheets, financial statements, drawings and inventions, including all methods, processes, business or otherwise.

"**Measurement Period**" has the meaning ascribed in Schedule 5.1.

"**Milestone**" means any Service, Deliverable or other performance obligation or objective of Supplier or discreet part thereof the completion of which is identified as a Milestone in a Project Order, Change Order, or Project Plan set out or incorporated therein or in a Statement of Work, and includes Critical Deliverables.

"**Milestone Deadline**" means, for each Milestone, the deadline by which Supplier must complete the Milestone.

"**New Service**" means any service requested by Client 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 or a Project.

"**New Works**" has the meaning ascribed in Section 11.2(a) hereof.

"**Newly Created Tools and Utilities**" has the meaning ascribed in Section 11.2(a).

"**OEB**" means the Ontario Energy Board and any successor authority.

"**Parties**" means Client and Supplier, and "**Party**" means any one of them.

"**Pass-Through Expenses**" means Third Party fees, charges and expenses 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.

"**Person**" means any individual, corporation, partnership, governmental body, trust, association or unincorporated organization.

"**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.

"**Pre-Existing Proprietary Materials**" has the meaning ascribed in Section 11.1(a).

"**Previous Service Provider**" means the service provider which provided or provides the Services to Client until the completion of Transition.

"**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.

"**Procedures Manual**" means one of more manuals that describe the operational processes, procedures, hardware, software, Materials, and the governance processes, procedures, including rules, policies, guidelines that Supplier will comply with to provision and deliver the Services, and includes any training materials related thereto.

"**Procurement Purpose**" has the meaning ascribed in Section 13.1(a)(ii).

"**Project**" means a group of related tasks, activities and deliverables performed over a finite time period that are intended to produce a Deliverable, solution or result requiring planning, scheduling and management (usually in accordance with an agreed deadline and budget), including projects for Transition and Transformation. For greater certainty, and without limiting the generality of the foregoing, Projects are generally limited to discrete units of non-recurring work that is not an inherent, necessary or customary part of the day-to-day Services, and is not required to be performed by Supplier to meet the Service Levels (other than the Service Levels related to Project performance and delivery of Critical Deliverables, if applicable).

"**Project Change Process**" means the process for Changes for Projects described in Schedule 3.1(a).

"**Project Change Request**" has the meaning ascribed in Schedule 3.1(a).

"**Project Governance Procedures**" has the meaning ascribed in Schedule 3.1(a).

"**Project Methodology**" means the process and methodology for Projects describing the stages for requesting, approving and implementing such Projects set out in Schedule 3.1(a) hereto.

"**Project Order**" means the document in the form set out in Schedule 3.1(a) completed and agreed upon by the Parties by way of the Project Methodology describing a Project, including Deliverables to be provided by Supplier under the Project.

"**Project Plan**" means any plan and time line for the delivery of a Project, including a list of the activities, resources, interdependencies and intersections between Project activities, other Services and any related or connected Third Party activities, Services to be performed, any Milestones that Supplier will be required to meet and the related Milestone Deadlines, and any Client Dependencies.

"**Rate Card**" means the rate card attached as Attachment A to Exhibit 3 to the applicable Statement of Work.

"**Receiving Party**" means the Party receiving Confidential Information and such of its Representatives as may receive Confidential Information on its behalf.

"**Renewal Term**" has the meaning ascribed in Section 2.2.

"**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.

"**Restructuring Successor Entity**" has the meaning ascribed in Section 4.4.

"**RFP**" means the request for proposals SCY-7000003270 dated November 7, 2013.

"**Schedules**" has the meaning ascribed in Section 1.2 hereof.

"**Service Level Credits**" has the meaning ascribed to it in Schedule 5.1.

"**Service Level Default**" has the meaning ascribed to it in Schedule 5.1.

"**Service Level Termination Event**" means, for any Critical Service Level, the occurrence of Service Level Defaults of the Critical Service Level in three (3) consecutive Measurement Periods or four (4) Service Level Defaults of the Critical Service Level in any six (6) Measurement Periods; provided that Service Level Defaults arising solely under Sections 3.6, 3.8 and 3.9 of Schedule 5.1 shall not be counted to establish a Service Level Termination Event.

"**Service Levels**" means the levels of performance and standards for the services 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.

"**Service Locations**" has the meaning ascribed in Section 7.1.

"**Services**" means: (i) all of the services, tasks, facilities, deliverables and resources performed or provided by Supplier pursuant to this Agreement, including Statements of Work, Project Orders, Change Orders, and the Termination Transition Plan; 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, Project Order, Change Order or Termination Transition Plan.

"**SOW Effective Date**" has the meaning ascribed in each Statement of work.

"**Statement of Work**" or "**SOW**" 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 Exhibits and Attachments thereto.

"**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.

"**Supplier Account Executive**" has the meaning ascribed in Schedule 9.1.

"**Supplier Controls**" has the meaning ascribed in Section 12.3(b) hereof.

"**Supplier Business Continuity Plan**" means the set of documents, instructions, and procedures for continuation of the Services in the event of a sudden loss of critical business functions or services due to an accident, loss of use of critical applications or systems, disaster, emergency or threat including supporting Disaster Recovery Plans. The Supplier Business Continuity Plan will include the following contents:

(i) identification of roles and responsibilities during an event;

(ii) immediate response procedures;

(iii) event declaration and communication protocol;

(iv) contact and command centre information;

(v) recovery and alternate work location logistics;

(vi) return and rebuild components; and

(vii) manual workarounds to be used in the event of business process disruptions, or business technology failures until commencement of technology measures planned to be invoked in a disaster event or other disruption.

"**Supplier Business Impact Assessment**" or "**SBIA**" means the reports developed and maintained by Supplier based on the Client Business Impact Assessment that identifies the critical and non-critical Supplier business functions, services and activities and any vulnerabilities related to each Service component including strategies for minimizing risks, maximum recovery times and points, alternate service locations, and addresses exposure to sudden loss of critical business functions or services and supporting resources, due to an accident, loss of use of critical applications or systems, disaster, emergency or threat. The SBIA will include the following components:

(i) business unit profile;

(ii) threat identification;

(iii) risk assessment;

(iv) qualitative and quantitative impact assessment;

(v) inter-dependencies;

(vi) alternate work location considerations; and

(vii) technology dependencies.

"**Supplier Enterprise Continuity Plan**" means a documented practiced plan that enables services provided by Supplier to be continually delivered to all of its clients. Such plan will utilize an all-hazards approach and include dealing with events that impact supplier's people, premises, processes, technology and vendors. This will include events such as pandemics, natural disasters, fires, accidents, sabotage, power and energy disruptions, environmental disasters, cyber-attacks, terrorism, civil disorder, theft, loss of facility, and technology failures.

"**Supplier Indemnified Parties**" means Supplier and each of its Affiliates and their respective Representatives.

"**Supplier One-way NDA**" has the meaning ascribed in Section 11.1(d).

"**Supplier Personnel**" means employees of Supplier or its Supplier Subcontractors assigned to perform the Services or other obligations of Supplier pursuant to this Agreement.

"**Supplier Reciprocal NDA**" has the meaning ascribed in Section 4.11 hereof.

"**Supplier Subcontractor**" means any Affiliate of Supplier, or subcontractor to Supplier or any Affiliate of Supplier, that performs Services or other obligations of Supplier hereunder, even if not approved by Client to perform such Services or other obligations as required pursuant to Section 8.4.

"**Supplemental Solution Documents**" means the documents attached hereto as Schedule 1.1(b).

"**Target Results**" has the meaning ascribed in Section 15.1 hereof.

"**Taxes**" has the meaning ascribed in Section 16.8 hereof.

"**Term**" means the Initial Term and all Renewal Terms.

"**Termination Milestone**" means any Milestone that is identified as such in a Statement of Work.

"**Termination Transition Period**" has the meaning ascribed in Schedule 14.5 hereof.

"**Termination Transition Plan**" means the plan to be prepared by Supplier in accordance with the termination transition plan requirements set out in Schedule 14.5.

"**Termination Transition Services**" has the meaning ascribed in Schedule 14.5.

"**Third Party**" means a Person which is not a Party or an Affiliate of a Party.

"**Third Party Benchmarking**" has the meaning ascribed in Section 15.1(a) hereof.

"**Third Party Claims**" means claims made against Client or its Affiliates by their respective customers or suppliers, or any other Third Parties.

"**Third Party Materials**" has the meaning ascribed in Section 17.4 hereof.

"**Third Party New Works Materials**" has the meaning ascribed on Section 11.2(a) hereunder.

"**Transformation**" means one or more Projects for the evolution or systematic change of any or all of, service delivery, capability, service models, systems, tools, processes, methods or staffing models in relation to the Services, agreed to by the Parties in accordance with Schedule 3.1(c) (Transformation Methodology).

"**Transformation Plan**" has the meaning ascribed in Section 3.1(c) hereof.

"**Transition**" means the transition of the service delivery, capability, contract management and service models from Client or its service providers including the Previous Service Provider, to those Services, systems, processes, methods, and personnel required under this Agreement.

"**Transition Plan**" has the meaning ascribed in Section 3.1(b) hereof.

"**Transparency**" means providing Client with (and not withholding from Client) 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, mark-ups on third-party fees, 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.

"**Wilful Misconduct**" means acts or omissions of a Party, or a Person who is an employee or otherwise contracted by such Person for which a Party is responsible in law or contract, that are committed or omitted deliberately, including wilful abandonment of the Services or other obligations of Supplier, where the Party or such Person knows that such acts or omissions will be in breach 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 21.11 hereof, a "**Schedule**" and, collectively, the "**Schedules**"):

Schedule 1.1(b)	-	Supplemental Solution Documents
Schedule 1.3	-	Form of Statement of Work
Schedule 3.1(a)	-	Project Methodology
Schedule 3.1(b)	-	Transition Plan
Schedule 3.1(c)	-	Transformation Methodology
Schedule 4.8	-	Procedures Manual Outline
Schedule 4.11	-	Supplier Reciprocal NDA
Schedule 5.1	-	Service Level Methodology
Schedule 5.4	-	Client Satisfaction Surveys
Schedule 6.1	-	Client Assets
Schedule 8.1	-	Key Positions
Schedule 8.4	-	Approved Subcontractors
Schedule 9.1	-	Governance
Schedule 9.2	-	Change and New Service Procedures
Schedule 11.1(d)	-	Supplier One-way NDA
Schedule 14.5	-	Termination Transition Plan Requirements
Schedule 15.1(e)	-	Benchmarking Engagement Letter
Schedule 16.1	-	Fee Methodology

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:

Statement of Work	**Title**
Statement of Work #1	**Application Services Statement Of Work**
Statement of Work #2	**Infrastructure Services Statement Of Work**
Statement of Work #3	**Project Services Statement Of Work**

The Parties may agree to add additional Statements of Work in the form set out in Schedule 1.3 in accordance with Section 4.2.

The Parties also agree that for the Fees set out herein, the Supplier is responsible to coordinate with Inergi LP for the performance of Inergi LP under the Inergi Agreement, relating to the Services described in any Common Exhibits under this Agreement and the Inergi Agreement and Supplier shall resolve any disagreements as between the Supplier and Inergi LP concerning performance of their respective obligations

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 through Article 21 of this Agreement;

(b) the Schedules annexed to this Agreement and their Attachments;

(c) the Statements of Work (excluding any Attachments or Exhibits thereto); and

(d) the Attachments and Exhibits to the Statements of Work,

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.

For clarity the Supplemental Soltuion Documetns (presentations) attached to this Agreement are included for reference purposes only and are of no legal effect.

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.

(h) **Inclusion of Termination Transition Period** - References in this Agreement to the Term will be interpreted as follows: (i) where there is a reference to an obligation of a Party in

respect of the Services (including the provision thereof), to grant rights to a Party or Affiliates of a Party, or to otherwise perform obligations during the Term, that reference includes an obligation of the Party to perform such obligations or grant such rights during each applicable Termination Transition Period, unless expressly agreed to otherwise in writing by the Parties; and (ii) where there is a reference to a right to which a Party or an Affiliate of a Party is entitled during the Term, that reference includes an entitlement of the Party or the applicable Affiliate of the Party to enforce such right during each applicable Termination Transition Period, unless expressly agreed to otherwise in writing by the Parties, in each case, even if the Termination Transition Period continues after the Term.

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 Accounting Principles

Supplier acknowledges that Client makes its financial calculations and maintains its books and records in accordance with generally accepted accounting principles required for use by Client for statutory financial reporting purposes and for regulatory purposes as approved by the OEB. Supplier will provide Client with financial information in a form which permits Client to prepare its financial records for statutory financial reporting purposes and for regulatory purposes as approved or by the OEB.

1.10 Non-Exclusive Relationship with Supplier

This Agreement does not grant to Supplier exclusive rights or to bind Client or any of its Affiliates in any way to an exclusive relationship with Supplier. Supplier is not the exclusive provider to Client or any Affiliate of Client of any of the Services and for greater certainty, nothing in this Agreement will restrict Client or any of its Affiliates from:

(a) procuring from any other Person, or itself developing or providing, the Services, services similar to the Services, hardware, software, systems, Materials, or other products or equipment relating to, interfacing with or otherwise to be used as part of or in connection with, or in substitution for, the Deliverables or the Services; or

(b) procuring from any other Person, or itself providing, services substantially similar to, or services that interface with or that are otherwise to be used in connection with, the Deliverables or the Services.

For greater certainty, the foregoing provisions of this Section 1.10 will not relieve Client from its payment obligations under Section 14.2 (Termination for Convenience) if it terminates one or more Statements of Work, Project Orders or Change Orders for convenience in accordance with the terms set out therein or Client's obligation to meet any minimum revenue commitments set out in this Agreement.

1.11 Services under Previous Agreement and Commencement Date

Notwithstanding the Effective Date of this Agreement, the dates for when Services (and related obligations) hereunder must commence to be provided to Client are the Commencement Dates as set out in the applicable Statements of Work other than Projects which may be commenced in accordance with the applicable Project Orders. Following the Effective Date and prior to the Commencement Dates of Services under this Agreement or commencement of Services under a Project Order, certain services similar to the Services will be provided under the Inergi MSA. For clarity, this Agreement shall not apply to services governed by such previous agreement, but when replaced by the Services hereunder, the terms of this Agreement shall apply with respect to the Services hereunder.

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 at the end-of-day EST on February 29, 2024 (the "**Initial Term**").

2.2 Renewal Terms

This Agreement may be renewed by Client for two subsequent additional terms of one (1) year each ("**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 or Renewal Term, as applicable.

2.3 Statements of Work Terms

Each Statement of Work will remain in force for the Term (but subject to Section 14.5 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
TRANSITION, TRANSFORMATION, AND PROJECTS

3.1 Projects, Transition Plan and Transformation Plan

(a) For any Project, including any Transition or Transformation, to be performed by Supplier, the Parties will enter into and Supplier will perform and complete such Project in accordance with the applicable Project Order.

(b) Supplier will Transition the Services to be performed by Supplier under each Statement of Work or Change Order, whether from Client, the Previous Service Provider or other service providers, and will use commercially reasonable efforts to facilitate an uninterrupted and efficient continued operation, including continuity of applicable performance standards, during the Transition from services provided by the Previous Service Provider to provision of Services commencing on the Commencement Date to Supplier in accordance with the applicable Project Plan for such Transition prepared in accordance with Schedule 3.1(b) (each such Project Plan, a "**Transition Plan**"). Supplier will cooperate and assist other service providers of Client in the course of carrying out any Transition.

(c) For any Transformation to be performed by Supplier, Supplier will perform and complete such Transformation in accordance with the Transformation methodology set out in Schedule 3.1(c) and the applicable Project Plan for such Transformation (each such Project Plan, a "**Transformation Plan**"). Supplier will cooperate and assist other service providers of Client in the course of carrying out any Transformation.

(d) Supplier represents and warrants that each such Project Plan has been or will be prepared in accordance with and will conform to leading industry practice. Supplier will complete the tasks, duties, and other Services set out in each Project Plan in accordance with the Project Order and with the timing requirements set out in the Project Plan, including completing each Milestone on or before the applicable Milestone Deadline.

(e) Unless otherwise set out in the applicable Project Order, Supplier will report to Client weekly on progress towards completion of each Project through a suitable dashboard tool and through the Governance process.

3.2 Client Dependencies

(a) If Client fails to complete any Client Dependency on or prior to the applicable Client Dependency Target Date, then any Milestone identified as one that is dependent on the Client Dependency will be extended by the number of Business Days that the day on which Client completes such Client Dependency followed the Client Dependency Target Date, or such additional time specified in Supplier's written notice to Client relating to such missed Client Dependency Target Date to the extent reasonable in the circumstances given the nature of the Client Dependency and given the impact of Client's failure to complete the Client Dependency on the applicable Milestone. Supplier agrees to notify Client promptly of any failure of Client to complete any Client Dependency, but which notice will be no later than ten (10) Business Days of the applicable Client Dependency Target Date. If Supplier fails to notify Client in accordance with this Section, Supplier will be precluded from subsequently citing Client's failure as a reason for Supplier's own subsequent failure to perform. Notwithstanding the failure of Client to complete any Client Dependency, Supplier will continue to use commercially reasonable efforts to meet the original deadline set out for such obligation.

(b) If any obligation of Supplier is extended for more than ten (10) Business Days pursuant to Section 3.2(a) due to a failure of Client to complete any Client Dependency, Supplier may deliver to Client a Change request setting out:

(i) any proposed extensions to the Milestone Deadlines set out in the applicable Project Plan that Supplier reasonably requires solely and directly as a result of such failure of Client;

(ii) any proposed increases in Charges that are solely and directly attributable to such failure of Client, calculated in accordance with any pricing related terms set out in this Agreement; and

(iii) any proposed out-of pocket expenses reasonably incurred by Supplier that are solely and directly attributable to the failure of Client to complete any Client Dependency on or prior to the applicable Client Dependency Target Date, to the extent such costs and expenses cannot be mitigated by Supplier using commercially reasonable efforts.

Notwithstanding the foregoing, Supplier will use commercially reasonable efforts to perform all Services in accordance with the applicable Project Plan without extension of any of the Milestone Deadlines set out therein. Following receipt of such Change request, the Parties will negotiate the requested Change in accordance with the Change and New Service Procedure or the Project Change Process, as applicable.

(c) The remedies set out in this Section 3.2 are Supplier's sole remedies in the event of a failure on the part of Client to complete any one or more Client Dependencies on or prior to the applicable Client Dependency Target Date.

3.3 Remedies for Failure to Meet Milestone Deadlines

(a) Without limiting Client's rights or remedies under this Agreement, Supplier will notify Client Responsible Executive in writing immediately if it becomes aware that it will or that it is likely to fail to meet a Milestone Deadline. The notice provided by Supplier will include the reasons for Supplier's failure, the potential effect of the failure on the ability of Supplier to perform the Services in accordance with the applicable Project Plan, the steps that Supplier proposes to take in order to remedy the failure and mitigate the effect of the failure, and the anticipated date by which Supplier will complete the Milestone and any other affected Milestones.

(b) If Supplier fails to complete any Milestone on or prior to the applicable Milestone Deadline, then Client will be entitled to all applicable remedies set out below or in the applicable Statement of Work, Project Order or Change Order:

(i) Client will be entitled to immediately escalate the matter for expedited resolution pursuant to the applicable provisions of Schedule 9.1;

(ii) Supplier will pay or credit Client with any credits or liquidated damages specified in a Statement of Work, Project Order or Change Order for failure

to complete the Critical Deliverables in accordance with requirements set out in this Agreement; and

(iii) with respect to Statements of Work, if Supplier has not completed a Termination Milestone within thirty (30) days following the Milestone Deadline, or such other shorter time period specified in the Statement of Work (or an applicable Project Plan set out or incorporated therein), then Client may, in its discretion and in addition to other remedies available to it, terminate the applicable Statement of Work for cause immediately upon written notice.

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, Project Order or Change Order.

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. 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. Each Statement of Work will incorporate by reference the terms and conditions of this Agreement, unless the Statement of Work expressly provides otherwise. In the event that Client requests that Supplier provide New Services, the Parties will follow the New Service processes and procedures set out in the Change and New Service Procedure.

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 unless a separate agreement is entered into pursuant to Section 4.3(b).

(b) Upon written request by Client, Supplier will enter into a separate agreement with any Affiliate of Client for the provision of services similar to the Services provided under this Agreement on terms and conditions which are the same as those herein, including Financial Terms, except that Supplier and the Affiliate may enter into Statements of Work appropriate for the services to be provided to the Affiliate of Client which may differ from the Statements of Work under this Agreement to the extent required in this Agreement. Client will not be responsible for the performance of any separate agreement by an Authorized Affiliate.

(c) Any volume rebates or other financial benefits to which Client is entitled under this Agreement shall be calculated based on the aggregate the volume of Services and Charges provided to Client under this Agreement, the volume of Services and Charges provided to Authorized Affiliates pursuant to Section 4.3(a), and Services and Charges provided to any Affiliates that enter into agreements pursuant to Section 4.3(b).

4.4 Separation and Client Restructuring

Supplier will, upon request made by Client from time to time, enter into one or more separate agreements, on terms and conditions which are the same or substantially the same as those herein (including fee structure), with 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 Charges and other amounts 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; provided, however, that the Parties will document such changes in accordance with the Change and New Service Procedure. The Parties agree that Client shall only be released from its liabilities under this Agreement where the Restructuring Successful Entity is Creditworthy.

4.5 Client Policies and Guidelines

(a) Supplier will comply with all of Client's policies, guidelines, protocols, and procedures including those listed in Common Exhibit 3 to all Statements of Work (collectively, the "**Client Policies**"), copies of which have been provided or made accessible to Supplier. Supplier will acknowledge receipt and comply with new, additional or amended policies, guidelines, protocols, or procedures as Client may and, from time to time, provide and require.

(b) Supplier will not permit any Supplier Personnel to access any assets, premises or part thereof to which restricted access rules or policies apply 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 Supplier 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.

4.6 Technology, Process Evolution, and Continuous Improvement

In providing the Services to Client, as more fully described in each Statement of Work, Supplier will, at no additional cost to Client: (a) continually improve its technology, processes and methodologies in order to allow Client 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 Charges in addition to any required reductions set out in this Agreement).

4.7 Reports

Supplier will provide to Client, in the form acceptable to Client and based on Client's requirements, the reports described in this Agreement, including any Statement of Work. For greater certainty, Supplier's costs in collecting and analyzing data and in preparing reports are included in the Charges, 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 reports, including ad-hoc reports. Such additional ad-hoc reports will be provided at no additional Charges to Client.

4.8 Procedures Manual

(a) For each Statement of Work, Supplier will complete, at no additional charge, and deliver to Client a comprehensive Procedures Manual containing the content required by Schedule 4.8, and according to the terms thereof. Supplier will update the Procedures Manual to reflect changes in operational processes, procedures, hardware, software, Materials, governance, processes or procedures no less frequently than annually in each Contract Year. The initial version of each Procedures Manual and any updates of a Procedures Manual will be provided to Client for review, comment and approval but, for greater certainty, no approval thereof will be interpreted so as to relieve Supplier of any of its performance obligations under this Agreement, including any Project Order or any Statement of Work. Annually Supplier will report to Client regarding all changes made to the Procedures Manual in the preceding twelve (12) month period. For greater certainty the Procedures Manual is an operational document and its revision does not require amendment of this Agreement, unless such terms are contrary to the terms of this Agreement (which terms shall prevail in the event of any inconsistency).

(b) Each 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: (i) to fully and effectively understand the Services and Supplier's organization, methods, procedures and processes for performing the Services; and (ii) to fully and effectively assume the provision of the Services without degradation of the Services. Each Procedures Manual will include all system, application, operational documentation and user and training documentation relevant to the Services provided under the applicable Statement of Work, and will clearly identify any content that is Pre-Existing Proprietary Materials of Supplier. Upon the expiration or termination of the applicable Statement of Work, Supplier will update the Procedures Manual for the Services under the Statement of Work and will deliver such updated Procedures Manual to Client.

(c) 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 Service requests contemplated by a Statement of Work and other routine installs, moves, adds and changes contemplated by a Statement of Work or the Procedures Manual.

4.9 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.

4.10 Cooperation

Supplier will reasonably 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; 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 agrees that Supplier will be entitled to require that Third Parties retained by Client 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.

4.11 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. Client agrees that Supplier will be entitled to require such Third Parties retained by Client agree to comply with Supplier's reasonable security and confidentiality requirements, including entering into a confidentiality agreement with Supplier in the form attached hereto as Schedule 4.11 (the "**Supplier Reciprocal NDA**"). Such notice will specify the extent of such Third Party's authority and, without limiting the provisions of Section 4.10, Supplier will comply with and will be entitled to rely on the instructions and decisions of such Third Party's to the extent specified in such notice.

4.12 Notice of Adverse Impact or Risk

If any Supplier Personnel filling a Key Position becomes aware of any situation in connection with the Services: (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, including 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 such Supplier Personnel reasonably believes would have a material adverse impact on Client's business or reputation; or (d) that will or reasonably could lead to any non-compliance with any applicable Law, Client Policy, standard or Client practice relating to occupational or public health, worker, public or facility safety, or the environment, 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.

4.13 Compliance with Law and Directives from the Government of the Province of Ontario

(a) Supplier shall ensure that all of the Services and other obligations required to be performed by it pursuant to this Agreement shall be performed at all times in compliance with all Laws applicable to Supplier or Client, and that Supplier does not affect Client's regulatory licenses or its rights thereunder provided; provided, however, that, to the extent that any changes to such Laws after the Effective Date apply to Client and not to Supplier, then, if compliance with such changed Laws requires a Change, Supplier will make the Change in accordance with the Change and New Service Procedure.

(b) Supplier shall ensure that all of the Services and other obligations required to be performed by it pursuant to this Agreement shall be performed at all times in compliance with all directives of the government of the Province of Ontario in its role as shareholder of Client's ultimate parent of which it is made aware; provided, however, that, if compliance with any changes to such directives after the Effective Date, or new directives of the government of the Province of Ontario in its role as shareholder of Client's ultimate parent issued or brought to the attention of Supplier after the Effective Date, applies to the Services and requires a Change, Supplier will make the Change in accordance with the Change and New Service Procedure, and if the new directive or Change involves a termination of this Agreement or part thereof, the provisions of Section 14.2 shall apply.

4.14 Liens

Supplier will prevent the application of liens by creditors of Supplier, its Affiliates or their Representatives to any Client Asset in its possession or control or when carrying out the Services or the performance of its other obligations under this Agreement. If any such lien is registered against any Client Asset or Client has received a written notice of such lien, Supplier will, at its sole expense, vacate or discharge or cause the withdrawal of such lien, as required by Client, within five (5) days of becoming aware of such lien.

ARTICLE 5
SERVICE LEVELS

5.1 Service Level Management

Without limiting its other obligations under this Agreement, 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. Additional terms applicable to Service Levels are set out in Schedule 5.1, including the applicable methodology for measuring Service Levels and Service Level Credits, and for dealing with Service Level Defaults or the effects thereof.

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 steps reasonably 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; and

(iv) provide any applicable Service Level Credits to Client calculated in the manner specified in Schedule 5.1. Such Service Level Credits shall not limit any other remedies which Client may have with respect to the events giving rise to the Service Level Defaults; provided, however that any Service Level Credits that has been paid to Client shall be deducted from any damages to which Client may otherwise be entitled, to the extent such damages were incurred or suffered directly as a result of the applicable Service Level Defaults giving rise to the Service Level Credits.

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 analyze 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. Supplier will provide a copy of such reports to Client in a form and format approved by Client.

5.4 Client Satisfaction Surveys

Supplier shall comply with Client's satisfaction methodology set out in Schedule 5.4.

ARTICLE 6
ASSETS AND CONTRACTS

6.1 Client Assets

Client will make available for use by Supplier the Client Assets set out in Schedule 6.1. 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 Losses 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.

6.2 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 (which shall include obligations of Supplier under Sections 4.3 (Client Affiliates) and 4.4 (Separate and Client Restructuring)), 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, or expiry of the Termination Transition Period, whichever is later; and (b) when the Client Assets that are no longer required by Supplier.

6.3 Required Consents re Client Assets

(a) Client shall be responsible for obtaining any required consents of the suppliers, owners, licensors and lessors relating to the Client Assets which are provided or made available by Client to support the provision of Services by Supplier. Supplier shall provide reasonable assistance in connection with the foregoing. Client shall pay all reasonable license, administrative, upgrade, consent Charges and other Charges charged by the suppliers, owners, licensors and lessors of the Client Assets in connection with the provision of such consents. In the event that such consents cannot reasonably be obtained by Client, the Parties shall cooperate with each other and take reasonable steps to resolve the matter.

(b) Upon receipt of true copies thereof, Supplier shall, subject to this Section 6.3(b), comply with the relevant provisions of the license agreements, leases and other agreements (together with all renewals thereof) between Client or its Affiliates and the suppliers, owners, licensors and lessors of the Client Assets as necessary or desirable for the performance of this Agreement. Supplier shall execute such non-disclosure agreements and such agreements in confirmation of the foregoing as the suppliers, owners, licensors or lessors of the Client Assets may require. If the provisions of any such license agreements, leases or other agreements are commercially unreasonable or if the required non-disclosure agreements and agreements in confirmation are commercially unreasonable, the Parties will cooperate with each other and take such actions as are commercially reasonable in order for Supplier to comply with the provisions of such license agreements, leases and other agreements or to otherwise resolve the matter in a timely and equitable manner and, pending such resolution, Supplier shall not be liable for non-compliance with the commercially unreasonable provisions of such license agreements, leases or other agreements.

6.4 Assigned Contracts

(a) Prior to the Commencement Date under each Statement of Work, Supplier will assume and perform all of the obligations of one or more Previous Service Providers or Client under any Assigned Contracts relating to the Services described in such Statement of Work, including payment of all related fees attributable to periods on or after the date such Assigned Contracts are validly assigned.

(b) Client will use its commercially reasonable efforts to obtain or request that a Previous Service Provider obtain any required consents to such assignments. Supplier will provide reasonable assistance in connection with Client's or the Previous Service Provider's efforts to obtain such consents and will execute such documents as Client, Previous Service Provider or counterparty to each Assigned Contract may reasonably require in connection therewith. With respect to Assigned Contracts to be assigned by Client, 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. With respect to Assigned Contracts to be assigned by Previous Service Providers, in the event that a Previous Service Provider fails to obtain such consents, Supplier will cooperate and take such reasonable measures as necessary to mitigate the impact on the Services of the inability of Client to obtain the assignment of such Assigned Contract to Supplier.

(c) Once validly assigned by the applicable Previous Service Providers or Client, the Assigned Contracts will become the responsibility of Supplier without further obligation on the part of Client or the applicable Previous Service Providers. Supplier undertakes to hold Client free and harmless from any obligation or claim under the Assigned Contracts arising after the date they are validly assigned. 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, providing that such actions do not result in any adverse effect on Client or the Services, including achievement of Service Levels.

6.5 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 6.5(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, including all of Client's obligations thereunder, except to the extent that such compliance is solely within the control of Client or solely within the control of the Managed Contract 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) make commercially reasonable efforts to 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 6.5(h) and (i) below and this Section 6.5(g) does not permit or require Supplier to commence legal proceedings on behalf of or in the name of Client;

(h) immediately 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. 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, if resources of Supplier in addition to those allocated to providing the Services are required, and if Client is notified by Supplier in writing of such additional resources in advance, then such compliance will be at Client's cost and expenses; 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 written consent, and will comply with any agreement or settlement relating to the dispute agreed to by Client and the Managed Contract Supplier. 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 6.5(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 management of the particular dispute, and Supplier's obligations with respect to the dispute will be those set out in Section 6.5(i) below;

(i) immediately notify Client of any actual or threatened Claim arising out of or relating to a Managed Contract of which it becomes aware, and cooperate with Client in the investigation, defence and settlement thereof; provided, however, that, if resources of Supplier in addition to those allocated to providing the Services are required for such cooperation, and if Client is notified by Supplier in writing of such additional resources in advance, then such cooperation will be at Client's cost and expenses, Supplier will, if additional resources of Supplier dedicated to providing the Services are required, at Client's cost and expense. 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 (unless such Claim is one to which Supplier's indemnity obligations set out in Section 18.1 apply); provided, however, that Supplier will comply with any judgment, order or 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.

6.6 Payment of Amounts Due Under Managed Contracts

(a) Supplier will arrange for the timely 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. Provided that the invoice has been delivered to Supplier in a timely manner by the Managed Contract Supplier, no later than ten (10) Business Days prior to the due date for the invoice, 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 Section 6.6(a) of this Agreement.

6.7 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 sixty (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 the deadline referenced in clause (a). Where Supplier, in performing any Services is dependent on the obligations of the Managed Contract Supplier, including any hardware, software, systems or services provided by the Managed Contract Supplier, under the Managed Contract that has expired or has been terminated, and a Change is required in order for Supplier to continue performing such Services, then such Change will be made in accordance with the Change and New Service Procedure.

6.8 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 6.5, 6.6, and 6.7 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 7
SERVICE LOCATIONS AND SITES

7.1 Service Locations and Sites

(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 or Change Order; (collectively "**Service Locations**"). For clarity: (i) inclusion of a Service Location in an SOW or Change Order signed by Client constitutes approval of Client; and, (ii) for Statements of Work # 1, 2, and 3, 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.

(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 may 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 cooperate with Client in connection therewith, provided that Supplier will still be able to perform the Services from such reconfigured, relocated, altered, or renovated Client Service Areas. Client will reimburse Supplier for any costs and expenses arising directly from Client's relocation, reconfiguration, alteration, or renovation of Client Service Areas, to the extent that Supplier has identified to Client such costs and expenses in writing as soon as reasonably practicable after becoming aware of the relocation, reconfiguration, alteration, or renovation, but in any case before the relocation, reconfiguration, alteration, or renovation provided that Supplier is aware of such events.

(d) Supplier may not alter, renovate, reconfigure, erect signage at or on, 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.

7.2 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 8
SUPPLIER PERSONNEL AND SUBCONTRACTORS

8.1 Supplier Personnel

(a) Supplier will ensure that all Supplier Personnel:

(i) have suitable skills, training, expertise, experience, licences and certificates, and have the interpersonal skills necessary to be successful working with Client, its customers (where applicable), and any Third Party suppliers of equipment, software or services to Client.

(ii) Intentionally omitted.

(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 set out 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 agrees that appropriate portions of the annual incentive and variable compensation of non represented Supplier Personnel filling Key Positions will take into account the following factors: (i) the level of customer satisfaction reflected in the surveys referred to in Section 5.4; and (ii) the extent to which Supplier has met or exceeded the Service Levels and Supplier's other responsibilities under this Agreement.

(g) Subject to applicable Laws, Supplier will not remove any individual from a Key Position without Client's prior written direction or consent except where forced to do so in the event of employee sickness, resignation, termination for cause, misconduct, breach of a policy or other performance related issues (in which case Supplier will provide Client with an explanation of the reasons for the termination), 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.

8.2 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 (with Client's reason for the notice) 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, subject to applicable Laws, 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 any 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.

8.3 No Responsibility for Supplier Personnel

Notwithstanding that Supplier Personnel will 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 Subcontractor. The Parties will do all such acts or things necessary or desirable to give effect to the foregoing.

8.4 Supplier 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 8.4 as at the Effective Date, which are deemed to be Supplier Subcontractors for the tasks specified in that Schedule) without the prior written approval by Client, including Client's approval of any Pass-Through Expenses or Charges calculated as a formula based on Supplier costs. Except for subcontracts that are not solely used for provision of Services to Client (i.e. subcontracts that are also used to provide services to other customers of Supplier), Supplier shall not subcontract Supplier's obligation hereunder on terms which do not permit assignment as of the subcontract upon termination or expiry of this Agreement to Client or a Successor Supplier. Client may determine in its sole discretion that Supplier is subcontracting a material portion of Supplier's obligations hereunder.

(b) Supplier will be responsible for and will ensure compliance by each Supplier Subcontractor with all the terms and conditions of this Agreement. Without limiting the foregoing, Supplier will ensure that:

(i) for any Supplier Subcontractor performing any portion of Supplier's material obligations hereunder, such Supplier Subcontractor: (A) agrees to comply with the provisions of Section 4.5 (Client Policies) and Article 13

(Confidentiality and Personal Information); (B) agrees to provisions substantially similar to Section 4.10 (Cooperation), Section 4.12 (Notice of Adverse Impact), Section 4.14 (Liens), Section 8.4 (Approved Subcontractors), Section 14.5 (Orderly Termination), Section 21.1 (Assignment), Article 11 (Intellectual Property), Article 12 (Audit); (C) agrees to maintain insurance appropriate to the tasks being performed by the subcontractor including Workplace Safety and Insurance Board (or any successor authority) coverage where required by Law; (D) executes 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; (E) agrees 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 Supplier Subcontractor; and (F) agrees to comply with Client's requirements regarding health and safety and environmental protection; and

(ii) for all other Supplier Subcontractors, the applicable supplier subcontract is in writing and contains, at a minimum, provisions that are sufficient to enable Supplier to comply with its obligations set out in this Agreement, including obligations relating to confidentiality, privacy, security and the provision of information and supporting documentation to enable audits of Supplier.

(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 any material portion of Supplier's obligations hereunder 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 Subcontractors, or any employee or other representative thereof, 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 a 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.

8.5 Performance Principles

(a) If and to the extent that Supplier is authorized to procure products or services whether from a subcontractor or otherwise under this Agreement on behalf of or in the name of Client, the following will apply:

(i) Supplier will ensure that there is Transparency;

(ii) 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;

(iii) 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; and

(iv) 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 9
GOVERNANCE, CHANGE, AND DISPUTE RESOLUTION

9.1 Governance

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 Schedule 9.1 (Governance).

9.2 Change Control

(a) Supplier will not implement any Change without Client's prior written consent pursuant to the Change and New Service Procedure.

(b) In the event that either Party wishes to implement a Change, the Parties will follow the Change and New Service Procedure.

(c) In the event of a Change affecting Section 7.1 (a), 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 Agreement.

9.3 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 accordance the internal dispute resolution process set out in this Section 9.3 ("**Internal Dispute Resolution Process**").

(b) If a Dispute arises which is not resolved by personnel directly responsible for provision and receipt of the Services under the relevant Statement of Work, Project Order or Change Order, Supplier Account Executive and Client Responsible Executive will be notified and will meet promptly in order to attempt to resolve the Dispute. If the Dispute cannot be resolved within thirty (30) days of such notice, the matter will be referred to the Supplier executive sponsor and the Client Executive Sponsor for resolution.

(c) Client and Supplier will exercise diligent, reasonable and good faith efforts to resolve the Dispute throughout the Internal Dispute Resolution Process. During the course of the Internal Dispute Resolution Process, all reasonable requests made by a Party to the other Party for non-privileged information, reasonably related to this Agreement, shall be honoured in order that a Party may be fully advised of the other Party's position. The specific format for the discussions shall be left to the discretion of the individuals involved in the discussions. Offers of settlement and all documents or other materials created for the purposes of resolving a Dispute are made on a without prejudice basis. Evidence of any such offers of settlement, documents and materials shall not be admissible in any court proceeding or arbitration and do not constitute an admission or waiver of rights.

(d) Concurrent with or upon completion of the Internal Dispute Resolution Process, either Party may commence legal action relating to a Dispute in a court of competent jurisdiction.

(e) Supplier will continue performing its obligations under this Agreement (including performance of Services) while a Dispute is being resolved, unless and until such obligations are terminated or expire in accordance with the provisions of this Agreement or the applicable Statement of Work, Project Order or Change Order.

ARTICLE 10
CONTINUED PROVISION OF SERVICES

10.1 Supplier Enterprise Continuity Plan

(a) Supplier will maintain and test a Supplier Enterprise Continuity Plan. Supplier will at all times during the Term and the period during which Supplier is obligated to provide Termination Transition Services maintain the Supplier Enterprise Continuity Plan in a state of readiness for execution.

10.2 Supplier Business Impact Assessment

(a) Supplier will develop Supplier Business Impact Assessments. Supplier will deliver the Client approved Supplier Business Impact Assessments to Client within sixty (60) days following the completion of Transition for each applicable Statement of Work. Supplier will provide the Supplier Business Impact Assessments to Client for review and approval in a timely manner, allowing sufficient time for Client to review and approve them within the timeframe referred to in the preceding sentence.

(b) Supplier will update the Supplier Business Impact Assessments at least once during each Contract Year (on the anniversary of the Commencement Date or more frequently). Supplier will also update the Supplier Business Impact Assessments following a change by Client to the Client Business Impact Assessments, or following a significant change to the Services, including following completion of a Transformation Plan impacting the Services. Supplier will submit revised and updated Supplier Business Impact Assessments to Client, for Client review and approval within thirty (30) days of the event triggering the update to the Supplier Business Impact Assessments.

10.3 Supplier Business Continuity Plan

(a) Supplier will develop Supplier Business Continuity Plans based on Supplier Business Impact Assessments and the Disaster Recovery Plans relating to the Services. Supplier will deliver to Client the Supplier Business Continuity Plans no later than ninety (90) days after Client has approved the Supplier Business Impact Assessments for Client review and approval. Supplier will provide the Supplier Business Continuity Plans to Client for review and approval in a timely manner, allowing sufficient time for Client to review and provide final approval within one hundred and twenty (120) days of Client's approval of the Supplier Business Impact Assessments.

(b) Supplier will test and maintain ready to execute Supplier Business Continuity Plans and certify to Client that the Supplier Business Continuity Plans, and their supporting Disaster Recovery Plans, are fully operational and capable of restoring Services. Supplier will provide the Supplier Business Continuity test plans to Client for review. Supplier will conduct such testing within ninety (90) days of the initial Client approval of the Supplier Business Continuity Plans, and thereafter at least once during each subsequent Contract Year, or at such other time as Client requests in writing. Supplier will provide evidence to Client confirming the Supplier Business Continuity Plan test results within fifteen (15) days following each test. Supplier will not increase the Charges or charge Client any additional Charges for such testing of the Supplier Business Continuity Plans and associated Disaster Recovery Plans.

(c) Supplier will update the Supplier Business Continuity Plans and Disaster Recovery Plans at least once during each Contract Year (on the anniversary of the Commencement Date or more frequently). Supplier will provide the Supplier Business Continuity Plans to Client for review and approval within ninety (90) days following each update. For the avoidance of doubt, Supplier will deliver the updated and approved Supplier Business Continuity Plans and Disaster Recovery Plans to Client within one hundred and twenty (120) days following each update.

10.4 Business Continuation

(a) Supplier will immediately execute Supplier Enterprise Continuity Plan and Supplier Business Continuity Plans in response to Supplier becoming aware that a business interruption event has occurred or is imminent.

(b) Supplier will invoke either or both the Supplier Enterprise Continuity Plan or Supplier Business Continuity Plan, as applicable, if one or more Supplier Service Locations or the Services normally provided from the Supplier Service Locations have been unavailable for more than four (4) hours, and Supplier has reasonably determined according to criteria set out in the Supplier Enterprise Continuity Plan or the Supplier Business Continuity Plans that the Supplier Service Locations or the Services normally provided from the Supplier Service Locations will not otherwise be restored to normal operation.

(c) Where Supplier has invoked either or both the Supplier Enterprise Continuity Plan or Supplier Business Continuity Plan, as applicable, Supplier will assist, cooperate and support Client if Client declares a business interruption event associated with the Supplier declaration.

(d) Supplier will not increase the Charges or charge Client any additional Charges for Supplier declared events.

(e) Supplier will continue to meet the Service Levels during the interruption event which resulted in Supplier invoking the Supplier Enterprise Continuity Plan or Supplier Business Continuity Plan.

10.5 Support of Client's Business Continuity Operations

(a) Client may declare a disaster if Client's business functions and critical services have been unavailable for more than four (4) hours and Client reasonably determines according to criteria set out in the Client Business Impact Assessments recovery requirements that the critical services may not be otherwise restored to normal operation.

(b) In the event that Client declares a disaster at Client Service Locations and the event impacts the Services, Supplier will perform its responsibilities under the Supplier Continuity Plans and associated Disaster Recovery Plans, to support Client in the recovery of the affected Client Service Locations.

(c) Upon request from Client in writing, Supplier will consult, cooperate and participate in the development, refinement of the Client Business Impact Assessment and Client's business continuity plans.

(d) Upon request from Client in writing, Supplier will consult, cooperate, support and participate in Client's testing of Client's business continuity plans in accordance with the Services and pricing arrangements identified in this Agreement.

10.6 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-to-rule and work stoppages by employees of Supplier) (an "**Event of Force Majeure**") including fires, riots, acts of war, strikes by employees of Supplier, 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, 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 any performance of the Supplier Enterprise Continuity Plan or Supplier Business Continuity Plan. 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 10.6(c) below, Supplier will continue to receive its Charges, but not any increased Charges as a result of the Event of Force Majeure.

(c) If any Event of Force Majeure affecting Supplier substantially prevents, hinders, or delays performance of any of the Services necessary for the performance of Client's essential functions, in a manner not specifically permitted by the Supplier Business Continuity Plan, for:

(i) more than seventy two (72) hours, then at Client's option, Client may procure such Services from an alternative source and reduce the Charges payable to Supplier for such Services accordingly; or

(ii) thirty (30) days or more, then Client may terminate, by written notice in accordance with Section 14.1(g), the affected Statement of Work, Project Order or Change Order, without penalty, and Client shall only be responsible, as Supplier's sole remedy, for payment of Charges for the terminated Services up until the date of the occurrence of the Event of Force Majeure and Supplier will credit or pay to Client any outstanding rebates or credits accrued in respect of the terminated Services. For greater certainty, Section 14.5(d) shall apply to any such termination.

ARTICLE 11
INTELLECTUAL PROPERTY

11.1 Pre-Existing Intellectual Property

(a) All Materials and the Intellectual Property Rights therein owned by a Party or its Affiliates, licensors or subcontractors as at the first Commencement Date to occur under this Agreement (or created or developed by or for a Party independent of this Agreement) and

all modifications thereto ("**Pre-Existing Proprietary Materials**"), 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 Materials or Intellectual Property Rights.

(b) Client grants to Supplier (with a right to grant a sublicense to any Supplier Subcontractor, provided that such subcontractor first agrees in writing to be bound by the provisions of this Section 11.1 in favour of Client) a non-exclusive, non-transferable, paid-up, royalty free license during Term and the Termination Transition Period to use any Pre-Existing 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) It is the intention of the Parties that, without Client's prior written consent, no Pre-Existing Proprietary Materials of Supplier, Third Party New Works Materials, or Newly Created Tools and Utilities, will be incorporated into, or embedded in, any Pre-Existing Proprietary Materials of Client or any New Works by Supplier or any Supplier Subcontractor, or otherwise required for the operation of any Pre-Existing Proprietary Materials of Client or any New Works. However, if any such event were to occur without Client's prior written consent, Supplier grants to Client and its Affiliates a non-exclusive, non-transferable, paid-up, royalty free, irrevocable, perpetual license to use, copy, and modify any such Pre-Existing Proprietary Materials of Supplier, Third Party New Works Materials or Newly Created Tools and Utilities, and the right to sub-license such rights, to the extent necessary for Client to use, copy, or modify the Pre-Existing Proprietary Materials of Client or the New Works, as applicable for its business purposes (but not, for greater certainty, to commercially exploit such Pre-Existing Proprietary Material of Supplier, Third Party New Works Materials or Newly Created Tools and Utilities separately from the applicable Pre-Existing Proprietary Materials of Client or the New Works), all of which is except as otherwise set out in the applicable Statement of Work, Project Order, or Change Order.

(d) Supplier grants to Client a non-exclusive, non-transferable, paid-up, royalty free, irrevocable, perpetual license to use, copy, and modify for its business purposes:

(i) any portion of the Procedures Manual that is Pre-Existing Proprietary Materials of Supplier, including any training materials, and

(ii) Newly Created Tools and Utilities.

Such license will include the right to provide or have provided replacement services for any Service, and will include a right to disclose and sublicense the right to use, copy, and modify such Pre-Existing Proprietary Materials of Supplier and Newly Created Tools and Utilities to a Successor Provider; provided (A) the Successor Supplier enters into the one-way nondisclosure agreement set out in Schedule 11.1(d) (the "**Supplier One-way NDA**") with Supplier; and (B) the foregoing sublicense will only apply for a period ending 12 months after the end of the Termination Transition Period. Supplier agrees that if a Successor Supplier agrees to enter into the Supplier One-way NDA, Supplier will enter into the Supplier One-way NDA with the Successor Supplier.

(e) For any Pre-Existing Proprietary Materials of Supplier or Third Party New Works Materials not subject to the licenses in Section 11.1(c) or Section 11.1(d), Supplier grants to Client and its Affiliates, in each case, a non-exclusive, non-transferable, paid-up, royalty free, irrevocable license during the Term and the Termination Transition Period to use, copy, or modify such Pre-Existing Proprietary Materials of Supplier provided or made available to Client under this Agreement, and the right to sub-license such rights to Third Party suppliers described in Section 4.10, to the extent necessary for Client to utilize the Services during the Term and the Termination Transition Period.

11.2 Ownership of New Works

(a) All right, title and interest, including all Intellectual Property Rights, in any Material that is: (i) a Deliverable and made, conceived or reduced to practice by Supplier, its Affiliates or its subcontractors during the performance of the Services for Client hereunder; or (ii) required to be made, conceived, or reduced to practice by Supplier as part of the Services to the extent such Material is described in the Agreement will be owned exclusively by Client ("**New Works**"), except for: (A) any Pre-Existing Proprietary Materials of Supplier; (B) any Materials of Third Parties incorporated into or embedded in the New Works identified in the applicable Statement of Work or Project Order ("**Third Party New Works Materials**"); and (C) tools (including software development, infrastructure management, and business process tools), utilities, macros, scripts, testing methodologies and programs, performance monitoring tools, network monitoring tools, problem management and investigative tools, including computer programs embedded or stored in communication devices, including routers, and technical elements, know-how, and processes, that are used in providing Services but are not, as part of the Services, developed and delivered to Client or required in a Statement of Work, Project Order, or Change Order to be developed and delivered by Supplier to Client ("**Newly Created Tools and Utilities**").

(b) Except as otherwise set out in a Statement of Work, Project Order, or Change Order, for any New Works described in Section 11.2(a), excluding any Third Party New Works Materials, Client grants to Supplier an irrevocable, perpetual, worldwide, non-exclusive, paid-up, royalty free license to use, copy and modify New Works and to otherwise exercise all the Intellectual Property Rights therein, for its business purposes and for those of its Affiliates, including, for greater certainty, for the purposes of providing the Services and otherwise performing its obligations under this Agreement.

11.3 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 Materials as contemplated in this Article 11.

11.4 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 12
AUDIT

12.1 Audit Information

(a) Supplier and each Supplier Subcontractor will maintain in Canada all information relating to the provision of Services 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. 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 whatever nature made by Supplier), adequate time records with respect to time expended in performance of Project Orders 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) Without limiting Section 13.5, 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.

(c) Upon Client's request, Supplier will promptly: (i) provide Client, Client Audit Representative or Governmental Authority Client Audit Representative or Governmental Authority with access to the Audit Information; and (ii) deliver the Audit Information to Client in a format reasonably acceptable to Client.

12.2 Internal Control Framework

(a) Supplier will establish an appropriate internal control framework (the "**Framework**") that meets the requirements and guidelines 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.

(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 Personnel and reinforced annually through education or information sessions;

(ii) Supplier will undertake a fraud risk assessment, and implement anti-fraud programs relating to Client's business and assets. Reports of all fraud occurrences or fraud prevention affecting Client will be provided to Client;

(iii) Supplier will maintain a confidential "whistle-blower" program;

(iv) Supplier Personnel will be subject to personal risk assessments (including criminal background checks and references);

(v) policies and procedures are to be maintained which address confidentiality, errors and omission procedures and conflicts of interest, where appropriate; and

(vi) Supplier will establish and maintain a privacy management program that includes policies, practices and procedures respecting the protection of Personal Information and Customer Information, how requests for Personal Information and Customer Information and complaints are received and dealt with and the training and information provided to the Suppliers' and the Supplier's Representative's staff respecting its privacy management program) as part of its privacy, confidentiality and security obligations hereunder.

(d) To support the Framework, Supplier will establish a competent and independent internal audit function with a mandate 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 performed by Supplier's internal audit function regarding the Services (or other obligations of Supplier), the Service Levels or the fees. Client has the right to review Supplier's annual internal audit plan and to meet quarterly with Supplier's internal audit management.

(e) 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 and money laundering.

12.3 Securities and Regulatory Compliance and Other Compliance Requirements

(a) Supplier agrees to provide such assistance as is reasonably requested by Client, in respect of the Services provided by Supplier and Supplier Subcontractors (or other obligations of Supplier), to enable Client to comply with all securities and regulatory compliance requirements including but not limited to the Sarbanes-Oxley Act of 2002, Canadian securities legislation and regulations relating to disclosure controls and procedures, and other similar Laws (the "**Control Rules**") and to enable Client to carry out any privacy or data protection impact or risk assessments as deemed necessary by Client.

(b) Supplier will, at its cost and expense, maintain controls and procedures ("**Supplier Controls**") with respect to the Services or other obligations of Supplier in accordance with the Control Rules. Supplier shall:

(i) update the controls, documentation, and Procedures Manual to meet the requirements of the Control Rules for all activities it performs for Client; and

(ii) cooperate with Client Audit Representatives in connection with the testing required to determine Supplier's compliance with the Control Rules and to ensure that the Supplier Controls function as documented.

(c) The implementation of, and any changes to, the Supplier Controls will be subject to Client's approval. Unless otherwise directed by Client, Supplier shall not make any changes to Client's environment after the date defined by Client.

(d) On a semi-annual basis (i.e., twice a year), Supplier will provide to Client a Service Organization Control 1 (SOC 1) Type II (also known as SSAE No. 16 /ISAE 3402/CSAE 3416) report issued by an internationally recognized external audit firm. The dates of delivery of these report(s) are to be determined by Client. The report will cover the Supplier Controls with respect to the Services performed or other obligations of Supplier. Client shall cooperate with Supplier and such auditor to determine the scope and control objective requirements for the SOC 1 Type II report. Client has the right to meet with Supplier's external audit firm as required.

On an annual basis, Supplier will provide to Client a Service Organization Control 2 (SOC 2) Type II report issued by an internationally recognized external audit firm on the Reporting Controls at a Service Organization related to three Trust Services Criteria, security, confidentiality, and availability, all as defined by the American Institute of Certified Public Accountants (AICPA). The report will cover the Supplier's controls with respect to the Services performed or other obligations of Supplier. Client shall cooperate with Supplier and such auditor to determine the scope and control objective requirements for the SOC 2 Type II report. Client has the right to meet with Supplier's external audit firm as required. On an annual basis, Supplier will provide Client with a copy of the audit reports resulting from each such examination.

12.4 Right to Audit

(a) Following the first Commencement Date and for the period Supplier is required to comply with Section 12.1(b), Supplier will provide Client, Client Audit Representatives, and any Governmental Authority authorized by Law or by Client, upon seven (7) days prior written notice or such longer period as mutually agreed to by the Parties (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, or 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 or perform other obligations of Supplier hereunder 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 Supplier Controls to meet Control Rules; (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) audit and verify the Supplier's privacy management program and the physical, data and access security and the quality, accuracy or controls and processes relating to any of the foregoing and the Supplier's privacy, confidentiality and security obligations hereunder; (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) Client will use commercially reasonable efforts to cause its independent auditors (excluding, for greater certainty, Governmental Authorities) to conduct its audit without material disruption to the provision of Services by Supplier.

(c) The Parties agree that Supplier shall not be required to provide access to information about Supplier's costs (except to the extent such costs are in respect of Pass-Through Expenses or Charges calculated as a formula based on Supplier costs) or the proprietary data of any of its other customers.

(d) Supplier and each Supplier Subcontractor will cooperate with and provide to Client, Client Audit Representatives, and Governmental Authorities any assistance and information that they may reasonably require in connection with any audits or inspections performed pursuant to Section 12.3(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, Client Audit Representatives and Governmental Authority can conduct their activities as permitted by this Section.

(e) In the event that the proposed auditor is a direct competitor of Supplier, it shall be a requirement that the staff members of the auditor establish a confidentiality screen to the

satisfaction of Supplier, acting reasonably, to prevent the internal disclosure by the audit staff of the auditor to the staff which are carrying on the competitive activity.

(f) For greater certainty, no audit or inspection will relieve Supplier from its obligations to comply with the provisions of this Agreement.

(g) Client will, promptly after review by Client, deliver to Supplier a copy of the results of any audits, examinations or inspections conducted in accordance with this Section 12.4 which relate directly to Supplier.

12.5 Remediation and Compliance

Supplier will cooperate with Client, Client Audit Representatives and Governmental Authorities and respond to and correct all audit findings in a timely manner and in compliance with the 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, examination or inspection, including any audit undertaken by Client Audit Representatives, Governmental Authority, or Supplier's internal or external auditors (to the extent related to the Services or other obligations of Supplier hereunder), within thirty (30) days of receipt of the applicable audit findings provided by Client. If any audit, examination or inspection by Client, Client Audit Representatives or Governmental Authority reveals that Supplier is not in compliance with any provision of this Agreement or any applicable 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, the Client Audit Representative or Governmental Authority, as applicable.

(b) Supplier will cooperate with Client and its auditors in the design, documentation, and implementation of any corrective measures required to correct any control or documentation deficiencies; and Supplier will promptly notify Client of, and remediate within a reasonable amount of time as determined by Client, any weakness or deficiency in the performance of, the Supplier Controls.

(c) If, as a result of any such audit, examination or inspection, it is determined that there has been an overpayment of Charges, 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 four percent (4%) per annum. If such audit or inspection shows that Supplier overcharged Client by more than five percent (5%) of the total Charges, Pass-Through Expenses and Taxes or any one of them, in a given month, then Supplier will also reimburse to Client an amount equal to the cost of such audit, examination or inspection incurred by Client.

ARTICLE 13
CONFIDENTIALITY AND PERSONAL INFORMATION

13.1 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 13. 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 13.2 below, publish, disseminate or disclose the Confidential Information to others without the Disclosing Party's prior written consent. Notwithstanding the foregoing, Client may disclose the following Confidential Information of Supplier or any Affiliate of Supplier to a Third Party for the following purposes:

(i) any Confidential Information of Supplier or any Affiliate of Supplier, to the extent required for the purpose of complying with disclosure requirements of a Governmental Authority (which, for the purposes of this Section 13.1(a), shall not include the government of the Province of Ontario in its role as shareholder of the Client's ultimate parent) or otherwise required by Laws, including the OEB; or

(ii) any Confidential Information of Supplier or any Affiliate of Supplier that is the description of the Services and Service Levels, aggregate pricing of the Services and aggregate staffing levels, on a Full-Time Equivalent basis, employed by Supplier in delivering the Services, for the following purposes (each a "**Procurement Purpose**"):

(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; or

(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;

but, in each case, only to the extent reasonably required for the Procurement Purpose and provided that the Third Party shall agree: (x) to maintain the Confidential Information in strict confidence; (y) not to use the Confidential Information other than for the Procurement Purpose; and (z) not to retain the Confidential Information any longer than reasonably required for the Procurement Purpose, which in any event shall not be longer than twelve (12) months after the end of the Termination Transition Period if such Third

Party becomes a Successor Supplier, thirty (30) days after the solicitation or procurement selection results in such Third Party not being selected as a Successor Supplier, or thirty (30) days after the procurement related services have been completed by such Third Party, as applicable.

(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 such requirements and Laws concerning the protection, security and segregation of Confidential Information.

13.2 Exclusions

The Receiving Party's confidentiality obligations under Section 13.1 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; or

(d) is or becomes public knowledge through no fault or omission of, or breach of this Agreement by, the Receiving Party or its Representatives.

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.

13.3 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 in connection with 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 13.

13.4 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 prevent 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 is legally required 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, following consultation with Supplier, be free to disclose this Agreement and information concerning the Services or other obligations of Supplier hereunder to the OEB (even if such disclosure also discloses Confidential Information of Supplier).

13.5 Client Data

(a) Without limiting Section 11.1, all data of Client (including all data of Client provided or made available or accessible to Supplier by Client or Client's Representatives), in any form or media, including Client Confidential Information, Personal Information, Customer Information and all specifications, reports (including reports, other than Supplier's own internal reports, and surveys prepared by Supplier) and documentation provided by Client (including the Termination Transition Plans), Service Levels and all reports relating to the Services or other obligations of Supplier hereunder, prepared by Client or a Third Party for Client in any form (collectively, the "**Client Data**") will at all times remain the exclusive property of Client. In accordance with Section 4.5, Supplier will comply with, and will cause the Supplier's Representatives to comply with, Client Policies relating to Client Data. Client Data will not be, unless otherwise permitted hereunder: (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. At Supplier's cost, Supplier will promptly notify Client of and correct any errors or inaccuracies of which it becomes aware in the Client Data and the Reports delivered to Client under this Agreement, to the extent caused by Supplier or its Representatives.

(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 and Supplier's Representatives' possession or control, in each case only as permitted and to the extent so requested by Client. If Client requests destruction of Client Data, Supplier will promptly issue and provide to Client a certificate signed by the Supplier Responsible

Executive confirming such destruction, describing the Client Data destroyed, date of destruction and identity of the Supplier Personnel who supervised such destruction.

(c) Supplier will be responsible for developing and maintaining procedures for the reconstruction of Client Data, which was in Supplier's or its Representatives' possession or control. Supplier will provide a description of such procedures to Client. At a minimum, Supplier will implement and comply with generally accepted industry practices for data and system backup, Client's backup requirements set forth in Client Policies, and any backup requirements set out in the applicable Statement of Work or Project Order (and, if there are any inconsistencies, the requirements set out in or required by the applicable Statement of Work or Project Order, as applicable, the Client Policies, then the more stringent requirements as between, on the one hand, the Statement of Work or Project Order, and on the other hand, generally accepted industry practices, will control), as such practices and requirements may be updated. Supplier will correct, at Client's request and sole discretion and at no charge to Client, any destruction, loss or alteration of any Client Data caused by Supplier or its Representatives or in the possession of or under the control of Supplier or its Representatives in accordance with the foregoing requirements. Supplier will correct, at Client's request and sole discretion, any destruction, loss, or alteration of any Client Data caused by Client or its Representatives provided that Client will be responsible for Supplier's costs in excess of Supplier's costs incurred in the normal course of providing the Services to Client.

(d) Supplier will comply with, and will cause its Representatives to comply with, Client Policies related to (i) record retention or disposition, and (ii) identifying, preserving, collecting, reviewing, or producing Client Data in connection with any litigation, governmental investigation, or request for information, or when litigation, a governmental investigation or a request for information is anticipated or otherwise when Client's duty to preserve Client Data has been triggered (as determined by Client in its sole discretion). Moreover, Supplier will comply with Client's verbal and written directives as communicated by Client's legal department as to how to apply and execute Client Policies relating to the identification, preservation, collection, review or production of Client Data in individual litigation, investigation or request for information matters or anticipated litigation, investigation or request for information matters or otherwise when Client's duty to preserve Client Data has been triggered (as determined by Client in its sole discretion).

13.6 Personal and Customer Information

(a) Supplier will not, and will take reasonable steps in an effort to ensure that its Representatives will not, collect, receive, process, alter, store, transfer, create, handle, use, copy, disclose, dispose of or destroy any Personal Information of or about Client's or Client's Affiliates' former (including pensioners) and current employees, customers, suppliers and any other person dealing with or has dealt 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, required by applicable Law, or as necessary to perform its obligations under this Agreement in accordance with the terms and conditions hereunder. The Supplier will be responsible and liable for any breach of the obligations by any of Supplier's Representatives under Section 13.6(a),(b) and (c).

(b) Supplier will, and will take reasonable steps in an effort to cause its Representatives to,: (i) take reasonable steps to protect Client Personal Information and Customer Information from loss, theft, misuse or accidental, unlawful or unauthorized creation, receipt, collection, use, handling, storage, processing, transfer, access, disclosure, copying, alteration, disposition or destruction; and (ii) in accordance with Section 4.5, comply with all Client Policies relating to Client Personal Information. "Reasonable steps" to be taken by Supplier include, the use of physical, organizational and technological measures designed to safeguard the Client Personal Information and Customer Information, such as, where appropriate, through access controls, encryption or other suitable means.

(c) Supplier will not transfer, and will take reasonable steps in an effort to ensure that its Representatives 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, except as expressly permitted herein, licence right therein.

(e) Supplier will, subject to applicable 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 Client Personal Information and Customer 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 Law.

(g) Supplier will appoint a privacy officer to manage and monitor Supplier's privacy compliance and Supplier will have in place privacy policies, practices and procedures to address the requirements of Client Policies and applicable Laws governing the protection of privacy and to facilitate their privacy, security and confidentiality obligations in this Agreement. 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 policies, practices and procedures for the management of, including the access to, creation, collection, use, disclosure, storage, transfer, destruction, disposition, copying, alteration receiving, processing and other handling of, Client Personal Information and Customer Information under this Agreement, for the purposes of ensuring that the privacy, confidentiality 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 (or performing other obligations of Supplier hereunder) 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, or Supplier becomes aware that a Supplier Representative(s) receives any inquiry or complaint (it being agreed that Supplier shall require Supplier Representatives to notify Supplier of same) relating to Client Personal Information or Customer Information that has been collected, used or disclosed or otherwise handled 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 reasonably 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 or other handling 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 a breach of a provision of this Agreement or willful misconduct by Supplier or a Supplier Representative, in which case it shall be at Supplier's expense. 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 other than Client's), 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 unlawful, accidental or unauthorized access to Client Personal Information or Customer Information, or Supplier or Supplier's Representatives have used, accessed, received, destroyed, handled, collected, created, altered, stored, copied, transferred, processed, 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 Chief Legal Officer by telephone followed by written notice. Supplier will promptly, but in any event no later than within five (5) Business Days investigate the matter and provide Client with an oral report stating the cause of the complaint, incident, investigation, or deficiency, if any, and the steps taken in an effort to prevent a recurrence, if required, and to take all reasonable steps designed to contain and remediate the incident all to the extent known to Supplier at the time. Supplier will fulfill all of its obligations under applicable Laws in respect of any such matter and, 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, and all other information regarding the nature and known, actual and potential consequences of the matter to assist the Client to fulfill its record keeping obligations and its obligations to notify relevant Third Parties, including affected Persons and Governmental Authorities, pursuant to the Client Policies and/or as required under applicable Laws. 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 complaint, incident, investigation, or 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.

13.7 Information Security

(a) Except as otherwise agreed to in writing by Client pursuant to an approved security exemption waiver, when handling any Client Data that is in Supplier's possession or control, Supplier will implement, maintain, and enforce information security processes, procedures, and controls in accordance with (in descending order of priority in case of inconsistencies): (i) Client Policies that are intended to prevent Client Data from being lost, modified, or disclosed to any other Third Party or accessed by any other Third Party without Client approval; (ii) any security requirements set out in the applicable Statement of Work or Project Order and (iii) standard industry practices for similar suppliers dealing with non-public, confidential information for utilities similar to Client; provided, however, that, for purposes of this Section 13.7(a): (A) the security requirements set out in the applicable Statement of Work or Project Order will prevail over Client Policies to the extent the applicable Statement of Work or Project Order expressly refers to the provisions of the Client Policies over which it prevails; and (B) in respect of Client Assets, Supplier will not be responsible for implementing, maintaining, or enforcing such information security processes, procedures or controls, as applicable, to the extent such processes, procedures, or controls are set out in the applicable Statement of Work as the responsibility of Client, or not the responsibility of Supplier, to implement, maintain, or enforce, as applicable.

(b) Supplier will monitor, evaluate and adjust its information security systems and procedures in response to relevant changes in technology, changes in the sensitivity of Client Data as reasonably determined by Client, and internal and external threats to information security. Supplier will promptly notify Client of:

(i) any unauthorized possession, use, or knowledge, or attempt thereof, of the data-processing files, transmission messages or other Client Data by any person or entity that may become known to Supplier;

(ii) the effect of any of the foregoing; and

(iii) the corrective action taken in response thereto.

13.8 Security Audits

In addition to the audit rights set out in Article 12, Supplier will, at its expense, perform, or cause to be performed, once every Contract Year (except for Contract Year 4), audits of the data and physical security procedures in effect in that portion of its data center and other Supplier Service locations that are used to provide the Services, or as otherwise agreed by the Parties. Client

acknowledges that the report to be provided pursuant to and compliant with Section 12.3(d) will satisfy the requirements of the first sentence of this Section13.8. Supplier will provide to Client the results, including any findings and recommendations made by Supplier's auditors, of such audits. Client may, under this Section 13.8 and, at Client's expense, perform any privacy management program and additional security audits reasonably deemed necessary by Client. Any privacy management program or security audit reports or results from additional audits conducted pursuant to this Article 13 will be owned by Client.

13.9 Export of Data

In no event shall Supplier export, transmit, or otherwise transfer or permit or cause to be exported, transmitted, or otherwise transferred, whether knowingly or unknowingly, any Client Data outside of the Canada for any purpose whatsoever, whether by electronic means or otherwise, without Client's written approval and without any required governmental licenses or other authorizations. For purposes of this provision, Supplier acknowledges and represents that Client's intranet and its Service Locations may contain information subject to export control, and access thereto by Supplier Personnel expressly prohibited unless authorized by Client.

13.10 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 13 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 13 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 13 but will be in addition to all other remedies available at Law or in equity.

ARTICLE 14
TERMINATION

14.1 Termination for Cause by Client

Client may terminate this Agreement or, at its option, any one or more Statements of Work or Project Orders, for cause by providing written notice to Supplier, specifying the effective date of such termination, for cause if:

(a) Supplier commits a material breach of this Agreement (including, for greater certainty, a series of related breaches which in the aggregate are a material breach), but excluding Service Level Defaults, 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 material breach of a Project Order or Change Order (including, for greater certainty, a series of related breaches which in the aggregate are a material breach) , but excluding Service Level Defaults, 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; provided, however, that, for purposes of this Section 14.1, Client may not terminate this Agreement as a whole, any Statement of Work, or any Project Orders or Change Orders to which the material breach does not relate;

(c) Supplier commits a breach of the same obligation set out in this Agreement, including, for greater certainty, any Statement of Work, Project Order or Change Order, but excluding Service Level Defaults: (i) three consecutive times; or (ii) four times in any six (6) month period, in each case, to the extent Supplier is notified by Client of such breach (which notice will identify this subsection or identify Supplier's obligation to provide a plan under this subsection to remediate the applicable breach), and either: (A) within fifteen (15) days thereafter, Supplier has not proposed in writing a plan to remediate and avoid future repetitions of said breach that addresses Client's reasonable concerns with respect to further repetitions of said breach, which shall include a firm timeline for implementation, or (B) if such plan has been proposed by Supplier, such plan is not diligently implemented by Supplier in accordance with the provisions of such plan, in any material respect, including the timelines set out therein, and provided that any right of termination under this subsection must be exercised within a period of (1) six (6) months from the date of the notice referred to above, or (2) nine (9) months from the date that Supplier has to commence performance of its obligations under such plan, whichever is the greater;

(d) Supplier commits a breach of a Client Policy related to safety or if Supplier or a Subcontractor is grossly negligent, and, in each case, serious bodily harm or death to any individual occurs as a result;

(e) if:

(i) Supplier's aggregate liability to Client for damages in connection with Claims under this Agreement would exceed the Liability Cap; or

(ii) in the course of any Dispute, Supplier pleads or submits that its aggregate liability to Client for direct damages in connection with this Agreement is limited to the Liability Cap;

and Supplier fails to execute and deliver to Client, within ten (10) days of the occurrence of either of the events described in clause (i) or (ii) above:

(A) a binding commitment to pay to Client all damages for which it is found to be liable to Client in connection with this Agreement as of the date of such event; and

(B) an amendment to this Agreement increasing the Liability Cap to an amount equal to the sum of all damages for which Supplier is then liable to Client in connection with this Agreement as of the date of such event plus the Liability Cap as of the Effective Date;

(f) an Event of Insolvency occurs in respect of Supplier;

(g) pursuant to Section 10.6(c)(ii), following an Event of Force Majeure;

(h) a Service Level Termination Event has occurred; or

(i) a termination right on the part of Client that is set out in a Statement of Work, Project Order or Change Order as a remedy in the event of Supplier's failure to perform an obligation of Supplier set out in the Statement of Work, Project Order or Change Order occurs.

14.2 Termination for Convenience

Client may, upon at least ninety (90) days (or, for Project Orders, thirty (30) 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, Project Orders or Change Orders for convenience, without payment of any termination Charges, penalties or other amounts of any kind, except for such termination Charges, penalties or other amounts that are expressly: (a) set out, or calculated in accordance with the applicable formula set out, in a Statement of Work, Project Order or Change Order that is being terminated; and (b) identified as payable upon such termination for convenience by Client (such termination Charges, penalties or other amounts are collectively, the "**Termination Fees**"). For greater certainty, the Parties agree that such Termination Fees constitute Client's sole obligation to pay Supplier any Charges, damages or other amounts in respect of the applicable termination.

14.3 Termination by Supplier

Supplier may terminate any Statement of Work, for which Charges or other amounts that Supplier is entitled to invoice Client under this Agreement are in arrears or Dispute, or any Project Order, for which such Charges or other amounts are in arrears or Dispute, by providing written notice to Client, specifying the effective date of such termination, if:

(a) Client withholds Disputed amounts pursuant to Section 16.7 or fails to pay due Charges or other amounts that Supplier is entitled to invoice Client under this Agreement that are not under Dispute in accordance with this Agreement that, in the aggregate, exceed the Amounts Witholding Cap; and

(b) Client fails to make such payments as necessary to reduce the amount described in Section 14.3(a) to less than the Amounts Withholding Cap, within 30 days of receipt by Client of a notice from Supplier that such amounts have exceeded the Amounts Withholding Cap.

If Supplier terminates the Agreement or any Statement of Work or Project Order in accordance with this Section 14.3, Client will pay Supplier the Termination Fees payable under the Agreement or terminated Statement of Work or Project Order, provided that the receipt of such Termination Fees (and any other Charges that Supplier is entitled to under this Agreement for Services performed) will be Supplier's sole remedy with respect to such termination.

14.4 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, Project Order, Change Order 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 may be assigned to Client or Successor Supplier for the use of Client and its Authorized Affiliates for the applicable term of such the licence at no extra cost to Client, any of its Authorized Affiliates or Successor Supplier.

(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, Project Order, Change Order or otherwise), such subcontract agreement, services agreement, lease or any other agreement: (i) will allow for termination without cause (or in the case of a shared contract cessation Services subcontracted) upon not more than sixty (60) 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.

14.5 Orderly Termination

(a) Supplier will prepare and deliver, within ninety (90) days of the applicable Commencement Date, 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 14.5.

(c) Within thirty (30) days after each anniversary of the initial delivery of the Termination Transition Plan, 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 the Termination Transition Services.

ARTICLE 15
COMPETITIVENESS

15.1 Third Party Benchmarking

(a) Client reserves the right to have Charges for the Services under one or more Statements of Work, reviewed (each such review being referred to herein as a "**Third Party**

Benchmarking") by independent third parties as suitable for each category of Services (the "**Analyst**").

(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) ISG Information Service Group (TPI, Compass);

(ii) Gartner Inc.;

(iii) PwC;

(iv) Alsbridge;

(v) PA Consulting;

(vi) KPMG;

(vii) International Data Corporation (IDC); or

(viii) 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 cooperation 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 13 of this Agreement.

(e) Each Third Party Benchmarking shall be conducted in accordance with the principles set forth in the Benchmarking Engagement Letter attached as Schedule 15.1(e), along with such other criteria as the Parties may jointly agree to in writing from time to time, and the Parties shall engage and instruct any Analyst accordingly.

(f) Using the principles set forth in the Benchmarking Engagement Letter attached as Schedule 15.1(e), the Analyst will deliver a written report detailing the Fair Market Value Range. For purposes of this Agreement, the "Fair Market Value Range" means the range of prices charged in the Contract Year prior, by the entities surveyed by the Analyst, and determined in accordance with the Benchmarking Engagement Letter. Once the Fair Market Value Range has been established by the Analyst, the Analyst shall add thereto the effect of COLA (as defined in Schedule 16.1) calculated for such year and then compare such price range against the Fees (the "**Benchmarking Fees**") to be charged by Supplier and adjusted by the same COLA effect. If the result of such comparison reveals that the Benchmarking

Fees charged by Supplier in respect of the aggregate of Services within any Statement of Work is greater than the seventy-fifth (75^{th}) percentile of the Fair Market Value Range for the aggregate of Services within each such Statement of Work (the "**Benchmark Price**"), then Supplier will be required to provide Client with the equivalent of the Benchmark Price for the Services, to be effective as of the 1st day of the next monthly invoice after the report, and to subsequent Contract Year Charges. The Fees as adjusted pursuant to this Section 15.1(f) are referred to as the "**Adjusted Charges**".

15.2 Most Favoured Customer

Supplier represents, warrants and covenants that the Charges 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 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 16
FEES AND CHARGES

16.1 Charges and Payment

(a) Charges will be calculated pursuant to the terms set out in Schedule 16.1, any Exhibits and Attachments to a Statement of Work, Change Order and Project Orders setting out methodologies and amounts payable by Client under this Agreement (the "**Financial Terms**").

(b) Client will pay to Supplier in consideration for the performance by Supplier of Supplier's obligations under each Statement of Work, Change Order or Project Order (which, for greater certainty, will include the performance by Supplier of all of its applicable obligations under this Agreement), the applicable charges or fees calculated in accordance with the applicable Financial Terms ("**Fees**" or "**Charges**"), any Pass-Through Expenses and applicable Taxes, in each case in accordance with the invoice and payment terms set out in this Article 16, as may be modified or supplemented in respect of certain Services by an applicable Statement of Work, Project Order or Change Order.

(c) Except as expressly set out in this Agreement, there will be no other Charges or other amounts payable by Client to Supplier in respect of the Services or other obligations of Supplier hereunder.

16.2 Invoice Terms and Format

(a) If invoicing arrangements are not specified in a Statement of Work, Project Order or Change Order, Charges (including approved expenses, if any) will be invoiced monthly in arrears and will be due and payable forty-five (45) 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 Charges may be invoiced by Supplier more than one hundred and twenty (120) days (or one hundred and eighty (180) days for Charges in respect of Projects that are dependent on Third Party contractors or suppliers, as identified in the applicable Project Order) after the date that Supplier becomes entitled to invoice Client hereunder.

(b) Supplier will invoice Client separately for the Charges under each Statement of Work, Change Order and Project Order and each invoice will reference the applicable Statement of Work, Change Order or Project Order. 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 Charges 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

16.3 Pass-Through Expenses

(a) Pass-Through Expenses will be invoiced by Supplier categorized separately from Charges, in accordance with this Agreement including as further required by the Financial Terms.

(b) Supplier will use commercially reasonable 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. 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 on a Pass-Through Expenses basis by Supplier on behalf of Client.

16.4 Out-of-Pocket Expenses

Except as may be otherwise provided in this Agreement, a Statement of Work, Project Order or Change Order, out-of-pocket expenses that Supplier may incur in performing the Services or other obligations of Supplier hereunder are included in the Charges set out in this Agreement or the applicable Statement of Work, Project Order or Change Order. 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.

16.5 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.

16.6 Credits and Set-offs

If any 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 forty-five (45) 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.

16.7 Disputed Amounts and Amounts Withholding Cap

(a) If Client Disputes in good faith 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 such Disputed amount but will pay, when due, any undisputed portion.

(b) Client may not withhold Disputed amounts or any other amounts due and payable in accordance with this Agreement that would, in the aggregate, exceed the Amounts Withholding Cap, excluding any Disputed amounts withheld that relate to mathematical invoicing errors made by Supplier.

16.8 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 ("**Taxes**"). 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 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 cooperate 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.

(c) Should it be determined, upon audit, including by a Government Authority, that Supplier has incorrectly charged Client any Tax: (i) if the audit results 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.

16.9 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.

16.10 Regulatory Adjustment

(a) Client will notify and consult with Supplier in advance of any hearing in which it believes a Governmental Authority will render a decision directly affecting the Charges or Pass-Through Expenses payable by Client in respect of the Services. Supplier will be responsible for filing any objections it may have with respect to the decision rendered by the Governmental Authority, and Client will provide reasonable cooperation and assistance with respect thereto. The foregoing will not relieve Supplier of its ongoing responsibility to monitor such hearings.

(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, work together co-operatively to plan for and implement the required reduction in costs without a material reduction in the Services Levels or the Services, which reduction will be completed and effective within ninety (90) days of the date of such 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 plan for and implement reductions and other changes to the Services and Service Levels and a corresponding commensurate reduction in Charges which is equitable to both Parties, with the object of completing such reductions in ninety (90) days of the date of such decision or settlement.

ARTICLE 17
REPRESENTATIONS; WARRANTIES AND COVENANTS

17.1 Supplier Representations and Warranties

Supplier 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 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, 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 industry standards;

(f) it is a Canadian corporation 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, as provided for in Section 4.13) 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, Project Order, Change Order, or elsewhere in this Agreement.

17.2 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; and

(d) the execution, delivery and performance of this Agreement does not and will not result in the violation of any Laws in force on the date hereof to which Client 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.

17.3 Disclaimer

EXCEPT AS SPECIFICALLY STATED IN THIS AGREEMENT, THERE ARE NO REPRESENTATIONS, WARRANTIES, OR CONDITIONS OF EITHER PARTY, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, REGARDING ANY MATTER, INCLUDING THE MERCHANTABILITY, SUITABILITY, ORIGINALITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, OR RESULTS TO BE DERIVED FROM THE USE OF ANY HARDWARE, SOFTWARE OR OTHER ITEMS OR FACILITIES PROVIDED UNDER OR IN CONNECTION WITH THE SERVICES PROVIDED UNDER THIS AGREEMENT.

17.4 Third Party Materials

To the extent that Supplier procures and delivers 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 and indemnities to the extent that Supplier is contractually able to do so.

ARTICLE 18
INDEMNITIES

18.1 Supplier General Indemnification

Supplier will indemnify, defend and hold harmless the Client Indemnified Parties, from any and all Losses, arising out of, under, or in connection with any Claim resulting from:

(a) any breach of any representation or warranty of Supplier set out in Section 17.1, other than Sections 17.1(d), 17.1(e), 17.1(g), and 17.1(i);

(b) any act or omission of Supplier, Representatives of Supplier or Supplier Subcontractors in their capacity as an employer, purported or prospective employer of a person 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 Supplier, Affiliate of Supplier or Suppler Subcontractor, except to the extent an obligation with respect hereto has been assumed in writing by Client or is an obligation of Client under applicable Law that has not been assumed by Supplier under this Agreement;

(c) the obligations and liabilities of Supplier, Representatives of Supplier or Supplier Subcontractors to their employees or purported employees 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 of Supplier, Representatives of Supplier or Supplier Subcontractors under any collective agreement between Supplier and any Supplier Personnel.

(e) any act or omission of Supplier, Representatives of Supplier or Supplier Subcontractors in connection with the provision of the Services to Client Indemnified Parties or Supplier's other obligations hereunder, which constitutes Wilful Misconduct, including such act or omission that results in physical damage to or loss of tangible property;

(f) an act or omission of Supplier, Representatives of Supplier or Supplier Subcontractors in connection with the provision of the Services or Supplier's other obligations hereunder that results in bodily injury or death to any Person;

(g) an Assigned Contract in respect of matters arising after the date that such Assigned Contract was assigned to Supplier;

(h) the use by Supplier, Representatives of Supplier or Supplier Subcontractors of Client Assets for the benefit of any Person other than Client and its Affiliates; and

(i) any breach of Section 13.1(a) or 13.6(a) by Supplier, Representatives of Supplier or Supplier Subcontractors.

18.2 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 Deliverables, Materials, Services, equipment or other items or materials supplied by Supplier, its Affiliates 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 Deliverables, Materials, Services, equipment or other items or materials, Supplier, at its option, will: (a) obtain a right to use such Deliverables, Materials, Services, equipment or other items or materials without obligation on the part of the Client Indemnified Parties to the owner of the allegedly infringed Intellectual Property Rights; or (b) modify or replace such Deliverables, Materials, Services, equipment or other items or materials without materially diminishing the functionality or performance thereof, to become non-infringing at Supplier's sole expense. Supplier's obligations under this Section 18.2 will not apply to the extent the Third Party Claim is: (i) based on the modification of the applicable items or materials by or on behalf of any Person (other than Supplier, its Affiliates or any subcontractors of Supplier) in a manner not permitted by this Agreement, if such Third Party Claim would not have arisen but for such modification; (ii) in respect of items or materials that were developed by Supplier in compliance with detailed technical and architectural specifications provided by or on behalf of Client, if such Third Party Claim would not have arisen but for Supplier's compliance with such specifications; or (iii) based on any combination of the items or materials with another product or service not provided by, or not authorized in writing by, Supplier, its Affiliates or any subcontractors of Supplier, and not otherwise contemplated under this Agreement, if such Third Party Claim would not have arisen but for such combination.

18.3 Client Intellectual Property Indemnification

Client will indemnify, defend and hold harmless Supplier Indemnified Parties from and against all Third Party Claims against, and any related Losses incurred by, the indemnitee as a result of the Materials, equipment or other items or materials supplied by Client or its Affiliates (other than New Works) 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 Materials, equipment or other items or materials, Client, at its option, will: (a) obtain a right to use such Materials, equipment or other items or materials without obligation on the part of the Supplier Indemnified Parties to the owner of the allegedly infringed Intellectual Property Rights; or (b) modify or replace such Materials, equipment or other items or materials without materially diminishing the functionality or performance thereof, to become non-infringing at Client's sole expense. Client's obligations under this Section 18.3 will not apply to the extent the Third Party Claim is: (i) based on the modification of the applicable items or materials by or on behalf of any Person (other than Client or its Affiliates) in a manner not permitted by this Agreement, if such Third Party Claim would not have arisen but for such modification; (ii) in respect of items or materials that were developed by Client in compliance with detailed technical and architectural specifications provided by or on behalf of Supplier, if such Third Party Claim would not have

arisen but for Client's compliance with such specifications; or (iii) based on any combination of the items or materials with another product or service not provided by, or not authorized in writing by, Client or its Affiliates, and not otherwise contemplated under this Agreement, if such Third Party Claim would not have arisen but for such combination.

18.4 Indemnification Procedures

A Client Indemnified Party or Supplier Indemnified Party (each an "**Indemnified Party**") will give Supplier or Client (the "**Indemnifying Party**"), as applicable, prompt written notice of any Claim or of the commencement of the related action, as the case may be, in respect of which it requires indemnification pursuant to this Article 18 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 or related action, as the case may be.

ARTICLE 19
LIMITATION OF LIABILITY

19.1 Consequential Damages

Except as otherwise provided in Section 19.2, Client and its Representatives, collectively, on the one hand, and Supplier, Guarantor and 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 in no event will either Client and its Representatives, collectively, on the one hand, and Supplier, Guarantor 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 (including negligence), strict liability, 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; provided, however, that the exclusions in this Section 19.1 will not: (i) preclude Supplier from being entitled to receive or be awarded Charges for Services pursuant to this Agreement; or (ii) preclude Client from being entitled to receive or be awarded damages for lost savings.

19.2 Limitation of Liability

(a) Notwithstanding any other provision of this Agreement, but subject to Section 19.2(b) and Section 19.2(c), either Party's, Guarantor's, and their respective Representatives' maximum aggregate liability for damages to the other Party or its Representatives (and, in the case of Supplier, to Guarantor or its Representatives) under or arising from this Agreement and the Ancillary Agreements, regardless of whether such liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, fundamental breach, breach of a fundamental term, failure of essential purpose or otherwise, will not be greater than one and a half (1.5) times the aggregate amounts paid

or payable to Supplier under this Agreement and the Ancillary Agreements during the twelve (12) months period immediately prior to the date that notice of the first Claim hereunder is received by the applicable Party; provided that if the date that such notice of the first Claim hereunder is received by the applicable Party during the first twelve (12) months after the Effective Date, the liability will be limited to an aggregate amount equal to one and a half (1.5) times the aggregate amounts that would be payable to Supplier pursuant to this Agreement and the Ancillary Agreements for Supplier's performance of the Services during such twelve (12) month period (in each case, the "**Liability Cap**"). The existence of more than one Claim under this Agreement will not enlarge or extend the foregoing limitations, it being agreed that the Liability Cap is the aggregate cap for all Claims made under or arising from this Agreement and the Ancillary Agreements.

(b) Subject to Section 19.2(c), the limits and exclusions set out in Sections 19.1 and 19.2(a) shall not apply: (i) to Supplier's, Supplier Subcontractors', or any Supplier Personnel's disclosure, misuse or other misappropriation of the Confidential Information of Client or Client Personal Information in breach of Section 13.1(a), 13.6(a), or 13.6(c), as applicable; (ii) to Supplier's obligations pursuant to Sections 18.1(a), 18.1(b), 18.1(c), 18.1(d), 18.1(e) (except in respect of any Excluded Losses), 18.1(f) (provided that Losses pursuant to Section 18.1(f) shall be subject to the Liability Cap), and 18.2; and (iii) to Client's obligations pursuant to Section 18.3.

(c) Notwithstanding any other provision of this Agreement, Supplier's, Guarantor's, and their respective Representatives' maximum aggregate liability to Client or its Representatives in respect of Claims under Sections 18.1(e) for Losses shall be limited to an aggregate amount not greater than $100 million, for any Claims that arise directly or indirectly from damage or disruption to Client's electrical transmission or distribution networks, or from the interruption of electrical supply to any person (an "**Excluded Loss**"). This limitation is a distinct and aggregate limitation that applies to all Claims by Client under Section 18.1(e) for Excluded Losses. Further, it is agreed that if a Claim by Supplier is made by Supplier under Section 18.1(e) for an Excluded Loss, no Claim may also be made for any other damages or Losses that arise directly or indirectly from damage or disruption to Client's electrical transmission or distribution networks, or from the interruption of electrical supply to any person.

ARTICLE 20
INSURANCE

20.1 Insurance

Supplier agrees to provide and cause any of its subcontractors providing a material portion of the Services 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.M. Best rating of not less than A- or better, the following insurance coverage with the limits and deductibles set out below:

(a) Supplier represents that it does not and will not own, rent or lease any licensed vehicles for use in connection with the work to be performed under this Agreement. Supplier may not own, rent or lease any licensed vehicles for use in connection with such work, unless and until it obtains automobile liability insurance covering all such vehicles. 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 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;
- XCU endorsement (if applicable to the Services); and
- Blasting (if applicable to the Services).

(c) Where not already covered under the insurance referenced in (b) above, 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 $10,000,000.

(d) Inland transit insurance for all circumstances where Supplier procures goods on behalf of Client, against risk of physical damage of the property being transported until such time as the property is received at its final destination, including loading, unloading and storage during the course of transit including storage at secondary processing facilities.

20.2 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 thirty (30) days advance written notice by registered mail, receipt required, to:

Hydro One Inc., Chief Legal Officer, 483 Bay St., 8th floor, South Tower, Toronto, Ontario, M5G 2P5

(with copy to Hydro One Inc., Risk & Insurance Department, 483 Bay Street, TCT 08, 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) All deductibles shall be to the account of Supplier or Supplier Subcontractors or both of them.

(g) All limits and deductibles are expressed in Canadian dollars, save and except for the Crime insurance, which is expressed in US dollars.

(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 under this Agreement. Coverages noted in commercial

general liability and excess/umbrella liability shall contain a cross liability clause and a severability of interests clause.

(j) Coverage provided for Client shall not be invalidated or vitiated by actions or inactions of others.

(k) In the event that the limits set out above are exhausted by virtue of third party claims, Supplier shall reinstate such limits.

(l) 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; and

(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 use reasonable efforts to provide a renewal certificate within fourteen (14) days of expiration evidencing continued compliance with all terms of this Section.

ARTICLE 21
GENERAL

21.1 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, 47.3% of Client’s ultimate parent’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 whole or in part. In the event of a permitted assignment of this Agreement, in whole or in part, to a Third Party, Supplier will, in a timely manner after receipt of written request by Client, agree to release Client from further obligation under this Agreement provided that the assignee is Creditworthy.

21.2 Relationship of Parties

Except where this Agreement expressly provides to the contrary, (including where this Agreement or any Statement of Work, Project Order or Change Order 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 18 and Article 19 hereof.

21.3 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.

21.4 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.

21.5 Governing Law

This Agreement will be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

21.6 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: Chief Legal Officer

Telephone No.: 416-345-5000
Facsimile Number: 416-345-6240

If to Supplier: Capgemini Canada Inc.
Attn: General Counsel
1660 Tech Avenue. Unit 3A
Mississauga, ON L4W 5S7

With copy to:
Capgemini Canada Inc.
Attn: General Counsel
1660 Tech Avenue. Unit 3A
Mississauga, ON L4W 5S7

Attn: Account Manager
and

With a copy to: General Counsel's Office
Capgemini North America, Inc.

400 Broadacres Drive, 4th Floor
Bloomfield, NJ 07003

Attention: General Counsel

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.

21.7 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.

21.8 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.

21.9 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.

21.10 Survival

Articles 1, 11, 12 (for the time period identified in Section 12.1(b)), 16 (except Section 16.10), 18 (for causes of action arising during the Term or Termination Transition Period), 19, 21 and Sections 6.1, 9.3, 10.6, 13.1-13.4, 13.5(a) and (b), 13.6(a), 13.6(b)(i), 13.6(d), 13.6(e), 13.6(f), 13.9, 13.10, 14.2, 14.4, 14.5, and Schedules 4.11, 14.5 and 16.1 will survive termination or expiration of this Agreement together with such other provisions of this Agreement, including Statements of Work, Project Orders and Change Orders, which expressly or by their nature survive termination or expiration.

21.11 Entire Agreement

This Agreement, the Ancillary Agreements and subject to Section 1.4 of the Proposal 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.

21.12 Amendment

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. For the purposes of amendment to Article 1 to Article 21 of the Agreement, the Schedules, and Attachments to Schedules, the authorized signatory for Hydro One shall be of the same or higher seniority as the initial signatories below to the body of the Agreement. For the purposes of amendment to Statements of Work or Project Orders, the authorized signatory shall be the Client Responsible Executive or such other Client Personnel to whom such authority is delegated by the Client Responsible Executive in writing.

21.13 Further Assurances

The Parties agree to cooperate 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.

21.14 Counterparts

This Agreement, any Ancillary Agreement, Statement of Work, Project Order or Change Order 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. Delivery of an executed signature page of any such document by electronic transmission will be as effective as delivery of a manually executed copy of such document, provided receipt of such document.

(Signature page follows.)

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.	**CAPGEMINI CANADA INC.**
By: _____	By: _____
Name:	Name:
Title:	Title:
Date: _____	Date: _____

HYDRO ONE

SCHEDULE 1.1(b)

SUPPLEMENTAL SOLUTION DOCUMENTS

TABLE OF CONTENTS

1.0 GENERAL 3

2.0 SUPPLEMENTAL SOLUTION DOCUMENTS 3

1.0 GENERAL

This Schedule identifies those Supplemental Solution Documents attached to the Agreement.

2.0 SUPPLEMENTAL SOLUTION DOCUMENTS

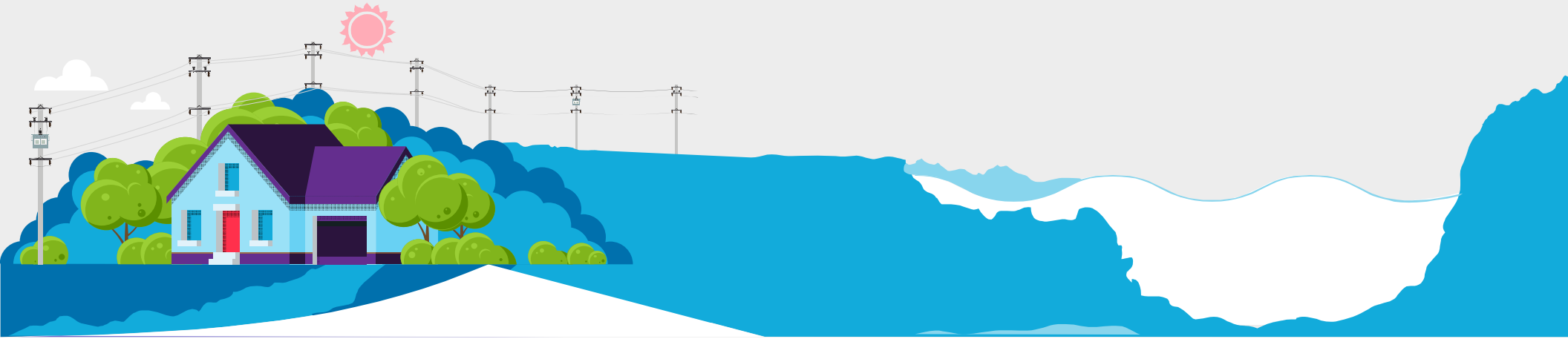
1. Attachment I to this Schedule 1.1(b): Hydro One Executive Presentation
2. Attachment II to this Schedule 1.1(b): Hydro One Exeutive Presentation Service Overview



This document and its contents are included for background purposes only and do not constitute binding obligations of Capgemini.

Agenda

- Welcome & Introductions
- Capgemini overview
  - Services overview
- Future service delivery model
- Our commitment to Hydro One



Introductions



Navin Goel
Executive Sponsor



Colm Sparks-Austin
Country Managing Director



Tom Mosseau
Account Executive



Brian Meier
Delivery Executive



Kulvinder Wadhwa
Infrastructure Delivery



Bala Vaidyanathan
Offshore Delivery



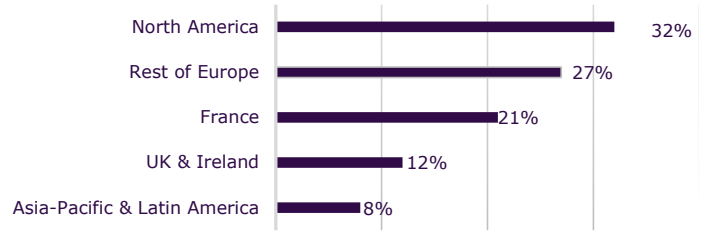
Ken Ronson
Commercial Governance



Capgemini Group:
Globally Trusted by Clients Since 1967

Our Group Revenue

Group revenue for 2019: **€17.3 Bn ($27B CAD)**

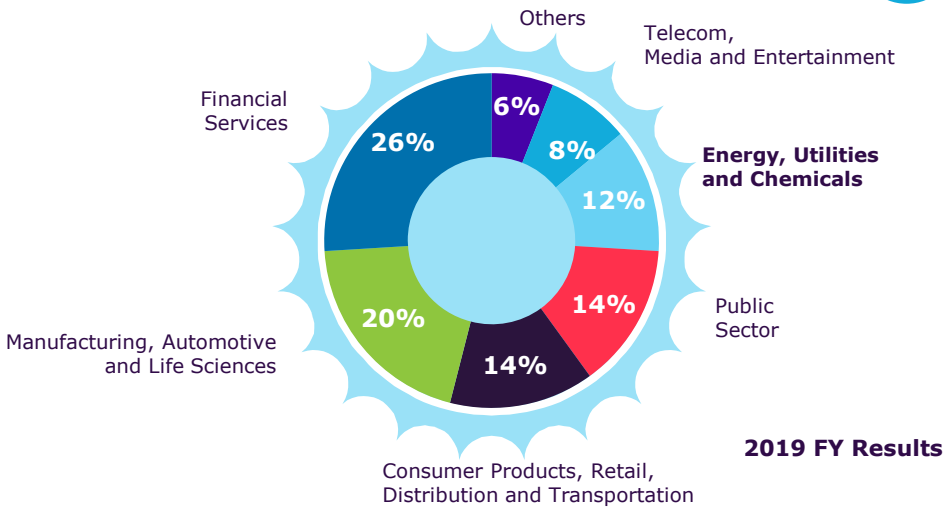


Our Team

~265,000 people worldwide working together as **one team**

- North America **~21,030**
- Middle-East and Africa **~4,070**
- Latin America **~8,280**
- Europe **~105,350**
- Asia-Pacific **~130,740**

Extensive Experience in Key Industry Sectors



2019 FY Results

We serve 23 world leading Utilities

NA	UK	France	Benelux	Nordic
LatAm	Spain	Italy	C Europe	Australia

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Capgemini Canada 2021

2021 – The transition to a Country Business Unit:

Global Presence: Canada will report into the Group Executive Committee in France with alignment to global industry teams and funding

Industry Skills Investment: Onshore centers and COE's for key skills in SAP, Cloud, Data, 5G, AMI and Intelligent Industry

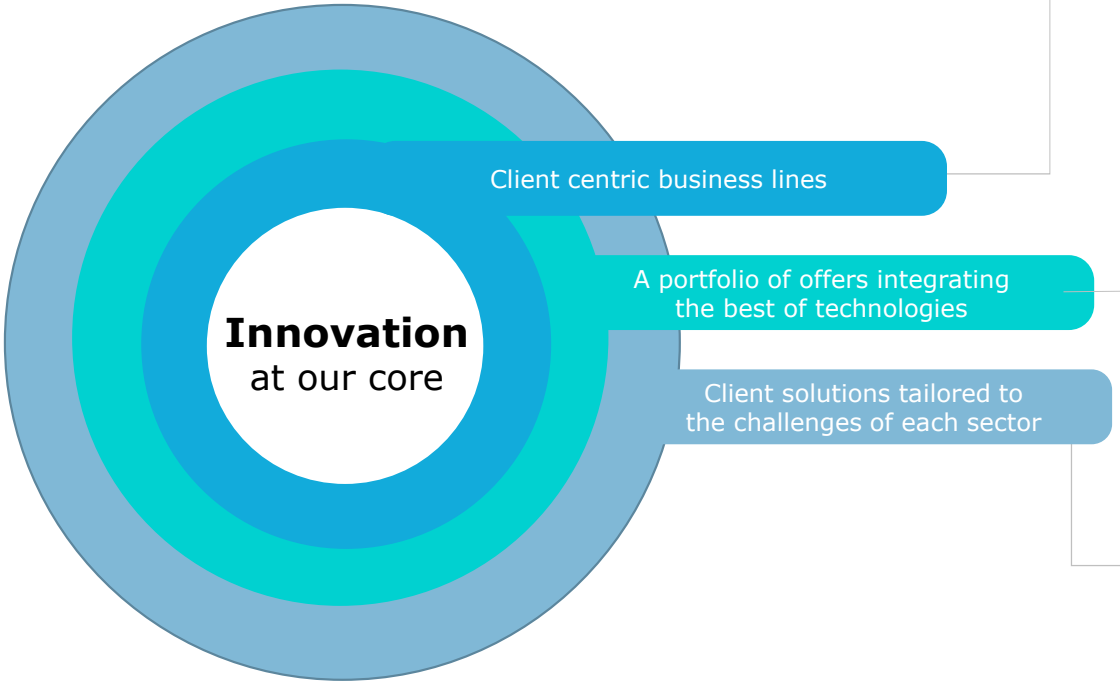
Canadian by Design: Local leadership team responsible for all clients and the Capgemini Brand across the country

Go-to-Market: Three Industry Hubs; Resources (West), FS&I (Toronto), Aerospace (QC) and two National Practices; Utilities & Telco/Technology



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Harnessing the power of technology to serve our clients' ambitions



- Strategy & Transformation
- Applications & Technology
- Operations & Engineering

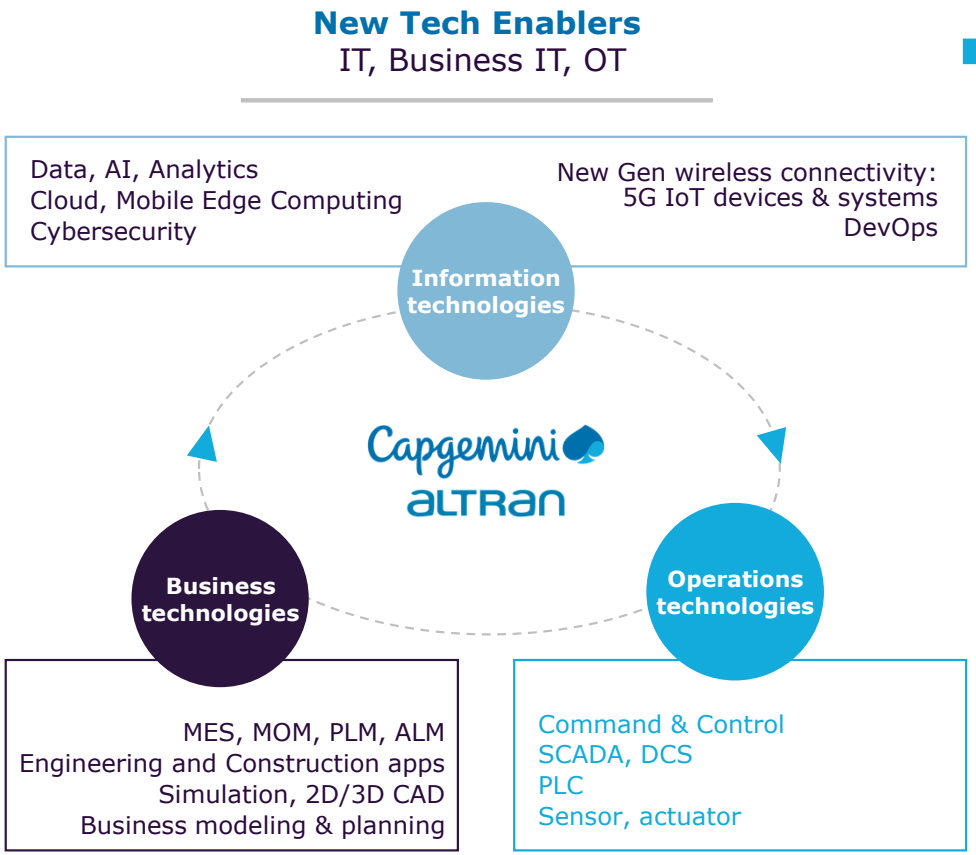
- Customer Experience
- Cloud
- Cybersecurity
- Artificial Intelligence & Analytics
- Digital Engineering & Manufacturing
- Digital Core with SAP S/4HANA©
- ADMnext

- Consumer Goods & Retail
- Energy & Utilities
- Manufacturing
- Public Sector
- Financial Services
- Services
- Telecom, Media & Technology

This slide does not include the additional capabilities brought by Altran

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A unique opportunity to accelerate in the 4th industrial revolution, making "Intelligent Industry" a reality





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Our EUC Unit drives sector focused best practices across our services



Who We Are

Our teams have deep expertise and knowledge across a Global Team with over 24,000 resources in Energy, Utilities & Chemicals

What We Do

The EUC sector is focused on delivering cutting-edge solutions for our clients that focus on

- **Digital Customer Experience**
- **Digital Operations**
- **New Business models and Digital Edge**
- **Energy Transition**

Where we do it

We operate in more than 20 countries, with a strong presence in France, United Kingdom, United States and Canada

How we perform

Energy, Utilities and Chemicals accounts for 12% of Capgemini revenue. We have been recognized as a leader by Gartner notably in Digital Transformation Services and Customer Experience

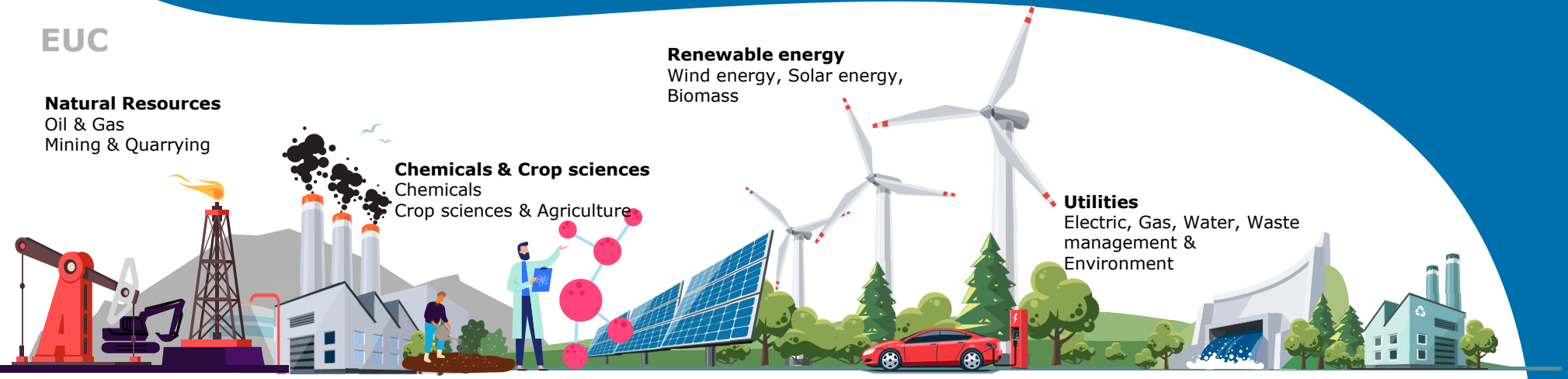
EUC

Natural Resources
Oil & Gas
Mining & Quarrying

Chemicals & Crop sciences
Chemicals
Crop sciences & Agriculture

Renewable energy
Wind energy, Solar energy, Biomass

Utilities
Electric, Gas, Water, Waste management & Environment



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  - SAP S/4HANA & Business Suite on HANA Managed services,
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Microsoft Practice unpinned with **strong partnership**

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16 Microsoft Gold Competencies

Gold Microsoft Partner

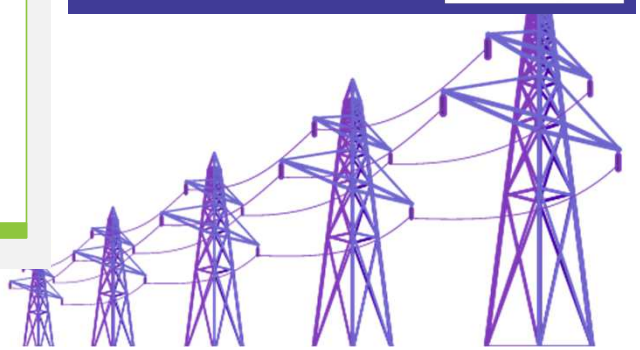
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- **Gold Cloud Productivity**
- Gold Collaboration and Content
- Gold Communications
- Gold Data Analytics
- **Gold Data Platform**
- **Gold Datacenter**
- **Gold DevOps**
- Gold Enterprise Mobility Mgmt.
- Gold ERP
- Gold Messaging
- Gold Windows and Devices



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- **2019 Microsoft SAP / Azure Advanced Specialization**
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Microsoft Partner Award

Winner Microsoft Partner 2019 Partner of the Year SAP on Azure Award



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Incidents	**GCC Level 1 & 2**	**Level 3 Support**	**Delivery Excellence**	**Global GCC**
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Industrialization
Documented processes, mutualized teams, automation, knowledge management

Tools
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Automation
Call out BOT, Self Heal Bots
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Continuous Improvement

Operations Rigor
Layered governance

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Skill gap analysis, training modules, periodic skill assessment

Cross Industry experience and track record of 99% resolution for 85% of volumes

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Our Service Management Practice

Service Integration and Management

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Service Management

ITIL® Service Lifecycle

Service Strategy - Service Design - Service Transition - Service Operation - Continual Service Improvement

Service Management Services

Technology Towers

- Strategy Generation
- Demand Mgmt.
- Service Portfolio
- Financial Management
- Availability Management
- Capacity Management
- Service Level Mgmt.
- Service Catalog Mgmt.
- Supplier Management
- Asset Management
- Configuration Management
- Software License Mgmt.
- Change Management
- Service Validation
- Release & Deployment Mgmt.
- Incident Management
- Major Incident Mgmt.
- Request Fulfillment
- Problem Management
- IT Operations Mgmt.

Continual Service Improvement | Performance Management | Analytics and Service Reporting

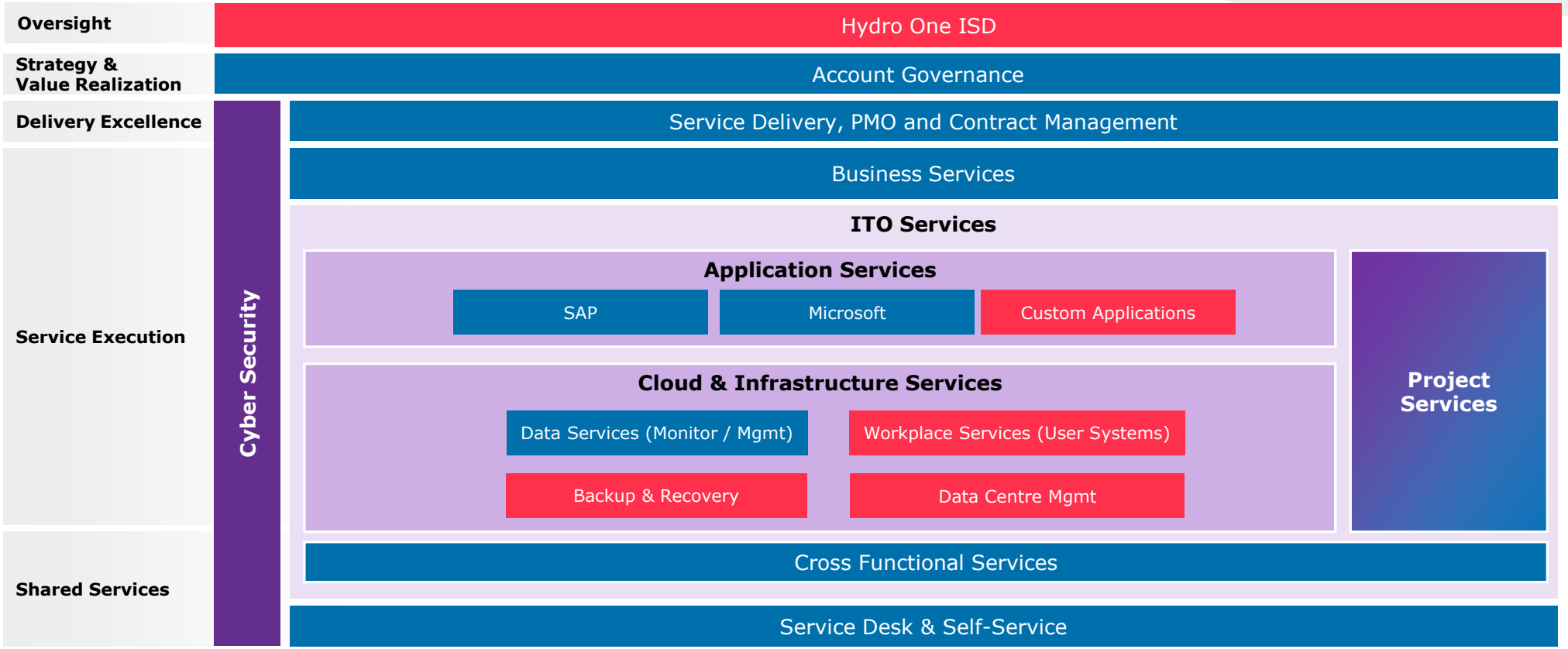
Quality Assurance | Governance

Capabilities

24*7 MIM services	**Tool agnostic support function**	**Process alignment to ITIL**
Global SM community	**Flexible Delivery model** ▪ Mutualized ▪ Dedicated ▪ Ring-fenced	**Standardized KPIs, Training, Certifications**
Cross trained & ITIL certified professionals	**DR for all Global Delivery Centers**	**Centralized Knowledge repository**
	Flexible support model to cater global clientele	**Exhaustive KPI dashboard for continual improvement**
		Robust transition methodology for acceptance to RUN

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Bringing it Together…
An Integrated Solution for Hydro One



Legend: Hydro One | Capgemini | Shared

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We are committed to be the trusted partner for Hydro One

Cost Savings, Improved Productivity, Value for Money

Modernize Technology, Tools, Platforms and Processes

Enable New Operating Model

Effective and Efficient Governance

Market Based Operating Model



45% Savings in Opex ~40% Improvement in Project capacity

Quarterly Innovation workshops

Leverage global talent pool

Better visibility and control on operations

Market delivery leveraging integrated local & global teams

hydro one **GOALS**

Capgemini **ALIGNMENT**

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A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion.

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Our Service Desk for You:
Services and Opportunities

Included in 45 Framework

- Migration to Capgemini's Global Delivery Center (GDC) that specializes in Service Desk excellence
- Deployment of Capgemini's Service Desk automation toolset for faster issue resolution and request fulfilment:
  - Artificial Intelligence-based Cognitive Chat & Action Bot
  - Self-help Password Reset
  - Remote desktop support via Go-To-Asist
- Incident Coordination & Quality Management to drive improved customer satisfaction
- Dedicated Knowledge Manager to drive continual improvement of knowledge assets for the service desk team and bot support
- Adoption Management campaigns focused on user adoption for new ways of working
- Continuous Improvement

Future Improvement Opportunities

- Expanded footprint of Service Desk beyond IT application
- Business Value Management
  - Smart Analytics and Business KPI linkage
  - Persona Centric Solution for User Experience
- Self-Healing and Predictive & Proactive Automation
- Biometric Password Reset



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Our Global Command Center for You:
Services and Opportunities

Included in 45 Framework

- Utilize monitoring experts from Capgemini's Global Command Center to drive a shift-left
  - Specialized resources
  - Proactive vs. Reactive management and resolution
  - Threshold Management
- Capgemini will provide further automations associated with the robust toolsets (if Bundle 1 & 2 are taken from the Non-Labor Document):
  - Alert Call Out BOT
  - Auto Assignment Bots
  - Event Management & Correlation
  - Enhanced Automated Ticketing
- Continuous Improvement

Future Improvement Opportunities

- Monitoring Tooling Consolidation with associated Self-Healing and Predictive & Proactive Automation
- Business Command Center (BCC) with business KPI linkage



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Our Service Management for You:
Services and Opportunities

Included in 45 Framework

- Unrestricted access and flexibly to leverage Capgemini's Global SM community
- Best practices and global learnings with ITIL 4.0 process alignment
- End to End Incident, Problem, Change Management (IPC) Services; incl. 24*7 Major Incident Management (MIM) services
- Knowledge Management & Service Catalog Manager using ITSM tool
- Analytics Tools
  - IKON: an Incident-Knowledge Object based cognitive robot
  - ROOCA: a platform to perform Problem Management on Incidents in a cognitive and automated manner.
- Account reporting collation and contractual management
  - Dashboards and standard reporting from ITSM tool
- Continuous Improvement

Future Improvement Opportunities

- Business Command Center (BCC) with business KPI linkage
- SIAM
- Software License Management (SLiM)
- Real-Time Service Management Dashboarding (e-VVM)
- Asset Lifecycle Services -- SACM
- Migrate to Service Now Catalogs



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Our Apps Practices for You:
SAP & Microsoft *Services and Opportunities*

Included in 45 Framework

- Strong Executive Alignment with SAP and Microsoft via Partnerships
- Unrestricted access and flexibility to utilize Global Centers of Excellence [COE] practitioners for SAP (approx. 18k) and Microsoft (approx. 26k)
  - Competitive pricing on projects and ability to source strongest resources with no represented labor restrictions
  - Expertise from other (utility) accounts across the globe
  - Flexibility to access S/4 HANA delivery expertise in the future post migration
  - Leverage Capgemini's global learnings and templates for utility SAP enablers and for Microsoft Sharepoint
- Leadership from Capgemini SAP and Microsoft practices
  - Best practices from Capgemini's CoEs with continuous training to the staff with Capgemini's Learning and Development platforms
- Continuous Improvement

Future Improvement Opportunities

- Agile DevSecOps, POD based delivery model
  - CI/CD pipeline
- Application Consolidation, Rationalization and Cloud Migration (eAPM)
- S/4 HANA Migration leveraging Capgemini's Accelerators and expertise



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Microsoft Partner Award

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FORM OF STATEMENT OF WORK

This Form of Statement of Work forms part of the Agreement between Hydro One Networks Inc. ("**Client**") and ● ("**Supplier**") dated as of ●, ●, (the "**SOW Effective Date**") as amended from time to time in accordance with the Agreement.

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:

(a) Common Exhibits and Attachments

(i)

(b) SOW Exhibits and Attachments

(i)

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 Services, as described in the SOW Exhibit 1 and all Attachments thereto;

(ii) the Services described in Common Exhibits and Attachments thereto;

(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, 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 mmddyy.

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, copies of which have been provided or made accessible to Supplier.

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 and Attachments thereto.

ARTICLE 5
TERM AND TERMINATION

5.1 SOW Term and Renewal

The term of this Statement of Work will begin on the SOW Effective Date and continue until the ● anniversary thereafter (the "**SOW Initial Term**"), unless terminated earlier in accordance with the Agreement. This Statement of Work may be renewed by Client for **n** (**n**) subsequent additional terms of **n** (**n**) year each ("**SOW Renewal Terms**"), which renewals may not exceed the Term of this Agreement, on the same terms by providing Supplier with written notice no less than ninety (90) days prior to the expiry of the SOW Initial Term or SOW Renewal Terms, as applicable.

5.2 SOW Termination Without Cause Fees

If Client terminates this Statement of Work without cause in accordance with Section 14.2 of the main body of the Agreement, Client will pay to Supplier, as Supplier's sole remedy and Client's sole liability in respect of such termination, a termination fee calculated in accordance with Exhibit 3.

5.3 Survival upon Expiration or Termination

[Article 1, Sections ●], 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:
Title:

Date: _____

SUPPLIER

By: _____
Name:
Title:

Date: _____

HYDRO ONE

SCHEDULE 3.1(A)

PROJECT METHODOLOGY

Table of Contents

Page

INTRODUCTION....3

1.0 DEFINITIONS....3

1.1 3

1.2 ....Error! Bookmark not defined.

2.0 PROJECT MANAGEMENT AND SUPPORT....3

2.1 Project - General....3

3.0 PROJECT MANAGEMENT & FULFILLMENT....5

3.1 Definition....5

3.2 Scope....5

3.3 General Considerations....6

3.4 Project Request By Client....8

3.5 Project Initiation....8

3.6 Project Definition....8

3.7 Project Orders....9

3.8 Project Order Implementation....9

3.9 Project Change Requests....10

3.10 Project Closure....11

3.11 Project Termination....11

INTRODUCTION

This Schedule sets forth the Services and processes related to Projects.

For all the Projects, the Supplier shall integrate all services related Projects and aggregate Services related to Projects with other Services as required, at no additional cost to the Client.

1.0 ATTACHMENTS

The following are the Attachments attached to this Schedule 3.1(a) Project Methodology:

Attachment I to Schedule 3.1(a) Project Request Template

Attachment II to Schedule 3.1(a) Project Definition Template

Attachment III to Schedule 3.1(a) Project Order Template

2.0 DEFINITIONS

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

3.0 PROJECT MANAGEMENT AND SUPPORT

Project management and support will align projects to Client requirements and deliver Project(s) to Project requirements in terms of timing, quality, and cost.

3.1 Project - General

The Supplier's responsibilities will include:

(a) Maintaining appropriate levels of industry knowledge in Client's business in order to provide support and recommendation of Projects. The knowledge will be obtained and maintained through, among other activities, participation in industry meetings, forums, and conferences at Supplier expense.

(b) Adhering to Client's Project initiation and release of work process/procedures described in this Schedule.

(c) Preparing proposals and plans to meet Client business requirements for Projects as requested by Client or as appropriate based on providing the Services. Such proposals and plans will include:

(i) The business requirements for the work and the Deliverables desired and required.

(ii) The functional and technical approach and solution to meet the business requirements.

(iii) Clearly identified Client requirements that are not included in the scope of the proposal.

(iv) The quantitative and qualitative benefits received by Client as a result of performing the Project.

(v) The initiator of the project request or proposed Project (either the Client or the Supplier).

(vi) The total number and types of resources by skill level/role required for the Project. The total Project management effort included in the proposal.

(vii) A description of any Equipment, Software, or other materials required for the Project and ongoing support.

(viii) A detailed description of any incremental or reduction in sustainment costs, where applicable.

(ix) The planned Project completion date and the total elapsed time to complete the Project, and any time constraints or material assumptions.

(x) Details about any Client Dependencies and intersection or conflicts with other Projects.

(xi) The total cost of the Project (including fees paid to the Supplier as well as any Retained Expenses), the timing of any payments, and whether the cost is included in the Base Charges.

(xii) The ongoing annual cost of the Project post-implementation (including fees paid to the Supplier as well as any Retained Expenses and Pass-Through Expenses), the timing of any payment(s), and whether such cost impacts the Base Charges.

(xiii) Any material assumptions related to the Project, which could impact charges, including any support required from Client or its Third-Party Vendor(s).

(xiv) Any other provisions necessary to describe the work needed.

(xv) An indication of the Supplier's role and responsibility in managing a third party or in receiving deliverables from a third party, if applicable.

(xvi) A list of Project stakeholders and a Project RACI chart.

(xvii) Identification and description of the Project risks. A rating of the relative risk to the Project, including Supplier's mitigation plans.

(d) After Client approves a Project, the Supplier will follow Project Management Institute ("PMI") or equivalent project management

methodology to consistently plan, initiate, control, and implement all Projects.

(i) Adhere to the Client Project Governance Procedures and reporting requirements.

(ii) Provide Supplier Personnel that are experienced with the PMI or equivalent project management methodology and have a proven track record of success in using it to manage projects.

(iii) Obtain Client approval of the release and commissioning approach prior to deployment, including recommendation of industry best practice for the Client's consideration.

(e) Ensure Supplier Third-Parties engaged to provide services within the scope of a Project utilize the PMI or equivalent project management methodology.

(f) Integrate Supplier's project management process with Service management processes, especially release and deployment management, and Project Change Process.

(g) Upon request, participate in Client's business planning meetings to review operations and business plans, and recommend appropriate services and projects to support execution of such business plans.

4.0 PROJECT MANAGEMENT & FULFILLMENT

4.1 Definition

(a) Project management and Project Request fulfillment is the process of handling Projects throughout their lifecycle spanning request, proposal, agreement, implementation and closure.

(b) Project Change Requests and the process for initiating, approving and implementing changes to a Project are included in Project management and Project Request fulfillment.

(c) Project termination (for cause or convenience) is also included in Project management and Project Request fulfillment.

4.2 Scope

(a) The Supplier shall manage and oversee the Project management and Project Request fulfillment process across its Services and collaborate with the Client, SPOC, and other Suppliers to manage the Cross-Supplier Project Request fulfillment process.

(b) The Supplier shall accept that, while some Project Requests may only affect the Services within the scope of the Supplier, there will be Project Requests that apply Cross-Supplier and require cooperation, coordination and joint work between the Supplier, SPOC and Third Parties as required to fulfill the request to meet the Clients

requirements. Therefore the Project management and Project Request fulfillment activities as described in this Schedule do apply to all types of Project Requests (Cross-Supplier and Supplier).

4.3 General Considerations

Where such Projects are governed by Service Levels, Supplier shall provide notice to the Client when Supplier becomes aware that the Project will not or may not meet the required Service Levels within three (3) business days of such awareness.

(a) Process Set-Up and Maintenance

The Supplier responsibilities shall include:

(i) Establish and maintain a Project management and Project Request fulfillment process and tools, in accordance to the requirements defined by the Client, for the efficient and effective handling of Projects and Project Requests through the Project lifecycle.

(ii) Ensure all linkages and related processes operate effectively, in particular the links to pricing, invoicing and payment. The process must conform to good practice for Project management and Project Request fulfillment, ensure Client requirements are met and align to the Client's Project Request fulfillment process, as defined, directed and approved by the Client.

(iii) Integrate its Project management and Project Request fulfillment process and other Service Management Processes with the Cross-Supplier Project Request fulfillment process, subject to the Client's approval.

(iv) Retain overall responsibility for all Projects and Project Requests allocated to Supplier until the Project Request is completed and the Project is completed, subject to Client approval.

(v) Subject to the Client's approval, establish and maintain Project and Project Request escalation procedures.

(vi) Establish and maintain, in accordance with the requirements defined by the Client, a process and mechanism for expedited handling of high prioritized Project Requests based on the priority assigned by the Client.

(b) **Tooling**

(i) Subject to the approval of the Client, provide a Project Request fulfillment tool including interfaces to the Cross-Supplier Project Request fulfillment tool and integration of

applicable components (e.g., Software, Equipment, electronic mail, telephony, facsimile, web technologies).

(ii) In addition, the Project Request fulfillment tool shall support the data exchange of information to the Client and, where appropriate, data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Project Request to a Supplier. All costs of creating and operating such interfacing are the responsibility of the Supplier.

(iii) The requirement of the tools include, at a minimum:

(A) Providing a sophisticated tracking mechanism,

(B) Identifying Client personnel designated by Client to submit Project Requests,

(C) Capturing and managing information pertaining to the originator, submission and fulfillment,

(D) Tracking and reporting metrics associated with the Project Request fulfillment and Project during Project lifecycle and within each phase,

(E) Providing an interface to the Client's Project portal or dashboard, or equivalent capability as approved by the Client,

(F) Record all information, as required by the Client, on the details of the Project management and Project Request fulfillment.

(iv) If the Supplier uses its own tool, it shall integrate the Project management and Project Request fulfillment management tool with the other Cross-Supplier and Service management processes and tools. The Supplier shall maintain a real time data flow and visibility with bi-directional interfaces. There should be no additional cost to the Client for any interface or bridge development, implementation, and support.

(v) The Supplier shall implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Projects, as required by the Client.

(c) **Communications**

The Supplier shall facilitate information exchange between and among Third Party Vendors, as it relates to their Project activities.

(d) **Reporting**

The Supplier shall provide timely status update reports and summary reports to the Client at the frequency and in a format to meet the Client requirements. Such reporting is governed by a Service Level.

4.4 Project Request By Client

(a) The Supplier shall utilize the Project Request fulfillment process implemented by the Client to accept Project Requests. The Supplier shall fulfill the roles assigned to the Supplier in the workflow for each Project Request within the required timeframe specified by the Client.

(b) For Cross-Supplier Project Requests, the Supplier will work in an efficient and effective manner, cooperating with the Client and Third Party Vendors to fulfill such requests within the required timeframe specified by the Client.

4.5 Project Initiation

(a) Each Project Request submitted to Supplier shall provide a high level description of the scope, feasibility, Client requirements, and desired outcomes of the intended Project. Each Project Request will be completed by Client and shall address the following:

(i) a summary description of Client's business goals and Project objectives,

(ii) a summary description of the Project, including scope and purpose,

(iii) a summary of Client's requirements, Deliverables and expected benefits for the intended Project,

(iv) a summary of the proposed implementation timeframes or Milestones (to the extent known) for the intended Project as they relate to Client's requirements or constraints,

(v) preferred pricing method,

(vi) other information that Client elects to identify,

(vii) at the Client's election, a requirements definition.

(b) The Supplier shall provide the Client with written details of any failings of a Project Request to comply with requirements.

4.6 Project Definition

The Supplier responsibilities shall include:

(a) Providing to Client in response to each Project Request received, a Project Definition within the required timeframe specified by the Client.

(b) Drafting each Project Definition in a clear and unambiguous manner and shall include sufficient information to allow the Client to make an assessment of whether it intends to proceed with the Project. Each Project Definition prepared by Supplier shall conform to the format and content requirements as defined by the Client.

(c) Any failures to set out in sufficient detail the information required to enable Client to make an assessment of whether it intends to proceed with the Project, Supplier shall immediately remedy any such failings.

(d) Client shall review each Project Definition received from Supplier and, confirm whether or not Client intends to proceed with the Project, or whether Client requires further information or revisions to the Project Definition so that it may further assess whether it intends to proceed.

(e) In the event that Client requires changes to the Project Definition, Client may notify Supplier in writing of such required changes and/or provide a marked up version of the Project Definition. Supplier shall amend and resubmit its Project Definition in accordance with Client's requirements for Client's further consideration. This process shall be repeated as necessary until a Project Definition is mutually agreed or formally rejected by Client.

4.7 Project Orders

(a) Upon acceptance of a Project Definition by Client, Supplier shall transfer the Project Definition into a Project Order following the format and content as required by the Client.

(b) Supplier shall submit the Project Order to Client.

(c) Client shall review the Project Order and notify Supplier whether Client requires further information or revisions.

(d) In the event that Client requires revisions to the Project Order, Client may notify Supplier in writing of such required revisions and/or provide a marked up version of the Project Order. Supplier shall amend its Project Order in accordance with Client's requirements and resubmit the revised Project Order. This finalization process shall be repeated as necessary until a Project Order is mutually agreed or formally rejected by Client. An executed Project Order shall not be binding, however, until the Client issues a Purchase Order for the Project.

(e) Client shall issue at its sole discretion a Purchase Order in accordance with Client procurement procedures to release the Project work to Supplier. For greater clarity, there will be no binding agreement among the Parties in respect of a Project Order, and Supplier will not commence any Project work thereunder, until Client has duly issued a Purchase Order in accordance with Client procurement procedures.

4.8 Project Order Implementation

(a) Upon receipt of the Purchase Order from Client the Supplier shall execute the Project Order, perform the roles and responsibilities set out in the Project Order, adhere to Client Project Governance Procedures, as set out in that Project Order, and fulfill quality assurance and quality control requirements.

(b) Once a Project Order has been executed by the Parties, the Project Order shall not be revised or modified except as agreed by the Parties in accordance with the Project Change Process.

(c) Supplier shall adhere to the process and procedure established by the Client for implementation and integration of Deliverables from a Project with sustained services described in a Statement of Work.

(d) Supplier shall complete and submit all Deliverables for which it is responsible under a Project Order to Client for approval following a quality review by Supplier.

(e) The Client acceptance criteria for Deliverables and Milestones related to a Project shall be set out in the Project Order.

(f) The Project must fulfill the requirements and criteria established for each Project gate and must be accepted and approved by Client, in order for the Project to proceed to the next stage.

(g) Supplier shall manage all Supplier tasks and resources associated with the Project, and coordinate activities with Client, and affected Third-Party Vendors.

(h) Supplier shall manage Third Parties associated with the Project.

(i) Supplier shall communicate to Client Project status in accordance with the Client Project Governance Procedures, as set out in the applicable Project Order and in accordance with Service Levels.

4.9 Project Change Requests

(a) During the term of the Project Order either the Client or Supplier may initiate a Project Change Request in accordance with the Project Change Process that may impact the Project completion date, resource requirements, hours, charges, risks and assumptions.

(b) For each Project Change Request, Supplier shall provide a Project impact assessment. Where a Project Change Request impacts or has the potential to impact Third Party Vendors in a Cross-Supplier Project the Supplier will engage the Third Party Vendors and Client in developing the Project impact assessment.

(c) Where a Project Change Request is approved by Client, the Client will amend the Project Order and where applicable, the Client Purchase Order. The Supplier and any other Suppliers affected by the change will be notified upon finalization of the Project Change Request.

4.10 Project Closure

Project closure shall be managed in accordance with the Client Project Governance Procedures.

4.11 Project Termination

(a) Unless otherwise agreed in the Project Order, Client may, by written notice to Supplier, terminate a Project Order without cause upon thirty (30) days' notice.

(b) Where Client terminates a Project Order under paragraph 4.11(a), no termination compensation shall be payable by Client arising from or in connection to such termination. All Charges due by Client for Services rendered up to the termination date will be paid by Client subject to Supplier substantiating the fees and providing all work product and Deliverables completed or in progress to Client. Supplier shall take reasonable steps to mitigate such Charges.

(c) In addition to any rights of termination set out in Article 14 of the Agreement, Client may by notice to Supplier terminate a Project for cause as from the date of service of notice if Supplier commits a material breach of the Project Order that is not remedied within ten (10) Business Days after Client has given written notice requiring such breach to be remedied.

HYDRO ONE

PROJECT REQUEST FORM

ATTACHMENT I TO SCHEDULE 3.1(a)

PROJECT METHODOLOGY

TABLE OF CONTENTS

Page

1.0 INTRODUCTION.....3

2.0 PROJECT REQUEST FORM 3

1.0 INTRODUCTION

The purpose of this Attachment I to Schedule 3.1(a) Project Methodology is to establish the form and templates for managing the Project Request process.

2.0 PROJECT REQUEST FORM

Project Request Date	**Project Name**
Summary Business Goals and Project Objectives	
Evaluation Summary	
1 Summary Project Description	
[Enter Details]	
2 Summary of Scope Description and Purpose	
[Enter Details]	
3 Summary of Requirements, Deliverables, and Expected Benefits	

3A. Requirements



Requirements Definition Document -

1.Functional Business Requirements

(e.g, Functional, Business Process, Reporting, Audit Trail, Reconciliation, Data Retention, Data Migration etc)

High Level Requirement #	High Level Requirement Description	Detail Requirement #	Detailed Requirement Description	Accountability for Delivery

2 Non-Functional Requirements

Rqmt#	Category	Description	Mandatory (Y/N)	Accountability
Supportability/Installation **(Deployment, Installation, Maintenance, Configuration)**				
Additional Software/Application/OS **(Any scpecial software or OS installation required, S/W configuaration required)**				
Performance **(volume expected, response time, maximum downtime, degradation under overload condition)**				
Training **(user guides, customers, regions, etc)**				
Quantitative Date **(number of users, customers, regions)**				
Other **(availability, usability, hours of service)**				
QA/QC Requirements **(test planning, test cases, defect tracking)**				

3 IT Requirements

Rqmt#	Category	Description	Mandatory (Y/N)	Accountability

Hardware Required / Decommissioned **(List all the known H / W being decommissioned as a result of this initiative or any additional hardware / configuration required)**				
DB Required / Decommissioned **(setup / migration, maintenance, disk space required, method for cleaning)**				
Backup / Restore **(Migration, Retention)**				
Additonal Software / Application / OS **(Any special software or operating system installation required, Software Configuration Required)**				
Supportability / Installation Requirements **(For e.g, Deployment, Installation, Maintenance, Configuration)**				
System Backup and Disaster Recovery **(availability, usability, hours of service)**				
Security Rqmts and Process **Complete Data Classification and BTA Score Matrix**				
	BTA Score Matrix  BTA SCORE MATRIX - template.doc			
	Data Classification  Data Classification Form -template.doc			
Network / Communication				

(For e.g, LAN, WAN, external interfaces, support for remote users)				
Service Levels and Accounts				
Other **(Monitoring, Outages, Regulatory Compliance)**				

3B. Deliverables

Phase	ID	Mandatory Document Deliverable - Waiver approved by Manager (Rob Hosford) is required for any exemption on the 5 mandatory document s	When Required Attach Approved Wai in the space below for each documen
Requirements	**QA02**	Requirement Definition Document (RD)	
Planning	**QA08**	Master Test Plan (MTP)	
Build & Test	**QA25**	Service Requirements Document (SRD)	
	QA18	Requirement Traceability Matrix (RTM)	
Commissioning	**QA28**	Closure Report	

(Waiver document to be attached to template)

Project Deliverable Waiver Form

3C. Expected Benefits



Benefit Tracking Mechanism Deliverabl

3D. Out of Scope

4 Implementation Timeframes and Milestones including desired start and end dates

5 Support Level Required

Support Level Guidelines

Guidelines	Guidelines				
	SL1	SL2	SL3	SL4	SL5
General					
Hrs of Coverage incl. On-Call Support	24x7x365	24x7x365	8x5xNormal	8x5xNormal	None
Prod/Dev/Test	Yes	Yes	Optional	Optional	No
Release Mgt	Yes	Yes	No	No	No
Full Service Config Mgmt	Yes	No	No	No	No
AM Services					
AM Monitoring	24x7x365	24x7x365	Optional	None	Optional
AM Knowledge Team	Dedicated	Dedicated	Technology Skills	Technology Skills	No
AM Maintenance	Yes	Yes	Yes	Yes	No
IM Services					
IM Monitoring (up or down)	24x7x365	24x7x365	24x7x365	24x7x365	None
IM Knowledge Team	Technology Skills	Technology Skills	Technology Skills	Technology Skills	Technology Skills
Backup/Restore	Yes	Yes	Yes	Optional	Optional

	IM Server Support	Yes	Yes	Yes	Yes	Patching only

Support Level Required: _____(SL1 – SL5)

6 Supplementary Terms and Conditions

7 Sponsor & Project Stakeholders

Stakeholders	Person's Name	Role
Hydro One Sponsor		Provide decision making. Provide necessary Hydro One resources
Hydro One PM		Hydro One primary project contact for project reporting, deliverables, budget, etc
Hydro One Solution & Architecture Manager		Provide signoffs on the design, solution, security, etc.
Project Executive		Provides Executive support
Inergi Project Manager		Manages overall Project, deliverables, time and costs, reporting, etc.

Submitted by Client:	**Received by Supplier:**
Date :	Date :

Assessment Review Form [to be completed and inserted by Supplier]



Assessment Review Form

HYDRO ONE

PROJECT DEFINITION FORM

ATTACHMENT II TO SCHEDULE 3.1(a)

PROJECT METHODOLOGY

TABLE OF CONTENTS

Page

1.0 INTRODUCTION.....3

2.0 PROJECT DEFINITION FORM 3

1.0 INTRODUCTION

The purpose of this Attachment II to Schedule 3.1(a) Project Methodology is to establish the form and templates for managing the Project Definition process.

2.0 PROJECT DEFINITION FORM

Project Definition Report (PDR)

Client Project ID # - [enter id# here]

SR[enter SR# here] [enter name of project here]

[enter month/day/year here]

Version [enter vsn# here x.x]

Revision History

Version	Date	Updated by	Description of Change

PROJECT DEFINITION REPORT

Project Request Form Number PRF#: [insert # from Project Request Form]	**Project Definition Report Number** [insert SR #]	**Name** [insert project name from Project Request Form]
Summary Business Goals and Project Objectives		
Evaluation Summary		
1. Summary Project Description		
2. Summary of Scope Description and Purpose		

3. Summary of Requirements, Deliverables, and Expected Benefits

Service Level Required
Out of Scope

2. Key Assumptions, Identification and Assessment of Potential Risks and Mitigation

Key Assumptions (All Stages)

	Assumptions
1	
2	
3	
4	
6	
7	

Risks (All Stages)

#	Risk Description	Probability High / Med / Low	Impact High / Med / Low	Supplier Risk Mitigation Actions

#	Risk Description	Probability High / Med / Low	Impact High / Med / Low	Risk Mitigation
1				
2				
3				
4				
6				
7				
8				
9				
10				

3. Impact on Services and Service Levels

4. Deliverables

Note: This section below is where Supplier describes their solution to meet Client's requirements. This includes a proposed solution description in a bulleted format, design/diagrams, scope clarifications as discussed and agreed by the respective project managers, dependencies, any impacts to existing applications, solution and project deliverables.

Solution & Rationale

Initial Design

Scope Clarification

lientuppliers proposed solution

Dependencies on In-Flight Projects

upplier

Impact to Existing Applications

upplier

Project Deliverable Documents to be provided by Supplier

Phase	ID	Mandatory Document Deliverable - Waiver approved by Rob Hosford (Hydro One ISD) is required for any exemption of IT projects on the 5 mandatory document s	If waiver is attached, Supplier will Not include this document in the pricing and schedule of this proposal.

Requirements	**QA02**	Requirement Definition Document (RD)	
Planning	**QA08**	Master Test Plan (MTP)	
Build & Test	**QA25**	Service Requirements Document (SRD)	
	QA18	Requirement Traceability Matrix (RTM)	
Commissioning	**QA29**	Closure Report	

.

Project Deliverable Waiver Form

In addition to the Mandatory Document Deliverables, included in the attachment below, are deliverables that are part of the Standard Project lifecycle and are included as part of this project estimate. As indicated in the table below, some Standard Deliverables may not be required, based on the nature of the project.

Standard Project Deliverables

Acceptance Plan and Criteria provided by Client

On or before the final due date of this Project, Supplier shall provide evidence of compliance with work product specification and functionality satisfactory to Client. The final due date of this Project shall be the Project Completion Date set out in Section 9 within this document.

5. Cost implications / benefits on the Sustainment Charges (if any)

Sustainment Impact (for IT projects) or N/A ☐



Sustainment Impact Worksheet

Estimated annual infrastructure sustainment cost increase/decrease: $ 0.00

(includes software & hardware maintenance, servers/hardware, DB's, SAN storage)

Estimated annual application support sustainment increase/decrease:

- x.x hours per month
- Corresponding to $ 0.00 annual cost

6. Project Fees and Charges (including estimate)

This section to include a high-level summary as well as a detailed cost break-down

Detailed Resource & Pricing Worksheet

upplier

Percentage of Project Management Effort _____ %

upplierDetail of Hotel Expenses:

# of Resources	Room Rate	Number of Nights	Total

Detail of Airfare Expenses:

Resource	Airfare Amount	Number of Flights	Total

Expenses	**Amount**
Total Airfare from above	$
Total Hotel from above	**$**
Total Expenses	**$**

Pass Through Costs or N/A ☐

Additional Costs or N/A ☐

These costs are in addition to the PO award to where the contractual arrangement is to be between Client and a third party and are not included in the Supplier PO. (e.g., incremental workstations, hardware)

Project Cost Summary:

Labour	**$**
Expenses	**$**
Pass Through Costs	**$**
Total	**$**

7. Resource Requirements (Client, Supplier, Third Party)

This section to include a responsibility matrix (RACI) indicating the activities to be performed by Client, Supplier or any party necessary to complete the intended Project

Anticipated RACI (to be confirmed during Design & Planning Stage)

Major tasks and deliverables	R	A	C	I
	Responsible	Accountable	Consulted	Informed
Pre-Kick off and Kick off meeting(s)	Supplier	Supplier	Client	Client
Planning sessions	Supplier Client	Supplier	Client	Client
Weekly Project Status & Progress Updates, Issue Escalation, Deliverables Progress, QA results, etc.	Supplier	Supplier	Client	Client
On-going status reporting to Corporate Projects - Risk log, issue log, Change request Log	Supplier	Supplier	Client	Client

Documentation as indicated in section “Deliverables Documents to be provided by Supplier”	Supplier	Supplier	Client	Client
Ongoing management of Supplier resources	Supplier	Supplier	Client	Client
Project Governance	Client Supplier	Supplier	Client	Supplier
Provide project approvals	Client	Client	Supplier	Supplier
Supplier Project Schedule management	Supplier	Supplier	Client	Client
Obtain approvals for Architecture / Security if required	Client	Client	Supplier	Supplier
Lead and Perform implementation activities and commissioning	Supplier	Supplier	Client	Client
Complete Project OTACE (Client project satisfaction survey) prior to Project Completion	Supplier	Client	Client	Client
Produce project closure report and obtain sign-off	Supplier	Client	Client	Client
Verify deliverables completed and files in repositories (e.g., As Built)	Supplier	Supplier	Client	Client
Conduct QA reviews	Supplier	Supplier	Client	Client
Perform closing activities	Supplier	Supplier	Client	Client
User Acceptance Testing	Client	Supplier	Client	Supplier
[insert additional task as required]				
[insert additional task as required]				

Estimated Client Resource Requirements

Phase	Activity	Resource Name & Business Unit	From mm/dd/yy to mm/dd/yy	Percent Availability

Sponsor & Project Stakeholders

8. Client Dependencies

9. Milestone Dates, Implementation Timeline (including Completion Date)

This section to also include the major steps required to complete the intended Project, work breakdown structure (i.e. the appropriate phases, timescales, and estimated effort for each type of resource required), key milestones presented in the form of an implementation plan supported by a detailed project plan.

Project Start Date:

Project In-Service Date:

Project Completion Date:

Phase	Target Complete Date
Phase 1 – Startup, Confirm Requirements and Planning	
Phase 2 - Build	
Phase 3 - Test	
Phase 4 - Deploy	
Milestone - In Service Date	
Phase 5 – Post Implementation Support	
Phase 6 – Closure	

10. Charging approach for Project (Fixed Price, Time and Materials, Milestone Payments, Other)

11. Other Pertinent Information

None

Received by Client: [Client to complete this column]	**Submitted by Supplier:** [Supplier to complete this column]
Date : [enter month, day, year here]	Date : [enter month, day, year here]
By (authorised signature):	By (authorised signature):

Name and Title (Type or Print)	Name and Title
Address:	Address:

Assessment Review Form [to be completed and inserted by Supplier]



Assessment Review Form

HYDRO ONE

PROJECT ORDER FORM

ATTACHMENT III TO SCHEDULE 3.1(a)

PROJECT METHODOLOGY

TABLE OF CONTENTS

Page

1.0 INTRODUCTION 3

2.0 PROJECT ORDER FORM 3

1.0 INTRODUCTION

The purpose of this Attachment II to Schedule 3.1(a) Project Methodology is to establish the form and templates for managing the Project Definition process.

2.0 PROJECT ORDER FORM

Project Order

Hydro One Project ID # - [enter id# here]

SR[enter SR# here] [enter name of project here]

[enter month/day/year here]

Version [enter vsn# here x.x]

Document Revision History

Version	Date	Updated by	Description of Change
0.1	[month/day/year]	[enter name]	[enter description of what changed]

PROJECT ORDER

This Project Order forms part of and is subject to the terms and conditions of the Master Services Agreement (the "Agreement") dated [insert date] between Hydro One Networks Inc. ("Client") and [insert Supplier company name] ("Supplier") including the Project Methodology attached as Schedule 3.1(a) to the Agreement (the "Project Methodology").

1. **Interpretation.**

(a) Unless specifically defined in this Project Order, capitalized terms will have the same meanings in this Project Order as are ascribed in the Agreement, including in the Project Methodology.

(b) In this Project Order, unless there is something in the subject matter or context inconsistent therewith, the following additional capitalized terms shall have the following meanings:

"Transparency" means providing Client with information about and reasonable direct input into procurement processes, identification of potential suppliers, proposed products and specifications, selection processes, costs and pricing, payment schedules, tax structures, Agreement 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.

(c) In the event of a conflict or inconsistency, the following is the order of precedence (in descending order) of documents relating to this Project Order:

Articles 1-21 of the Agreement;

The Schedules annexed to the Agreement;

This Project Order;

The Appendices to this Project Order;

The Purchase Order

The Statements of Work under the Agreement.

2. **Business Goals and Objectives for Project.**

3. **Supplier's Role.** Supplier's role or roles in connection with this Project is described below where indicated with one or more "X's*" [Note: place mouse over check box and right click on mouse, select properties, click "checked" under default values]*:

☒ Supplier is direct supplier/developer of the Services and Deliverables.

☒ Supplier is acting as Client's project manager, consultant or agent ("**Manager**") in respect of Services and Deliverables being provided by a third party that has an agreement directly with Client to the extent described in this Project Order as outlined in Appendix A and D

4. **Appendices**. The following Appendices form part of this Project Order:

Appendix #	**Title**
Appendix A	Project Definition
Appendix B	Implementation Plan
Appendix C	Project Teams
Appendix D	Responsibilities Matrix
Appendix E	Risks and Assumptions
Appendix F	Fees, Charges, Invoicing, Payment Schedule and Description or Unrecovered Costs (payable upon termination without cause)
Appendix G	Acceptance Plan and Criteria

5. **Confirmation**. Supplier confirms that:

(a) this Project Order has been prepared in compliance with the requirements of the Agreement including the Project Methodology;

(b) will deliver the Services and Deliverables to meet the specifications set out in the Requirements Definition Document attached to this Project Order;

(c) to the best of Supplier's knowledge, this Project Order does not omit any service, task, duty, function, responsibility, equipment, software, supply, facility or resource that a customer of such services is inherently included in the Services and Deliverables set out in this Project Order; and

(d) Supplier has the resources and capability to carry out the Project according to the requirements of this Project Order.

6. **Supplier Obligations.** Supplier shall provide all of the Services and Deliverables and perform the other Supplier obligations set out in this Project Order and its Appendices, in accordance with the requirements of the Agreement including the Project Methodology. Without limiting the generality of the foregoing, Supplier shall:

(a) adhere to the Project Implementation Methodology described in Appendix A (Project Definition and Deliverables); and

(b) achieve the Milestone dates set out in Appendix B (Implementation Plan).

7. **Supplier as Manager**. Where Supplier is assigned the role of Manager under Section 3 of this Project Order, the following shall apply in addition to the warranties and other requirements applicable under the Agreement:

(a) Supplier shall act in Client's interests and Supplier shall ensure that there is Transparency.

(b) Supplier shall promptly inform Client of any conflicts of interest of which it may become aware, including if: (i) the supplier of the products or services is an Affiliate of Supplier; (ii) Supplier's other commitments or relationships prevent it or materially impair it from fulfilling its obligations under this project Order in the best interests of Client; or (iii) it may result in the exercise of an undisclosed and improper influence over the objective, unbiased management of the Project.

(c) Supplier shall obtain Client's prior written consent before Supplier or its Affiliates accept, for their own benefit, any discounts, rebates, rewards, allowances, commissions, credits or similar benefits from the supplier of the products or services.

8. **Special Terms.**

(a) **Staffing Changes.** Changes to Supplier Personnel shall require Client's approval, except in the event of employee sickness, resignation, termination for cause, misconduct, breach of a policy or other performance related issues, (in which case Supplier will provide Client with an explanation of the termination), or other similar causes beyond Suppliers reasonable control. If Client at any time throughout the project requests a change in individuals assigned to this project for a reason other than cause, any additional cost incurred as a result of having to transition from one resource to another will be addressed via the Client Project Governance for Supplier Projects document within Appendix F of this document. process.

(b) **Specific Reporting Requirements**. The following specific reporting and review requirements apply in addition to the requirements of Section 11 of the Project Methodology:

(i)

(c) **Additional Provisions Relating to Termination.** The following additional provisions apply in the event of Client's termination of this Project Order without cause pursuant to Section 3.11 of the Project Methodology:

(i)

(d) **Project-Level Audit.**

[In accordance with Client Project Governance requirements.]

(e) **Out of Scope Items**. The following items are outside the scope of Supplier's responsibilities in connection with the Project:

N/A [Note: applicable out of scope items are documented in Appendix A]

9. **General**.

(a) This Project Order and the documents referred to herein constitute the entire agreement between the Parties with respect to the Project and supersede all prior negotiations and representations, whether written or oral, relating to the Project. No amendment, modification, waiver or discharge of this Project Order shall be binding unless executed in writing by an authorized signatory of the Party to be bound thereby.

(b) This Project Order may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

(c) The Parties agree to co-operate with and assist each other and take such action as may be reasonably necessary to successfully implement and carry into effect the Project to its full intent.

The Parties' authorized Representatives have executed this Project Order with effect as of the ● day of [insert month and day of submission]● , [insert year].

By: _____
Name: Rob Berardi ●
Title: Director, Supply Chain – Hydro One Networks Inc.

By: _____
Name: [insert Supplier rep name]
Title: Account Manager,

By: _____
Name: ●
Title: ●

By: _____
Name: ●
Title: ●

APPENDIX A
PROJECT DEFINITION AND DELIVERABLES

The Project Definition is attached here in its entirety for reference.

Scope of Work required by Client

1. …

Scope Clarification

1. …

Deliverables

Supplier Approach:

Recommended Solution & Rationale

Dependencies on In-Flight Projects

Impact to Existing Applications

Deliverables Documents to be provided by Supplier

APPENDIX B
IMPLEMENTATION PLAN

Project Start Date:

Project In-Service Date:

Project Completion Date:

APPENDIX C
PROJECT TEAMS

Supplier Team:

* If a contractor include name of contractors company

** Where an individual has more than one role included a separate line for each role

Customer Team

Sponsor & Project Stakeholders

APPENDIX D
RESPONSIBILITIES MATRIX

RACI

APPENDIX E
RISKS AND ASSUMPTIONS

Assumptions (All Stages) ***or N/A*** ☐

Risks (All Stages) ***or N/A*** ☐

APPENDIX F
FEES, CHARGES, INVOICING AND PAYMENT SCHEDULE

Project governance and reporting shall be in accordance with the Client "Project Governance" attached



HONI Project Governance_Supplier

Insert detailed pricing spreadsheet here (example for reference only below)

Detailed Pricing Spreadsheet

* If a contractor include name of contractors company

** Example "FTE Type IV"

Percentage of Project Management Effort _____%

Fees & Charges

Note: If the detailed pricing spreadsheet in this Appendix indicates contingency was included then the total project estimate below including the contingency is deemed be an upset maximum for the project.

Supplier Expense Details or N/A ☐

The expenses identified comply with the Client Expense Policy.

***Pass Through Costs* or N/A** ☐

Additional Costs or N/A ☐

These costs are in addition to the Project Order award to where the contractual arrangement is to be between Client and a third party and are not included in this Project Order (e.g., incremental workstations, hardware).

Payment Terms & Invoicing

Payment Terms

Client will accept billing in each successive monthly period. Payment will be due and payable 45 days after Client's receipt of an invoice. Invoices shall be in such detail and format as specified by Client. Invoices shall, at a minimum, include: Purchase Order Number, Progress Payment Amount, and where GST is billed, the registration tax number must be noted on the invoice and shown separately.

Invoicing Instructions:

All approved project expenses are to exclude GST for the purposes of billing so it can be recalculated in the overall GST figure.

Invoices shall be addressed to:

Hydro One Networks Inc.
PO Box 4500, Concord,
Ontario, L4K 5E2
Attn: Accounts Payable

ATTACHMENT G
ACCEPTANCE PLAN AND CRITERIA

On or before the final due date of this Project, Supplier shall provide evidence of compliance with work product specification and functionality satisfactory to Client. The final due date of this Project shall be the Project Completion date set out in Appendix B of this document.

HYDRO ONE

PROJECT CHANGE REQUEST FORM

ATTACHMENT IV TO SCHEDULE 3.1(a)

PROJECT METHODOLOGY

This document contains confidential and proprietary information of Hydro One. It is furnished for evaluation purposes only. Except with the express prior written permission of Hydro One, this document and the information contained herein may not be published, disclosed or used for any other purpose.

TABLE OF CONTENTS

Page

1.0 INTRODUCTION 3

2.0 PROJECT CHANGE REQUEST FORM 3

1.0 INTRODUCTION

The purpose of this Attachment IV to Schedule 3.1(a) Project Methodology is to establish the form and templates for managing the Project Request process.

2.0 PROJECT CHANGE REQUEST FORM

Project Change Request for [insert SR# – insert Project Title]			
Request #	**Change Request #**	**Revised Project End Date**	**PO #**
SR #		**Month Day, Year**	**#**

Change Request Description - The purpose of this Change Request is to (check one or more): ☐ Change the In Service/Project End date(s) as described below. ☐ Expand the scope of work as described below. ☐ Increase the funding associated as described below. ☐ Decrease the scope (and funding) associated as described below. All other terms and conditions remain unchanged.				Old In Service Date Month Day, Year	New In Service Date Month Day, Year
Enhancements:					
ITMS #	Short Description	Effort (Hr)	Cost ($)		
	Total				
Severity 3/4 Problems:					
ITMS #	Short Description				
Supplier Changes:					
ITMS #	Short Description				

Business Unit	Application Owner
<e.g. Client ISD>	«AO»

Description of Change Request Requirements
Risks and Assumptions: If none, explicitly state “none”
NONE
Description of Change Request Deliverables and Schedule Summary
Compliance with Enterprise Technology Architecture and Suggestions for Improvements
Potential implications on SLA, infrastructure and ability to deliver service on an ongoing basis If none, explicitly state that.

Estimated Sustainment Impact: None If none, explicitly state "none"



Estimated Sustainment Impact

Insert detailed pricing table here in format shown below:

Phase	Project Role	Resource Name*	Rate Card	IM, AM or EUS	Skill Type**	Rate	Hours	Price

Total of this Change Request					
Original Value of PO($)					
Value of *Previous* Change Requests ($) (itemized list)					
New Total Value of PO ($)					

Changes to Supplier personnel and support staff shall require the Purchaser's approval. The Purchaser acting reasonably may request a change in individuals assigned to this project. Supplier shall accommodate such requests.

Submitted By		**Date Rcvd**
ISD Approval By		**Date**
ISD Manager Approval By		**Date**
Director, Enterprise IT Approval By		**Date**
Director, Corporate Projects Approval By		**Date**
CIO Approval By		**Date**

HYDRO ONE

REQUEST FOR PROPOSAL

SCHEDULE 3.1(B)

TRANSITION

TABLE OF CONTENTS

Page

1.0 TRANSITION 3

1.1 **General** 3
1.2 **Transition Services** 3

2.0 TRANSITION PLAN 4

2.1 **Transition Plan Description** 4
2.2 **Transition Project Plan** 6
2.3 **Transition Risk Management Plan** 7
2.4 **Transition Implementation** 7
2.5 **Transition Deliverable Acceptance** 8
2.6 **Contract Management** 8

3.0 TRANSITION MANAGEMENT 9

3.1 **Transition Managers and Transition PMO** 9
3.2 **Managing and Monitoring Transition** 9
3.3 **Reports** 10
3.4 **Meetings and Governance** 11
3.5 **Financial Considerations** 11
3.6 **Required Consents** 12

1.0 TRANSITION

1.1 General

(a) The activities required to transfer responsibility for the Services to the Supplier shall be completed in accordance with this Schedule.

(b) The following Attachments are attached to this Schedule and are hereby incorporated by reference:

(i) Attachment I (Transition Plan Description). This document is used by the Supplier to describe the Transition Plan methodology, timing, and other aspects of the Transition to allow Client to evaluate the Proposal; and

(ii) Attachment II (Transition Risk Management Plan). This document is used by the Supplier to describe the Transition risk management methodology and to list all known Transition risk and mitigation actions to allow Client to evaluate the Proposal.

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

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

1.2 Transition Services

Performing a smooth transfer of Services to Supplier so as to continue to meet Client business requirements in a way that minimizes unplanned business interruptions, including:

(a) Develop and implement the business processes as identified in the Transition Plan in the Agreement and each Statement of Work.

(b) Assign or provide novation of assigned contracts as defined in Exhibit 1 to each Statement of Work.

(c) Implement the invoicing and other financial provisions set out in Exhibit 3 to each Statement of Work.

(d) Complete any facilities moves and implementing agreed physical security requirements as identified in the Transition Plan.

(e) Implement the Governance model described in Schedule 9.1.

(f) Develop and implement required communications and organizational Change management plans, as well as the operational Change management processes required to implement the Transition Plan.

(g) Provide the program and project management associated with the above activities.

(h) Support the Client in the preparation of business readiness plans in the event that planned business interruptions extend beyond the scheduled outage period.

(i) Participate in Transition planning meetings with Client and other Suppliers in the development of an overall Transition plan, as requested by Client.

2.0 TRANSITION PLAN

2.1 **Transition Plan Description**

The Transition Plan description will identify the objectives, the scope, and all of the Transition tasks to be performed, the completion date for each Transition Milestone, the acceptance criteria to be applied by Client in evaluating Transition Deliverables, the allocation of responsibilities between the Parties, the specific resources to be provided by the Client and all other pertinent details. The Transition Plan will also describe what is out of scope for the Transition Project. The Transition Plan Description will show the required information for the Transition Project as a whole and separately and detailed for Client.

The Transition Plan description will include a thorough description of the following:

(a) The Supplier's overall methodology and approach to complete Transition, including the Transition phases and dates of the phases relative to the Effective Date and Commencement Date;

(b) The activities and the major Deliverables associated with Transition ("**Transition Deliverables**");

(c) The acceptance criteria relating to each of the Transition Deliverables ("**Transition Deliverable Acceptance Criteria**");

(d) The Milestone Deadlines related to each of the Transition Deliverables ("**Transition Milestones**");

(e) How the Supplier will work with the Previous Service Providers and other Third-Party Vendors in a manner that will facilitate a seamless transfer of service (and clearly identify the risks it envisages and how its solution and approach mitigates the impact of these risks);

(f) The roles and responsibilities of the Parties during the Transition period. For all tasks for which Supplier identifies Client Dependencies, Supplier

will describe the level of Client effort anticipated, including an estimate of resources needed (number of hours, by role or title, by activity, and by month).

(g) The methodology for knowledge transfer between the Previous Supplier, the Client and Supplier Personnel that will subsequently be responsible for the function, including:

(i) The detailed timing of knowledge transfer activities, including identifying the knowledge assets, defining the transfer approach, interview schedules, shadowing requirements, sequencing, dependencies, constraints, and so forth;

(ii) The methodology and timing for capturing/receiving knowledge assets, knowledge objects, documenting these assets and objects, and making them available to the Supplier Personnel and Client;

(iii) Details on the timing and method for the Supplier to report to Client the progress and completion of knowledge transfer;

(iv) The processes and methods the Supplier will use to help Client validate that a successful knowledge transfer has occurred such as specific exit criteria;

(v) The process for arranging incumbent skilled resources to participate in the knowledge transfer activities as may be required;

(vi) A detailed, quantitative description of the effort required by Third Parties and Client to support the knowledge transfer process by phase / week / month of the Transition;

(vii) The definition of skill profiles to which Supplier Personnel will comply and the proposed recruitment cycle, on-boarding, and training plan (if any);

(viii) The precise details on how Supplier will involve Client in any assignment and hiring processes for the selection and staffing decisions regarding Supplier Personnel in Key Positions;

(ix) The description of Software and tools to be deployed by Supplier to provide the Service, including any data loading or data migration activities required;

(x) The Supplier's description of how access to critical infrastructure will be restricted to authorized personnel;

(xi) The Supplier's description of how to handle insufficiently documented systems across all Statements of Work, including operational documentation;

(xii) The space required within Client Service Areas, by site, including the number of desks, conference rooms, and any special requirements;

(xiii) Necessary steps to define Supplier's description of change and release management, including allowances for testing and acceptance by Client;

(xiv) A list of key assumptions made by Supplier in building the plan, specifically highlighting Client Dependencies;

(xv) Indication that Supplier will not assume or rely on Client to dedicate any significant level of resources to the Transition unless expressly specified in the Transition Plan or the Agreement; and

(xvi) Supplier's description of the process for revising the Transition Plan, including provisions to allow Client to oversee the process.

(h) The Transition Plan shall explicitly make reference to the intended Supplier's use of any Software of Client, including anticipated seat usage volumes and integration activities. In the case of any required integration between Supplier and Client systems, the Transition Plan shall be explicit with regard to the cost of such integration effort and the anticipated support, involvement, and costs expected to be provided from Client.

(i) In developing or changing the Transition Plan, Supplier will not impose any additional obligations on Client, or change the Client Dependencies specified in the draft Transition Plan (including their timing), without Client's approval.

(j) Supplier will have responsibility for all costs associated with Supplier Personnel (including staff of any Supplier Subcontractors), Equipment, Software, or other resources required to execute and will manage the Transition Plan. Client shall only be responsible for the costs associated with Client Personnel participating in the Transition and only to the limit agreed by the Parties in the Transition Plan.

2.2 **Transition Project Plan**

(a) The Supplier will develop an MS Project compatible Project plan as part of the Transition Plan, which will detail the specific tasks and activities to be performed as part of the Transition, including the name of each task or activity, the start and stop dates, the required resources, the dependencies between tasks, and the completion percentage ("**Transition Project Plan**").

(b) The Supplier will consult with Client to add any Client tasks into the Transition Plan that are deemed necessary by the Parties to ensure a complete and integrated approach to Transition planning and project management.

(c) The Supplier will consult with Client to add into the Transition Plan any Third-Party Vendor activities that are related to a multi-supplier environment and that are deemed necessary by the Parties to ensure a complete and integrated approach to Transition planning and Project Management.

2.3 **Transition Risk Management Plan**

(a) Attachment II to Schedule 3.1(b) – Transition Risk Management Plan identifies potential risks, sets out a possible mitigation approaches, and identifies specific tasks the Supplier will undertake to help avoid identified risks connected with the Transition in order to provide for rapid recovery in case of any Incidents.

(b) In addition, Supplier will clearly identify and promptly report to the Client Responsible Executive (or his or her designee) any risks identified and those mitigations that Client is responsible for implementing.

(c) Supplier will maintain a Transition Risk Management Plan until all risk mitigation actions have been completed.

(d) Supplier will develop, for Client approval, contingency plans for each identified risk that appears to be manifesting an actual or potential problem and that is not yet sufficiently covered by the agreed Transition Risk Management Plan.

2.4 **Transition Implementation**

(a) Supplier will perform all functions and services necessary to accomplish the Transition of the Services and operations on or before the specified completion dates defined in Exhibit 2 to the applicable Statement of Work.

(b) Supplier will be responsible for the overall management of the Transition in accordance with the Transition Plan, as updated in accordance with this section or by agreement of the Parties, and will work to ensure the Transition is completed on schedule and to identify and resolve any problems encountered.

(c) Until completion of Transition, Supplier will, acting reasonably, update and develop the Transition Plan; including addressing the items specified in Section 1.2 of this Schedule and the impact of issues identified by either Party. Supplier will also make changes to the Transition Plan as reasonably

requested by Client from time to time and such changes will be incorporated via a formal change management process into the Transition Plan.

(d) Supplier and Client will each perform its respective tasks in accordance with the Transition Plan.

(e) Supplier will perform the Transition Services in a way that minimizes disruption to Client's business. In developing or changing the Transition Plan, Supplier will not impose any obligations on Client, or change Client Dependencies specified in the original Transition Plan (including their timing), without Client's approval.

2.5 **Transition Deliverable Acceptance**

(a) The Supplier will deliver each Transition Deliverable so it meets the associated Transition Deliverable Acceptance Criteria for acceptance by Client within the time frames described by the Transition Milestones.

(b) Client will perform an acceptance test (and Supplier will assist, as requested by Client). If the relevant Transition Deliverable or Service element fails to be accepted, then Client will provide Supplier with written details of why acceptance failed and at Client's discretion:

(i) Supplier will re-perform the relevant part of the Transition, and the acceptance will be repeated. If not passed or accepted, then Supplier will continue to re-perform the relevant part of the Transition until Client has provided acceptance of the Transition Deliverable.

(ii) Client may (in its discretion) accept any non-conforming Transition Deliverable or Service element, in which case Supplier will rectify the non-conformity as soon as practicable after acceptance (and the Transition acceptance test(s) will be repeated).

(iii) The Supplier will demonstrate to Client's reasonable satisfaction that the Supplier is ready, prior to the Commencement Date, to begin performing the Services.

(iv) Supplier will not commence performance of the Services (other than the Transition Services) until the Transition has been accepted (or Client Accepts the Services in accordance with Section 2.4(b)(ii)) where such approval shall not to be unreasonably withheld.

2.6 **Contract Management**

(a) The Supplier will provide a description of interim contract management procedures and a description of the responsibilities of both Parties for managing and administering the Agreement, including proposed Changes to the Agreement, interpretation procedures, issue escalation process,

disputes, and so forth, in line with those set forth in the Procedures Manual and in accordance with the terms of this Agreement.

3.0 TRANSITION MANAGEMENT

3.1 Transition Managers and Transition PMO

(a) Supplier will appoint a 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 of Transition ("**Supplier Transition Manager**").

(b) Supplier Transition Manager will be qualified in an industry-standard project management methodology (such as Prince2 or PMI), qualified in the Supplier's quality management system(s) and have detailed knowledge of the Agreement.

(c) Client will appoint a dedicated contact point for Transition ("**Client Transition Manager**").

(d) Both Parties will work to ensure that any Transition issues or disputes are resolved promptly in accordance with the "Transition issue escalation process" by the Supplier Transition Manager and the Client Transition Manager, and that any disputes that cannot be resolved will be escalated in accordance with the Internal Dispute Resolution Process.

(e) From not later than five (5) Business Days after the Effective Date until completion of Transition, Supplier will establish and provide a Transition project management office ("**Transition PMO**") led by the Supplier Transition Manager, with a Transition team sufficiently staffed and experienced to manage the Transition Services, perform and support the functions, processes, reporting, etc. described in the Transition PMO playbook. The Transition team will include representation from the Client, the incumbent supplier outbound Transition lead and other (new) suppliers as necessary.

(f) Preparing and distributing to the Transition team a Transition PMO playbook clearly identifying the processes, reporting, meeting timing and participants, Client committees and other information reasonably necessary for Transition.

(g) Supplier will implement and manage the elements described in the Transition PMO playbook and monitor adherence by stakeholders involved in the Transition.

3.2 Managing and Monitoring Transition

(a) Supplier will be responsible for managing, monitoring and implementing Transition, including:

(i) Proactively identify, monitor and manage any significant risks or issues in relation to Transition.

(ii) Further develop and update the Transition Risk Management Plan for risks identified through Transition.

(iii) Institute formal risk mitigation strategies.

(iv) Take appropriate preventive measures.

(v) Develop contingency plans for rapid recovery from actual or potential Incidents.

(b) Manage (including project managing), coordinating and planning all aspects of Transition (whether performed by Supplier, Client, or any Third Party).

(c) Monitor progress of all Transition tasks and responsibilities (whether the responsibility of Supplier, Client, or any Third Party) against the Transition Plan and promptly escalate to Client any failures (or potential failures) to perform any tasks or responsibilities, including failures by Client or Third Parties.

(d) Resolve any Incidents or problems that arise with respect to Transition.

(e) Define an escalation process to be used if there is a failure in any part or component of Transition.

(f) Establish, as soon as practicable, the necessary communications and interfaces between Supplier, the Client, the Client Personnel, other (new) suppliers and Third Parties performing services that will be replaced by the Services on the relevant Commencement Date.

(g) Where workshops are needed as a tool to deliver Transition, and to initiate, administer, and lead the workshops (including providing Client with advance notice of the timing, location, and proposed agenda for such workshops as appropriate).

(h) Supplier's management and implementation of Transition will be subject to Client's approval (not to be unreasonably withheld) using a formal operational change process, to be agreed for the Transition, and Client's reasonable directions. Client may, at its option, monitor, support, and otherwise participate in the Transition.

3.3 **Reports**

(a) In addition to any reports required by Exhibit 4 to the applicable Statement of Work or Common Exhibit 2.1, Supplier will provide Client with a detailed progress report weekly during Transition. This report will describe the following:

(i) An executive level summary of the Transition progress to date, including an updated summary project plan and project highlights;

(ii) An updated Gantt chart detailing the status of key Transition activities;

(iii) A listing of all Transition Deliverables and Transition Milestones, including acceptance status, the estimated time to completion, days overdue, Milestone Deadline, and actual completion date and comments, as well as a report identifying the status of all Transition Milestones (for example: red, amber, green);

(iv) A listing of all unresolved issues related to the execution of the Transition Plan, including those for which Client has primary responsibility, along with due dates, priority, responsible party, and an assessment of the potential and actual business impact and impact to the Transition Plan;

(v) Status of the any risks, including those identified in the Transition Risk Management Plan, as well as the steps being taken to mitigate such risks.

(b) During the Transition, Supplier will keep the Client governance team informed of the current status of the Transition Plan activities through reports, proactive discussions, and the proactive sharing of information.

(c) During the Transition, Supplier will prepare management status reports for key Client stakeholders (e.g., executive) and deliver the status updates to these stakeholders as requested by Client in accordance with the Governance process.

3.4 **Meetings and Governance**

(a) In addition to any governance meetings carried out in accordance with the Governance process, the Client Responsible Executive and the **[Supplier Account Executive]** (and their designees) will meet at least once every month until completion of the Transition in order to review the status of the Transition and take appropriate action.

(b) The Supplier and Client will meet on a weekly basis (or more frequently as required by Client) during Transition to review the status of Transition and to ensure that the objectives of Transition are being met.

3.5 **Financial Considerations**

(a) The Supplier is responsible for all costs associated with Supplier Personnel required to execute and manage the Transition Plan.

(b) Credits will be provided by the Supplier to Client in the event Supplier fails to achieve Transition Milestones that are classified as Critical Deliverables in Exhibit 2 to the applicable Statement of Work.

(c) The Supplier will provide a description of interim financial management procedures and a description of the responsibilities of both Parties for invoicing, invoice verification, charge back to business units, determining Resource Unit volume by bundle, asset management, asset transfers, forecasting, business unit support, and so forth, in line with those set forth in the Procedures Manual, Common Exhibit 4 and Schedule 16.1.

3.6 **Required Consents**

(a) Other than with respect to Client Assets which are addressed in s. 6.3 of the Agreement, Supplier will obtain all required consents (and pay any fees) necessary to complete the Transition, to perform the Services and for the transfer or right to use of any contracts, Equipment and Software, which are acquired by Supplier from Client or which Client makes available for Supplier to use in performing the Services.

(b) If a required consent cannot be obtained, Supplier will determine and adopt, subject to Client's prior written approval, alternative approaches that allow the Services to be performed without the required consents.

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT I TO SCHEDULE 3.1(B)

SUPPLIER TRANSITION PLAN DESCRIPTION

TABLE OF CONTENTS

Page

1.0 TRANSITION PLAN DESCRIPTION 3

1.0 TRANSITION PLAN DESCRIPTION

As part of the Agreement, Supplier will draft a Transition Plan Description following the guidelines in this Attachment and using the paragraph styles and formatting of this template MS Word document. This draft Transition Plan Description will form the basis of further evaluation and discussion regarding Supplier's approach and commercial proposition related to Transition and will become part of the Agreement prior to the Effective Date.

1.1 Outline

The **Transition Plan Description** will include a description of the following elements (in the order deemed appropriate by Supplier):

1.1.1 Supplier's overall methodology and approach to complete the Transition.

1.1.2 The Transition Services to be performed by Supplier using the Supplier methodology.

1.1.3 The major Deliverables that the Supplier will present to Client for acceptance, both as required by Client in the SOW and necessary for the effective transfer of each function, including:

1.1.3.1 The dates by which each critical Transition Service activity is to have been performed or each Deliverable is to be delivered – the Transition Milestones (in reference to the Effective Date and Commencement Date).

1.1.3.2 A Gantt chart or similar representation reflecting a high-level overview of the Supplier Transition Project Plan. As part of the RFP Response, Supplier will draft and present to Client a plan describing the activities, due dates, resources, interdependencies, and other characteristics necessary for Client to evaluate the merit and efficacy of the plan.

1.1.3.3 A process and set of standards acceptable to Client to which Supplier will adhere in the performance of the Transition Services and that will enable Client to determine whether Supplier has successfully completed the Transition Services and provided the Deliverables associated with the Transition Services in accordance with the Acceptance criteria specified in the Transition Plan.

1.1.3.4 For each major Deliverable, a description of the manner in which the Supplier will work with Client or existing Third-Party Vendors(s) to facilitate seamless transfer of the Service (and clearly identify the risks it envisages and how its solution and approach mitigates the impact of these risks).

1.1.4 The roles and responsibilities of the Parties during the Transition Period such that:

1.1.4.1 For all tasks for which Supplier identifies as Client responsibilities, Supplier will describe the level of Client effort anticipated, including an estimate of resources needed (number of hours, by skill, by activity, and by month).

1.1.4.2 Supplier will describe the space required within Client facilities, by Client premise location, including the number of desks, conference rooms, any special requirements, subject to Client's facility requirements.

1.1.4.3 The Transition Plan shall explicitly make reference to any intended Supplier use of any Client software, including anticipated seat usage volumes and integration activities. In the case of any required integration between Supplier and Client systems, the Transition Plan shall be explicit with regard to the cost of such integration effort and the anticipated support, involvement, and costs expected to be provided from Client.

1.1.5 Description of Supplier software and "tools" to be deployed by Supplier to provide the Service, including any data loading or data migration activities required.

1.1.6 The Security, Service continuity, recovery and contingency plan considerations, activities and Supplier commitments during Transition.

1.1.7 Supplier's description of how to handle insufficient documentation (e.g., process, procedures, work instructions).

1.1.8 Provisions concerning the oversight of the Transition processes to follow or supplement and enhance those found in Schedule 9.1 (Governance) and Schedule 3.1(B) Transition Plan.

1.1.9 Supplier's description of how Connectivity will be established between Client premises and Supplier premises as required for steady state operation, and the tasks which Supplier expects Client to perform in order to establish same.

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT II TO SCHEDULE 3.1(B)

TRANSITION RISK MANAGEMENT PLAN

TABLE OF CONTENTS

Page

1.0 RISK LOG 3
2.0 RISK MANAGEMENT FRAMEWORK 4

1.0 RISK LOG

Supplier will use the following template to document and describe the potential risks and mitigation actions necessary to manage those risks as part of the Agreement:

Ref #	Risk Description	Identified By	Date Identified	Existing Controls	Probability	Impact	Impact Description	Responsible Party	Risk Response	Action Plan	Contingency Plan
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											

2.0 RISK MANAGEMENT FRAMEWORK

1. Supplier will use the following risk management framework to help identify and categorize the potential impact and probability.

2. Supplier will use a "**Boston Squares Approach"** (see figure 1) to evaluate risk based on the potential business impact and the probability of its occurrence. Use of a common risk assessment and evaluation approach allows Client evaluators to provide objective and subjective assessments of Transition risk and helps both Parties ensure that:

   2.1. All risks are considered.

   2.2. Efforts around risk management are focused on the areas where there is the highest likelihood of influence for effort.

   2.3. Efforts around contingency planning are focused on the areas where contingencies are most required.

3. Business impact will be assessed as one of the following categories:

   3.1. LOW Impact = High likelihood of acceptance from all key stakeholder groups (employee, customers, vendors, and investors) with low technological risk (no technology or proven technology in use at Client)

   3.2. MEDIUM Impact = Questionable acceptance from one key stakeholder group (employees, customers, vendors, and investors) and/or medium technological risk (use of technology new to Client)

   3.3. HIGH Impact = Questionable acceptance from two or more key stakeholders (employees, customer, vendors, and investors) and/or high technological risk (emerging/unproven technology)

4. The probability of the risk occurring will be assesses as follows:

   4.1. LOW = Remote

   4.2. MEDIUM = Possible

   4.3. HIGH = Likely

5. After assessing the potential business impact and the probability of risk occurring, the Supplier will multiply the impact rating times the probability rating (Low = 3, Medium = 2, Low = 1) to determine the risk score. (For example : 3 x 3 = 9 indicates very high risk)

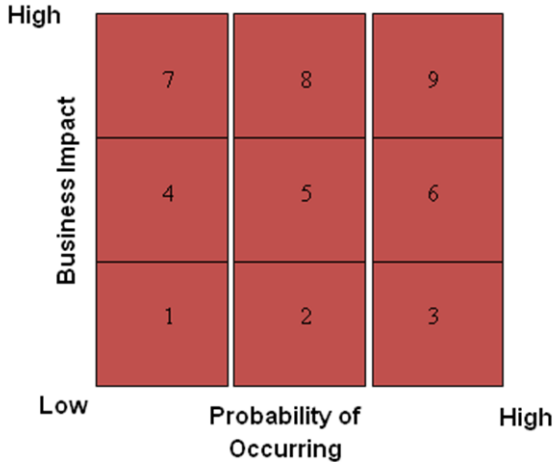

High
Business Impact
7
8
9
4
5
6
1
2
3
Low
Probability of Occurring
High

Figure 1

HYDRO ONE

REQUEST FOR PROPOSAL

SCHEDULE 3.1(C)

TRANSFORMATION METHODOLOGY

TABLE OF CONTENTS

Page

1.0 TRANSFORMATION 3

1.1 General 3

1.2 Transformation Services 3

2.0 TRANSFORMATION PLAN 4

2.1 General 4

2.2 Transformation Approach 4

2.3 Transformation Plan Description 5

2.4 Transformation Project Plan 7

2.5 Transformation Project Plan – Client Resourcing 8

2.6 Transformation Risk Management Plan 8

2.7 Transformation Implementation 8

2.8 Transformation Deliverable Acceptance 9

2.9 Contract Management 10

3.0 TRANSFORMATION MANAGEMENT 10

3.1 Transformation Managers and PMO 10

3.2 Managing and Monitoring Transformation 11

3.3 Reports 12

3.4 Meetings and Governance 12

1.0 TRANSFORMATION

1.1 General

(a) Transformation shall be completed in accordance with this Schedule. Transformation planning occurs shortly after Agreement signing, and occurs concurrently with Transition.

(b) The following Attachments are attached to this Schedule and are hereby incorporated by reference:

Attachment I to Schedule 3.1(c) – Transformation Plan Description. The Supplier will use this attachment to describe the Transformation Plan methodology, timing, and other aspects of the Transformation to allow Client to evaluate the Proposal.

Attachment II to Schedule 3.1(c) – Transformation Risk Management Plan. The Supplier will use this attachment to describe the Transformation Risk Management methodology and to list all known Transformation risk and mitigation actions to allow Client to evaluate the Proposal.

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

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

1.2 Transformation Services

(a) Supplier will perform the Transformation and implement the Transformation Plan in accordance with the timetable and Milestones set forth in the Transformation Plan (the "**Transformation Services**"), and Client will reasonably cooperate with Supplier to assist Supplier in implementing the Transformation Plan. Supplier will provide all cooperation and assistance reasonably required or requested by Client in connection with Client's evaluation or testing of the Deliverables resulting from implementation of the Transformation Plan.

(b) Supplier will implement the Transformation Plan in a manner that:

i. will not materially disrupt or have a material adverse impact on the business or operations of Client;

ii. will not degrade the Services then being received by Client; and

iii. will not interfere with Client' ability to obtain the full benefit of the Services, except as may be otherwise provided in the Transformation Plan.

2.0 TRANSFORMATION PLAN

2.1 General

(a) Supplier will submit, for Client acceptance, which acceptance will not be unreasonably withheld, an updated Transformation Plan (from the Transformation Plan draft provided by the Supplier to Client prior to the Effective Date as part of the Proposal). This Transformation Plan will include a Transformation Plan Description.

(b) Supplier will also submit a Transformation Risk Mitigation Plan, which will contain reasonable modifications to reflect a granular level of detail required carrying out and project manage the Transformation within the agreed timing.

(c) Intentionally omitted.

(d) The Supplier approach used to develop the Transformation Plan will address the following important Client Transformation requirements:

i. the Transformation must be realistic and achievable;

ii. there should be minimal dependencies on the Client for the success of the Transformation. The Supplier should take full responsibility for executing the Transformation Plan;

iii. the Transformation Plan should provide a proposed approach for successfully completing the Transformation and its component SOW and other Transformation initiative implementations within the proposed timelines;

iv. each SOW-specific Transformation Plan must identify any cross SOW and internal SOW dependencies and an analysis of risks and mitigation associated with these cross-SOW dependencies;

v. the Transformation Plan must minimize impact on the Services and maintain contracted Service Levels during the execution of the Transformation Plan;

vi. there must be a robust process for establishing and managing Transformation Plan Deliverables and Milestones; and

vii. The transition to sustainment for each Transformation initiative is defined.

2.2 Transformation Approach

(a) The Supplier has applied and will implement the following design principles in developing the approach for successfully implementing the Transformation:

i. Rapid implementation of the Transformation initiatives: Supplier's goal is to improve the current Services on an aggressive timeline to accelerate the value to the Client.

ii. Effective Transformation governance: The Supplier will form a joint governance structure with the Client to guide the Transformation initiatives to the achievement of the intended results.

iii. Organizational change management approach: The Supplier will conduct a formal organizational change management ("OCM") program that drives top-down management alignment and bottom-up employee engagement.

iv. "A" team leading the Transformation: The Supplier will deploy a dedicated and highly experienced Transformation team who have successfully delivered transformation of similar complexity, size and diversity to the Client program scale and scope. The "A" team will work with current Supplier delivery resources and provide mentorship, guidance and Supplier knowledge while executing the transformation.

v. Focus on sustained evolution of the Services: The endpoint of the Transformation initiatives is not the endpoint of Transformation. A major thrust of the transformation initiatives is to implement sustained continuous improvement and quality management.

2.3 **Transformation Plan Description**

(a) The Transformation Plan description will identify the objectives, the scope for all of the Transformation tasks to be performed, the completion date for each Transformation task, the Acceptance criteria to be applied by Client in evaluating Transformation Deliverables, the allocation of responsibilities between the Parties, the specific resources to be provided by the Client and all other pertinent details.

(b) The Transformation Plan will also describe what is out of scope for the Transformation project. The Transformation Plan description will show the required information for the Transformation project as a whole and separately and detailed for every Statement of Work and Site.

(c) The Transformation Plan description will include:

i. A management summary that includes a description of the Supplier's overall strategy, methodology and approach to complete the Transformation; the critical assumptions and dependencies on Client and

Third Parties; and the key measurable and commercial/business benefits of the proposed Transformation;

ii. A scope of work that describes the Transformation Services, including:

A. Establish the Transformation organization and responsibilities, including Client's and the Supplier's respective Transformation managers and Transformation team.

B. Describe major Deliverables the Supplier will deliver to Client for acceptance, including the dates by which each critical Transformation Service activity is to have been performed or each Deliverable is to be delivered ("**Transformation Milestones**") (in reference to the Effective Date and Commencement Date).

C. Provide a Gantt chart or similar representation reflecting a high-level overview of the Supplier Transformation Project Plan.

D. Describe a process and a set of standards, acceptable to Client and the Supplier, to which Supplier will adhere in the performance of the Transformation Services that will enable Client to determine whether Supplier has successfully completed the Transformation Services and provided the Transformation Deliverables in accordance with the acceptance criteria specified in the Transformation Plan.

E. For each major Deliverable, describe the manner Supplier will work with Client or the existing Third Party Vendors(s) in a manner that will ensure a seamless transfer of the Service (and clearly identify the risks it envisages and how its solution and approach mitigates the impact of these risks).

F. Describe the roles and responsibilities of the Parties during the Transformation period.

G. For all tasks for which Supplier identifies as Client Dependencies, describe the level of Client effort anticipated, including an estimate of resources needed (number of hours, by skill, by activity, and by month).

H. Indicate that Supplier will not assume or plan on Client dedicating any significant level of resources to the Transformation unless expressly specified in the Transformation Plan or the Agreement.

I. Describe the office space that Supplier will require within Client facilities, by Client premise location, including the number of desks, conference rooms, and any special requirements.

J. Provide a Transformation Plan that explicitly makes reference of any intended Supplier use of any Client's Software, including anticipated seat usage volumes and integration activities. In the case of any required integration between Supplier and Client systems, the Transformation Plan shall be explicit with regard to the cost of such integration effort and the anticipated support, involvement, and costs expected to be provided from Client.

K. Describe Supplier Software and tools to be deployed by Supplier to provide the Transformation Service, including any data loading or data migration activities required.

L. Describe the security, Service continuity, recovery and contingency plan considerations, activities, and Supplier commitments during Transformation.

M. Describe provisions concerning the oversight of the Transformation processes to follow or supplement and enhance those found in Schedule 3.1(b) (Transition) and Schedule 9.1 (Governance).

N. List and describe any key assumptions or assumptions upon which the Transformation was based and/or that the Transformation is dependent upon for completion, specifically highlighting Client Dependencies.

(d) During the development of or any subsequent changes to the Transformation Plan, Supplier will not impose any additional obligations on Client, or change the Client's Transformation obligations specified in the draft Transformation Plan (including their timing), without Client's approval.

(e) Supplier will have responsibility for all costs associated with Supplier Personnel (including staff of any Supplier Subcontractors), Equipment, Software, or other resources required to execute and manage the Transformation Plan. Client shall only be responsible for the costs associated with Client Personnel participating in the Transformation and only to the limit agreed by the Parties in the Transformation Plan.

(f) Client will assist the Supplier by providing input and recommendations and making decisions to support the Supplier's development and maintenance of the detailed Transformation Plan and associated documentation.

2.4 Transformation Project Plan

(a) Supplier will develop a MS Project compatible Project plan as part of the Transformation Plan, detailing the specific tasks and activities to be performed as part of the Transformation and will include the name of each task or activity, the

start and stop dates, the required resources, dependencies between tasks and percentage completion ("**Transformation Project Plan**").

(b) Supplier will consult with Client to add any Client tasks into the Transformation Plan deemed necessary by the Parties to ensure a complete and integrated approach to Transformation planning and project management.

(c) Supplier will consult with Client to add to the Transformation Plan any Third-Party Supplier activities related to a multi-supplier environment which are deemed necessary by the Parties to ensure a complete and integrated approach to Transformation planning and project management.

2.5 **Transformation Project Plan – Client Resourcing**

As part of the detailed planning preceding each Transformation initiative, Supplier will identify if applicable the Client resources, roles and hours included in the Transformation Project Plan.

2.6 **Transformation Risk Management Plan**

(a) Attachment II to Schedule 3.1(c) –Transformation Risk Management Plan identifies potential risks, sets out possible mitigation approaches, and identifies specific tasks the Supplier will undertake to help avoid identified risks connected with the Transformation and to provide for rapid recovery in case of any Incidents. In addition, Supplier will clearly identify and promptly report to Client Account Executive (or his or her designee) any risks identified and those mitigations that Client is responsible for implementing. Supplier will maintain a risk mitigation Plan until all risk mitigation actions have been completed.

(b) Supplier will develop, for Client approval, contingency plans for each identified risk that appears to be manifesting an actual or potential problem and that is not yet sufficiently covered by the agreed risk management plan.

(c) Prior to beginning the Transformation activity, Supplier will discuss with Client all known Client-specific material risks and will not proceed with such activity until Client is reasonably satisfied with the risk mitigation plans with regard to such risks.

2.7 **Transformation Implementation**

(a) Supplier will perform all functions and Services necessary to accomplish the Transformation of the Services and operations on or before the specified completion dates.

(b) Supplier will be responsible for the overall management of the Transformation in accordance with the Transformation Plan, as updated in accordance with this

section or by agreement of the Parties, and will use diligent efforts to keep the Transformation on schedule and to identify and resolve any problems encountered in order to ensure the timely completion of each task.

(c) Until completion of Transformation, Supplier will, acting reasonably, update and develop the Transformation Plan, including addressing the items specified in section 1.2 and the impact of issues identified by either Party. Supplier will also make changes to the Transformation Plan as reasonably requested by Client from time to time and such changes will be incorporated by means of the Project Change Process or the Change and New Service Procedure, or both of processes, to the extend each process is applicable.

(d) Supplier will perform its tasks in accordance with the Transformation Plan.

(e) Supplier will perform the Transformation Services in a way that minimizes disruption to Client's business.

(f) In developing or changing the Transformation Plan, Supplier will not impose any additional obligations on Client, or change Client Dependencies specified in the original Transformation Plan (including their timing), without Client's approval.

(g) The following will be Client Dependencies for the purposes of the Transformation Plan:

i. Client will be responsible to serve as the interface between the Transformation team and Client's business functions, units, or Affiliates participating in the Transformation to define Client's business and technical requirements for Transformation and to validate that the Transformation Plan meets such requirements.

ii. Client will be responsible to obtain and provide current information, data and documentation related to the Transformation, and decisions and approvals, within the agreed time period, which will be generally be within five (5) Business Days of Supplier's request, unless otherwise mutually agreed.

iii. Client will be responsible to assist Supplier in identifying, addressing, and resolving deviations from the Transformation Plan and any business and/or technical issues that may impact the Transformation.

iv. Client will be responsible to develop the Transformation meetings' schedule (planning, review and status) with Supplier, including the frequency and location, and attend such meetings in accordance with the established schedule.

2.8 **Transformation Deliverable Acceptance**

Supplier responsibilities will include:

(a) Deliver each Transformation Deliverable so it meets the associated Transformation Deliverable Criteria for acceptance by Client within the time frames described by the Transformation Milestones.

(b) Assist Client in performing an acceptance test (as requested by Client). If the relevant Transformation Deliverable or Service element fails to be accepted, then Client will provide Supplier with written details of why acceptance failed and will, at Client's discretion re-perform the relevant part of the Transformation so the acceptance tests can be repeated. If not passed or accepted by Client, then Supplier will continue to re-perform the relevant part of the Transformation until Client has provided acceptance of the Transformation Deliverable.

(c) Client may (in its discretion) accept any non-conforming Transformation Deliverable or Service element, in which case Supplier will rectify the non-conformity as soon as practicable after Acceptance (and the Transformation tests will be repeated).

(d) Demonstrate to Client's reasonable satisfaction that it is ready, prior to the release date, to begin performing the Services in the transformed environment.

2.9 Contract Management

Transformation will be jointly managed according to the jointly developed and Client-approved processes identified in the Procedures Manual and in accordance with the terms of this Agreement.

3.0 TRANSFORMATION MANAGEMENT

3.1 Transformation Managers and PMO

(a) Supplier will appoint a senior project manager who will have overall responsibility for the management, performance, and delivery of Transformation and who will be a dedicated escalation point of contact for Client in respect of Transformation ("**Supplier Transformation Manager**").

(b) Supplier Transformation Manager will be qualified in an industry-standard project management methodology (such as Prince2 or PMI), qualified in the Supplier's project management methodology and quality management systems, and have detailed knowledge of the Agreement.

(c) Client will appoint a dedicated contact point for Transformation ("**Client Transformation Manager**").

(d) Both Parties will use commercially reasonable efforts to ensure that any Transformation issues or disputes are resolved promptly by the Supplier Transformation Manager and the Client Transformation Manager, and that any issues that cannot be resolved will be escalated in accordance with the Internal Dispute Resolution Process.

(e) From not later than five (5) Business Days after the Effective Date until the completion of Transformation, Supplier will establish and provide a Transformation project office led by the Supplier Transformation Manager, with a Transformation team sufficiently staffed and experienced to manage the Transformation Services.

3.2 **Managing and Monitoring Transformation**

(a) Supplier will be responsible for managing, monitoring, and implementing Transformation, including:

i. Proactively identify, monitor, and manage any significant risks or issues in relation to Transformation:

A. Further develop the risk mitigation plan for risks identified through Transformation.

B. Institute formal risk mitigation strategies.

C. Take appropriate preventive measures.

D. Develop contingency plans for rapid recovery from actual or potential Incidents.

ii. Manage (and project manage), co-ordinate, and plan all aspects of Transformation (whether performed by Supplier, Client or any third party).

iii. Monitor progress of all Transformation tasks and responsibilities (whether the responsibility of Supplier, Client or any third party) against the Transformation Plan and promptly escalate to Client any failures (or potential failures) to perform any tasks or responsibilities, including failures by Client or third parties.

iv. Resolve any Incidents or problems arising with respect to Transformation.

v. Define an escalation process to be used if there is a failure in any part or component of Transformation.

vi. Establish as soon as practicable, the necessary communications and interfaces between Supplier, the Client Personnel, and third parties performing services that will be replaced by the Services on the relevant Commencement Date.

vii. Where workshops are needed as a tool to deliver Transformation, initiate, administer and lead the workshops (including providing Client with advance notice of the timing, location, and proposed agenda for such workshops as appropriate).

(b) Supplier's management and implementation of Transformation will be subject to Client's approval (not to be unreasonably withheld) using a formal operational change process to be agreed for the Transformation and Client's reasonable directions. Client may, at its option, monitor, support, and otherwise participate in the Transformation.

3.3 **Reports**

In addition to any reports required by Exhibit 4 to the applicable SOW and Common Exhibit 2.1, Supplier will provide Client during Transformation with a detailed weekly progress report that describes the following:

(a) An executive-level summary of the Transformation progress to date, including an updated summary project plan and project highlights;

(b) An updated Gantt chart detailing the status of key Transformation activities;

(c) A listing of all Transformation Deliverables and Transformation Milestones, including acceptance status, estimated time to completion, days overdue, planned completion date, actual completion date and comments, and a report identifying the status of all Transformation Milestones (red, amber, green);

(d) A listing of all unresolved issues related to the execution of the Transformation Plan, including those for which Client has primary responsibility, along with due dates, priority, responsible party, and an assessment of the potential and actual business impact and the impact to the Transformation Plan;

(e) Status of the any risks, including those identified in the Transformation risk management plan, and the steps being taken to mitigate such risks.

During Transformation, Supplier will keep the Client governance team informed of the current status of the Transformation Plan activities through reports, proactive discussions, and the proactive sharing of information.

3.4 **Meetings and Governance**

In addition to any governance meetings described in Schedule 9.1 (Governance), the Client Responsible Executive and the Supplier Account Executive (and their designees) will meet at least once every month until completion of the Transformation in order to review the status of the Transformation and take appropriate action.

Supplier Transformation Manager and Client Transformation Manager will meet on a weekly basis (or more frequently as required by Client) during Transformation to review the status of Transformation and to ensure that the objectives of Transformation are being met.

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT I TO SCHEDULE 3.1(B)

SUPPLIER TRANSITION PLAN DESCRIPTION

TABLE OF CONTENTS

Page

1.0 TRANSITION PLAN DESCRIPTION 3

1.0 TRANSITION PLAN DESCRIPTION

As part of the Agreement, Supplier will draft a Transition Plan Description following the guidelines in this Attachment and using the paragraph styles and formatting of this template MS Word document. This draft Transition Plan Description will form the basis of further evaluation and discussion regarding Supplier's approach and commercial proposition related to Transition and will become part of the Agreement prior to the Effective Date.

1.1 Outline

The **Transition Plan Description** will include a description of the following elements (in the order deemed appropriate by Supplier):

1.1.1 Supplier's overall methodology and approach to complete the Transition.

1.1.2 The Transition Services to be performed by Supplier using the Supplier methodology.

1.1.3 The major Deliverables that the Supplier will present to Client for acceptance, both as required by Client in the SOW and necessary for the effective transfer of each function, including:

1.1.3.1 The dates by which each critical Transition Service activity is to have been performed or each Deliverable is to be delivered – the Transition Milestones (in reference to the Effective Date and Commencement Date).

1.1.3.2 A Gantt chart or similar representation reflecting a high-level overview of the Supplier Transition Project Plan. As part of the RFP Response, Supplier will draft and present to Client a plan describing the activities, due dates, resources, interdependencies, and other characteristics necessary for Client to evaluate the merit and efficacy of the plan.

1.1.3.3 A process and set of standards acceptable to Client to which Supplier will adhere in the performance of the Transition Services and that will enable Client to determine whether Supplier has successfully completed the Transition Services and provided the Deliverables associated with the Transition Services in accordance with the Acceptance criteria specified in the Transition Plan.

1.1.3.4 For each major Deliverable, a description of the manner in which the Supplier will work with Client or existing Third-Party Vendors(s) to facilitate seamless transfer of the Service (and clearly identify the risks it envisages and how its solution and approach mitigates the impact of these risks).

1.1.4 The roles and responsibilities of the Parties during the Transition Period such that:

1.1.4.1 For all tasks for which Supplier identifies as Client responsibilities, Supplier will describe the level of Client effort anticipated, including an estimate of resources needed (number of hours, by skill, by activity, and by month).

1.1.4.2 Supplier will describe the space required within Client facilities, by Client premise location, including the number of desks, conference rooms, any special requirements, subject to Client's facility requirements.

1.1.4.3 The Transition Plan shall explicitly make reference to any intended Supplier use of any Client software, including anticipated seat usage volumes and integration activities. In the case of any required integration between Supplier and Client systems, the Transition Plan shall be explicit with regard to the cost of such integration effort and the anticipated support, involvement, and costs expected to be provided from Client.

1.1.5 Description of Supplier software and "tools" to be deployed by Supplier to provide the Service, including any data loading or data migration activities required.

1.1.6 The Security, Service continuity, recovery and contingency plan considerations, activities and Supplier commitments during Transition.

1.1.7 Supplier's description of how to handle insufficient documentation (e.g., process, procedures, work instructions).

1.1.8 Provisions concerning the oversight of the Transition processes to follow or supplement and enhance those found in Schedule 9.1 (Governance) and Schedule 3.1(B) Transition Plan.

1.1.9 Supplier's description of how Connectivity will be established between Client premises and Supplier premises as required for steady state operation, and the tasks which Supplier expects Client to perform in order to establish same.

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT II TO SCHEDULE 3.1(C)

TRANSFORMATION RISK MANAGEMENT PLAN

TABLE OF CONTENTS

1.0 TRANSFORMATION RISK LOG 3

2.0 RISK MANAGEMENT FRAMEWORK 3

1.0 TRANSFORMATION RISK LOG

Supplier will use the following template to document and describe the potential risks and mitigation actions necessary to manage those risks as part of the Agreement:

Ref #	Risk Description	Identified By	*Date Identified*	Existing Controls	Probability	Impact	Impact Description	Responsible Party	Risk Response	Action Plan	Contingency Plan
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
Add lines as needed											

2.0 RISK MANAGEMENT FRAMEWORK

Supplier will describe the risk management framework and processes that the Supplier will use to manage the Transformation risks, including a description of how probability and impact are determined, how risks are tracked and managed, and so forth.

HYDRO ONE

REQUEST FOR PROPOSAL

SCHEDULE 4.8

PROCEDURES MANUAL OUTLINE

TABLE OF CONTENTS

Page

1.0 INTRODUCTION 4

2.0 GENERAL REQUIREMENTS 4

3.0 OPERATIONS PROCEDURE MANUAL CREATION AND UPDATES 5

4.0 OPERATIONS PROCEDURE MANUAL CONTENT 6

5.0 FORM AND CONTENT EXAMPLE FOR THE OPERATIONS PROCEDURE MANUAL 11

1.0 INTRODUCTION

The purpose of this Schedule is to provide an outline for the Procedures Manual and to further define its content.

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:

2.0 GENERAL REQUIREMENTS

The Procedures Manual for each Statement of Work will provide a detailed description of the Services, the manner in which each will be performed, the methods that Supplier will use to deliver the Services, and the materials used for training Supplier's staff on the Services, methods, procedures, etc., including:

2.1 equipment, software, networks, websites and systems being used;

2.2 a list, with contact information, of suppliers, contractors and subcontractors;

2.3 comprehensive documentation (e.g., operations manuals, user guides, specifications, work instructions, training manuals, disaster recovery plans, Client business continuity plans) or references to the location (which Client can access and make available, both during and after the Term) of such documentation, providing further details of the activities regarding such Service;

2.4 the specific procedures and, at Client's request, activities Supplier undertakes in connection with each Service, including the direction, monitoring, reporting, planning, logs and record retention, and oversight activities performed by Supplier under this Agreement;

2.5 the processes, process tracking, methodologies, flow charts, schematics and non-financial controls (e.g., access, security, background checking, data protection) and communications processes and methods used by Supplier to meet its obligations in this Agreement;

2.6 descriptions of the checkpoint reviews, testing, acceptance testing, quality assurance and other procedures to confirm the quality of Supplier's performance approved by Client, Supplier's problem management, escalation procedures, call lists and the other standards and procedures of Supplier pertinent to Client's interaction and communication with Supplier.

The Procedures Manual will be suitable for use by Client to understand the Services. Supplier will ensure that the Procedures Manual is of a standard and quality that is consistent with global best practices.

The Procedures Manual will be provided in an agreed electronic format and fully usable and capable of modification by Client. During the Term, the Procedures Manual will be stored in this electronic format in a mutually agreed upon site accessible by Client and Supplier. Such site shall support the ability of Client to download the Procedures Manual in whole or part. Supplier will maintain version control of the Procedures Manual to ensure the most current version is being used.

After the Effective Date, Supplier will deliver a draft of the Procedures Manual to Client for Client's comments and review as per SOW Exhibit 2, Attachment A ("Critical Deliverables").

Supplier will continually update the Procedures Manual, to reflect changes in business process, technology, or other content, but not less than every Contract Year. The updated Procedures Manual will be provided to Client each Contract Year on the anniversary of Effective Date, for Client's comments, review, and approval consistent with the initial approval process. On at least an annual basis Supplier will facilitate joint service and operations procedures knowledge sharing workshops with Client in accordance with the Client governance process to ensure that the Procedures Manual and its contents are well understood and are suitable for the purposes of both Parties.

3.0 OPERATIONS PROCEDURE MANUAL CREATION AND UPDATES

The table in Section 4 below sets out a table of contents and description of Services to be used as a guide in preparing the Procedures Manual and adding information to existing operations procedures manuals. Client and Supplier may agree to make changes to the form and content of this Chart.

Without limiting Section 2 of this Schedule, Supplier shall:

3.1 Incorporate into the Procedures Manual and continuously update all relevant business processes, interfaces between Client and Supplier including hand-offs between the Parties, operating procedures, desk procedures, applicable standards, policies and requirements employed by Supplier in providing the Services, including:

3.1.1 existing approved policies, procedures and data collected from Client; and new policies, procedures and data, subject to Client approval, required for the operation and governance of the Agreement;

3.2 Updates and changes to Procedures Manual shall be identifiable and tracked using appropriate version control. Changes made to underlying services, processes, methodologies and policies described in the Procedures Manual shall be controlled, managed and approved in accordance with the Change and New Service Procedures in the Agreement. Without limiting the generality of the foregoing, deletion of obsolete policies, procedures and data approved by Client shall be logged with the date.

4.0 OPERATIONS PROCEDURE MANUAL CONTENT

Content		Brief Description
1. DOCUMENT CONTROL		
	(a) General Section (b) Preface (c) Purpose of this Document (d) How the Document is Organized (e) Overview of the Review and Approval Process (f) How to Submit Comments or Suggestions Regarding Changes to the Content	• Summary of changes including revision number, revision date, author/reviser – nature of change, date approved, effective date. • List of document or document section change reviewers and approvers including title, name and contact information. • Document review plans and or schedule. • Location of the most current and historical versions of the document. • Document distribution and notification. • vi) Document classification (e.g., Client IP)
2. SERVICES OVERVIEW		
	(a) Mapping Agreement Requirements (e.g., SOW, ID) to the Section Name and procedures in this Document	• Linkage between the requirements made in the SOW and this manual. Includes Agreement reference number, summary of requirement,

Content		Brief Description
		corresponding section number/name in this document • Shows the relationship between the SOW and the procedures used in this document that pertain to those services. Includes Agreement reference number (e.g. ID) , corresponding section number/name in this document
4. KEY CONTACT INFORMATION		
	(a) Key Contact Information - Supplier	• List of contacts within Supplier that are key to the delivery or management of Services delivered to Client.
	(b) Key Contact Information – Client	• List of contacts within Client that are key users of the Services and/or perform a liaison function in regard to the Services.
	(c) Key Contact Information – Third Parties	• List of key Third Party Vendors contacts.
6. ASSET MANAGEMENT		
	(a) General Description (b) Scope (c) Objectives (d) High Level Interface Flow and Narrative (e) Supplier Roles and Responsibilities (f) Client Roles and Responsibilities	• Overview description of the services and interfaces related to Assets management. (e.g., asset tracking, wall-to-wall inventory, physical inventory)
7. CONTRACT MANAGEMENT ROCEDURES		
	(a) Contract Change Management	• Procedures regarding amendments to the Agreement, including amendments to any Schedule.

Content		Brief Description
		• Content should include notification period and process, authority levels, and escalation procedures for amendments.
	(b) Supplier Key Personnel and Subcontractors	• Procedures for Client approval regarding replacement or removal of Supplier Personnel in Key Positions and Supplier Subcontractors in compliance with the Agreement.
	(c) Issue Escalation, Internal Dispute Resolution, External Mediation	• Description of the procedures regarding to issue escalation Internal Dispute Resolution Process and external mediation set forth in the Agreement. May reference the Procedures Manual.
	(d) Other relevant procedures	• Other procedures required to deliver the Services as mutually agreed to by the Parties.
8. PERFORMANCE MANAGEMENT PROCEDURES	Ongoing, "steady state" procedures and policies, including information on coordination activities, responsibilities of each Party (by title/function).	
	(a) Performance Monitoring and Reporting Procedures	• Procedures Supplier will use to verify Service delivery on a day to day basis, including reporting to Client.
	(b) Incident Management and Escalation Procedures	• Procedures Supplier will use to identify Incidents, report and resolve Incidents, and escalate as necessary within Supplier organization and/or Client.
	(c) Problem and Root Cause Analysis Procedures	• Procedures Supplier will use to proactively identify problems from operational and Incident trends, determine root cause of problems, including involvement of (and/or support to) applicable third parties or Client.

Content		Brief Description
	(d) Service Level Measurement and Reporting Procedures	• Procedures Supplier will use to measure and report Service Levels (e.g., CPI, KPI and GPI Service Levels) to Client.
	(e) Project Management Procedures	• Description of the methodology and procedures Supplier will use to manage and report on Projects.
	(f) Physical Access & Security Procedures	• Physical access and security procedures Supplier will use at Supplier Sites from which Services are provided.
	(g) Network Access & Security Procedures	• Network access and security procedures to which Supplier will adhere.
	(h) Disaster Recovery and Business Continuity Procedures	• Procedures Supplier will use in regard to disaster recovery and business continuity developed in accordance with the requirements specified in Article 10 of the Agreement. (Supplier may reference other documents containing comprehensive procedures, but should provide general overview within the Procedures Manual.)
	(i) Other relevant procedures	• Description of any other procedures required to deliver the Services as agreed to by the Parties.
9. Supplier OPERATIONAL PROCEDURES	Ongoing, "steady state" procedures and policies, including information on coordination activities, responsibilities of each Party (by title/function).	
	(a) Operational Procedures	• Full documentation and description of business processes, activities, and procedures, that Supplier undertakes in order to provide the Services, including screen shots of applications used to

Content		Brief Description
		process transactions, desk procedures for performing the Services. • Note this content applies to all Services within the SOWs.
	(b) Regulatory Compliance Procedures	• Supplier's processes, procedures and methodologies utilized to ensure compliance with Client's and other applicable regulatory policies and requirements pertaining to the delivery of Services.
	(c) Change Management and Acceptance Procedures	• Procedures that the Supplier will use to plan, review, and execute change, including interfacing with Client Change management procedures. Acceptance procedures for Changes planned for implementation including acceptance criteria, acceptance testing and exit procedures in the event of a failure of acceptance testing.
	(d) Ad Hoc Services Request Process	• Procedures to be followed for the request and approval of Changes and other ad hoc requests including points of interaction between Supplier and Client and appropriate levels of approval.
	(e) Quality Assurance Procedures	• Supplier's quality management procedures relating to the provision of the Services including the checkpoint reviews, testing and acceptance procedures.
	(f) Information Security Controls Procedures	• Detailed data, network and physical access requirements provided by Client and procedures that will define the security controls that Supplier will implement as part of the Services.

Content		Brief Description
	(g) 3rd Party Vendor Operational (Handshake) Protocols	• Detailed Procedures describing how the Supplier manages operational procedures and protocols with Third Party Vendors.
	(h) Training Procedures	• Full documentation and description of processes, activities, and procedures, that Supplier undertakes to train Supplier staff on the Services, methods, etc. • This content includes the procedures and methods for confirming the training was successfully delivered and the staff adequately trained. • Note this content applies to all Services within the SOWs.

5.0 FORM AND CONTENT EXAMPLE FOR THE OPERATIONS PROCEDURE MANUAL

The following is an example of the form and content which will be included for each process in the Procedures Manual.

5.1 Description – a description of the process (e.g., Help One, Data Center, Reporting, In-bound Call Handling, Collections, Cross-functional) including references to the Supplier obligations and responsibilities in the Agreement.

5.2 Scope – an outline of the Suppliers key functions and or activities (e.g., single point of contact, resolves calls).

5.3 Objectives – a breakdown of the key objectives of the process.

5.4 Supplier Roles and Responsibilities for each role involved in the process (e.g., in-bound call agent, 1st level escalation, 2nd level)

5.5 Client Roles and Responsibilities within respect to each role identified in the Agreement.

5.6 High-level Interface Flow and Narrative – Process flow and narrative that illustrates the interfaces between Client and Supplier roles.

5.7 Policies – identification of the policies that govern the process, procedures and activities reference to the specific policy in Common Exhibit 3 to each applicable Statement of Work (e.g., data protection and privacy).

5.8 Interface Information – describes both Client initiated interfaces with Supplier and Supplier-initiated interfaces with Client associated with this process.

HYDRO ONE

REQUEST FOR PROPOSAL

SCHEDULE 4.11

SUPPLIER RECIPROCAL NDA

TABLE OF CONTENTS

1.0 INTRODUCTION 3

2.0 SUPPLIER RECIPROCAL NON-DISCLOSURE AGREEMENT 3

1.0 INTRODUCTION

The purpose of this Schedule 4.11 Supplier Reciprocal NDA is to establish the form and template for the Supplier Reciprocal Non-Disclosure Agreement.

2.0 SUPPLIER RECIPROCAL NON-DISCLOSURE AGREEMENT

•

NON-DISCLOSURE AGREEMENT

This Agreement made this _____ day of _____, ____ between Capgemini Canada Inc. having offices at 1660 Tech Avenue, Unit 3A, Mississauga, ON, L4W 5S7 ("Supplier") and _____, having its principle place of business at _____ ("Recipient").

WHEREAS Supplier is in the business of providing proprietary software, documentation, or services to its customers; and

WHEREAS Supplier has agreed to provide certain services and associated deliverables (collectively, the "Supplier Services") to Hydro One Networks Inc. ("Client"); and

WHEREAS Recipient has agreed to provide certain services or deliverables (collectively, the "Recipient Services") to Client; and

WHEREAS Supplier, Client or any of their affiliates will disclose to Recipient proprietary information of Supplier pertaining to the Supplier Services and Recipient may disclose to Supplier or any of its affiliates proprietary information of Recipient (such proprietary information, the "Proprietary Information") for the sole purpose of Recipient performing the Recipient Services for Client or Supplier performing the Supplier Services for Client (the "Purpose").

(A) Supplier and Recipient acknowledge and agree that each party's Proprietary Information will be held in strict confidence by the other party, its officers, employees, subcontractors, and agents and that such items will not be copied or reproduced, either in whole or in part by any method whatsoever other than as necessary to fulfil the applicable Purpose. The party in receipt of the other party's Proprietary Information will not, directly or indirectly, disclose, allow access to, transmit, transfer, or otherwise make available to any person for any use whatsoever, any such Proprietary Information, other than to a person who: (a) is an officer, director, employee, subcontractor, or agent of the receiving party; (b) has a need to know such Proprietary Information to facilitate the fulfillment of the applicable Purpose; and (c) is bound by obligations of confidentiality to the receiving party that prohibit the use or disclosure of such Proprietary Information on terms that are consistent with the terms of this Non-Disclosure Agreement. Supplier and Recipient will promptly notify the other party in writing in the event of a loss or unauthorized use or disclosure of any Proprietary Information of the other party.

(B) Supplier and Recipient agree to use the other party's Proprietary Information solely to fulfill the applicable Purpose and it will not, either directly or indirectly, use such Proprietary Information for any other reason or in any other manner.

(C) The parties agree that no restriction or obligation hereunder is made upon the receiving party when any Proprietary Information of the other party shall (i) have been in the receiving party's lawful possession prior to disclosure by the other party, (ii) have become part of the public domain through no fault of the receiving party or Client, (iii) have been developed subsequent to,

and independent of, disclosure by the other party, or (iv) have been released in writing by the other party so that the receiving party may make public disclosure, or is otherwise deemed by the other party to no longer be confidential.

(D) If so requested by the other party and the Proprietary Information of the other party is no longer required to fulfil the applicable Purpose, the receiving party will deliver up or destroy the Proprietary Information of the other party and so certify to the other party in writing.

(E) The obligations set forth herein with respect to the Proprietary Information shall be perpetual.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Non-Disclosure Agreement on the date and year first written above.

Accepted by:	Accepted by:
●	**Capgemini Canada Inc.**
Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

HYDRO ONE

SCHEDULE 5.1

SERVICE LEVEL METHODOLOGY

This document contains confidential and proprietary information of Hydro One. It is furnished for evaluation purposes only. Except with the express prior written permission of Hydro One, this document and the information contained herein may not be published, disclosed or used for any other purpose.

TABLE OF CONTENTS

Page

1.0 GENERAL 3

2.0 SOW-SPECIFIC SERVICE LEVEL EXHIBITS 5

3.0 SERVICE LEVEL FRAMEWORK 5

4.0 REPORTING 8

5.0 SERVICE LEVEL DEFAULT 10

6.0 EXCEPTIONS 12

7.0 EARNBACK 12

8.0 CHANGES TO SERVICE LEVELS 13

9.0 CRITICAL DELIVERABLES 16

1.0 GENERAL

1.1 The Agreement includes as one of its objectives having commercially relevant Service Levels relevant to Client's business.

1.2 The Service Level Performance Measures Schedule and their targets that are described in Exhibit 2 to each Statement of Work have been specifically designed to support Client's Service Level Agreement(s).

1.3 The methodology set out in this Schedule shall support the Service Level management cycle of agreeing, monitoring, reporting, and improving the delivery of the Services to Client.

1.4 As of the Commencement Date (or as otherwise specified in this Schedule and Exhibit 2 to each Statement of Work), Supplier shall perform the Services to which Service Levels apply so that in each month of the Term, its performance meets or exceeds the Expected Service Level Targets.

1.5 The achievement of the Service Levels by Supplier may require the coordinated, collaborative effort of Supplier with other Third Parties. Supplier shall provide a Single Point of Contact (SPOC) for the prompt resolution of all problems and all failures to provide high-quality Services to Client, regardless of whether the reason for such problems, or failure to provide high-quality Services to Client, was caused by Supplier.

1.6 Whenever used in this Schedule, capitalized terms used shall have the meanings given to them in Section 1 of the Agreement, and the following words and terms shall have the following meanings:

"**Critical Deliverables**" means those deliverables performed on a one-time or periodic basis, for which a Deliverable Credit may be payable in accordance with Exhibit 2 to the SOW. Critical Deliverables are identified in Exhibit 2 to the SOW. Critical Deliverables are not Critical Service Levels.

"**Critical Deliverable Credits**" means the monetary amount(s) that the Supplier shall credit to Client against Monthly Service Charge in the event of a failure to achieve a Critical Deliverable as specified in Exhibit 2 to the SOW.

"**Critical Service Level**" means those Service Levels established under Exhibit 2 to the SOW for which a Service Level Credit may be payable. Critical Service Levels are identified in Exhibit 2 to the SOW as "Critical Service Levels" and are described in Exhibit 2 to the SOW.

"**Earnback**" means the ability of Supplier to recover a Service Credit as described in Section 7 of Schedule 5.1.

"**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.

"**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 to the SOW.

"**Measurement Methodology**" means the tools, processes, procedures and documentation thereof required to measure, validate, and report performance relative to Service Levels.

"**Measurement Period**" means monthly or an alternative period of time as expressly stated in an individual Service Level in Exhibit 2 to the SOW.

"**Minimum Service Level Default**" means in respect of each Critical Service Level or Key Measurement that Supplier Service Level Performance for a specific Service Level fails to meet the applicable Minimum Service Level Target.

"**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.

"**Root Cause**" means the underlying or original cause of an Incident or Problem.

"**Root-Cause Analysis (RCA)**" means an activity that identifies the Root Cause of an Incident or Problem. RCA typically concentrates on IT Infrastructure failures.

"**Service Level Credit**" means an amount credited to Client as a result of a Service Level Default.

"**Service Level Credit Allocation Percentage**" means the amount of the Pool Percentage allocated to a Critical Service Level as set forth in Exhibit 2 to the SOW, as the same may be changed in accordance with Section 8 of Schedule 5.1 (Service Level Methodology).

"**Service Level Default**" means in respect of each Critical Service Level or Key Measurement that:

(a) Supplier Service Level Performance for a particular Service Level fails to meet the applicable Minimum Service Level Target; or

(b) Supplier Service Level Performance for a particular Service Level fails to meet the applicable Expected Service Level Target as described in Section 5.4; or

(c) any event which constitutes a Service Level Default as defined in this Schedule.

"**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.

"**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.

"**Service Level Posting**" means the posting to the Supplier Service Level Performance Web site and certification as "final results" of Service Level Performance measurement data.

2.0 SOW-SPECIFIC SERVICE LEVEL EXHIBITS

If applicable to the Services described in the Statement of Work, each Statement of Work contains an Exhibit 2 comprised of the following parts:

Service Levels: Sets forth the Minimum Service Level Targets and Expected Service Level Targets associated with Critical Service Levels, and Key Measurements, and the quantitative measurements associated with Critical Deliverables.

Critical Service Levels and Key Measurements: Sets forth the descriptions, definitions, and formulae used to calculate compliance with Critical Service Levels and Key Measurements.

Critical Deliverables: Sets forth the descriptions, definitions, and formula(s) used to calculate the Critical Deliverables performance.

Measurement Methodologies: Details the required Measurement Methodologies associated with measuring and reporting Service Levels.

3.0 SERVICE LEVEL FRAMEWORK

3.1 Service Level Performance Measures shall commence being measured and reported by Supplier on the Commencement Date.

3.2 Service Level Credits shall apply with effect from the Commencement Date or as otherwise specified in Exhibit 2 to the applicable SOW under the column **Commencement Date + mos**. The numbers used in the column **Commencement Date + mos** are in the format where **mos** represents the number of months after the Commencement Date when Service Level Credits will apply.

3.3 The Measurement Methodologies set forth in Exhibit 2 to the applicable SOW shall be used by Supplier to measure compliance with the Service Levels.

3.4 Unless set out in the applicable Measurement Methodology, Supplier shall ensure that such Measurement Methodologies are automated and objective and that they are designed to operate without human interpretation or intervention.

3.5 The Supplier will implement Tools and processes that are acceptable to the Client to report Critical Service Levels, Key Measurements and Critical Deliverables. Tools and processes set out in the applicable Measurement Methodology are acceptable to the Client.

3.6 A failure by Supplier to implement a Service Level in accordance with the Measurement Methodology prior to the Service Level Effective Date, shall be a Minimum Service Level Default, unless Supplier can otherwise substantiate that a Minimum Service Level Default did not occur (validating that the received Service(s) met the Minimum Service Level or Expected Service Level) and Client, acting reasonably, consents to such Supplier explanation. Such explanation must be submitted to the Client prior to the applicable Service Level Posting deadline.

3.7 Service Level(s) shall be measured on a monthly basis unless otherwise specified in Exhibit 2 to the applicable SOW.

3.8 A failure by Supplier to measure Service Level(s) for a Critical Service Level, in accordance with the Measurement Methodology shall be a Minimum Service Level Default, and continue to be a Minimum Service Level Default each month until Supplier measures the Service Level Performance in accordance with the Measurement Methodology,

3.9 If there are any Critical Service Levels for which the Measurement Methodologies have not been agreed upon by the Service Level Effective Date (including new Critical Service Levels) — and if Supplier fails to propose and implement a Measurement Methodology for such Critical Service Level(s) that is acceptable to Client acting reasonably prior to the date when Service Level Credits apply to such Critical Service Level(s) — such failure shall be a Minimum Service Level Default each month until such time as Supplier proposes and implements a Measurement Methodology acceptable to Client acting reasonably.

3.10 Measurement Methodologies for new Service Levels and changes to Measurement Methodologies for existing Service Levels shall be implemented in accordance with the Change and New Service Procedure.

3.11 Supplier shall demonstrate and explain to Client's reasonable satisfaction the Measurement Methodology prior to implementation.

3.12 Client shall not be financially responsible for increases in Supplier costs resulting from Client's addition of new Service Levels requested by Client except where a change in the Measurement Methodology results in Charges to implement such Measurement Methodology pursuant to an agreement arrived at pursuant to Section 3.10.

3.13 Client shall not be financially responsible for increases in cost occurring as a result of the operation of the continuous improvement provisions of Section 8.1 of this Schedule.

3.14 Six (6) months following the Commencement Date, and every six (6) months thereafter, Supplier shall review all Service Levels and related Measurement Methodologies and assess whether any changes in such Measurement Methodologies are required to collect and accurately reflect Supplier performance and related data prospectively.

3.15 Supplier shall promptly notify Client of any recommended changes in Measurement Methodology as a result of the assessment made under Section 3.14.

3.16 Following Client's consent pursuant to the Change and New Service Procedure to a Measurement Methodology change recommended under Section 3.15, the Parties shall adjust the Expected Service Level Target and Minimum Service Level Target if necessary to account for any increased or decreased sensitivity in the new Measurement Methodology. Service Level Performance may not decrease as a result of such change. However, if the Parties cannot agree on an adjustment, Supplier must continue to use the current Measurement Methodology.

3.17 Proposed changes must be fully documented and accepted by the Parties prior to implementation in accordance with the Agreement. Such proposed changes shall not result in an increase in the charges for the Services.

3.18 It is not anticipated, however, that changes in the Measurement Methodologies shall drive changes in Service Levels; rather, the need to collect and accurately reflect Supplier performance and related data should drive any change in Measurement Methodologies.

3.19 Detailed performance information used to calculate each Service Level will be maintained by Supplier.

3.20 Upon Client's request, Supplier shall provide, or provide access to, such performance information to allow Client to verify the accuracy of reported Service Level measurements.

3.21 Certain calculations specified in this Schedule assume that perfect performance of each Critical Service Level or Key Measurement is one hundred (100) percent. If zero percent (0%) represents perfect performance for a Service Level, then such calculations shall be modified as appropriate for that Service Level. Similarly, for Service Levels based on response time or some other non-percentage result, calculations shall be modified as appropriate to achieve the intended result.

3.22 Potential problems of which Supplier is aware that could reasonably be expected to result in a failure to meet a Service Level must result in actions by the Supplier designed to prevent or lessen such failure.

4.0 REPORTING

4.1 Supplier shall provide to Client, as part of Supplier's monthly performance reports, a set of reports to verify Supplier's performance and compliance with the Service Levels and Critical Deliverables.

4.2 Supplier shall provide detailed supporting information for each Service Level report to Client.

4.3 The Service Level data and detailed supporting information shall be Client's Confidential Information.

4.4 Client may access such information online and in real-time, where technically feasible and available, at any time during the Term and provision of Termination Transition Services period

4.5 Supplier shall provide Service Level posting to the portal described below as part of Supplier's process to deliver the final monthly performance reports (including daily detail(s) except where the Parties have specifically agreed to the contrary).

4.6 Supplier shall complete Service Level Posting on or before the tenth (10th) business day of the month following the completion of any Measurement Period.

4.7 Supplier shall provide an e-mail notification to alert Client when the monthly Service Level Posting is complete.

4.8 No post-reporting adjustment shall be made to any Service Level Performance data or supporting information without Client's pre-approval.

4.9 Supplier shall provide an e-mail notification to alert Client whenever a Service Level item is updated after the Service Level Posting.

4.10 Supplier shall maintain a log of all such Service Level changes, including the nature of the Service Level change, Client approval/approver, and Service Level change date.

(a) Service Level Posting shall be to a secure portal (Web site). This portal shall be established and maintained by Supplier for the duration of the Term and Termination Transition Period. The secure portal shall provide the following functionality:

(b) Unrestricted access for Client to the portal, the Service Level Postings, the Service Level Performance measurement data and supplemental data elements;

(c) Sufficiently robust functions to review, extract, retrieve, print, and search the Service Level Postings, Service Level Performance measurement data and supplemental data elements at any time after each posting has been provided;

(d) Sufficient robust capability so that Client can verify Supplier's performance and compliance with all Service Levels;

(e) Capability for Client to review, extract, retrieve, print and search the historical Service Level Postings, Service Level Performance measurement data and supplemental data elements;

(f) Capability for Client to select and configure multiple views ranging from a corporate dashboard performance level down to individual Service Level reporting details including Service Level Performance measurement data;

(g) Implementation of the Service Level Change log described in clause 4.10. within this Schedule 5.1 and the associated process; and

(h) Direct links to all supplemental data elements used to establish Service Level Performance for each Service Level Posting.

4.11 Intentionally Omitted.

4.12 Supplier shall investigate and correct all Incidents and Problems in accordance with the Supplier's obligations in respect of the Cross-Functional Services, regardless of whether or not such Incidents and Problems constitute Service Level Defaults, including:

(a) perform root cause analyses for Problems and Critical Priority Level Incidents occurring in the reporting period, conducted in accordance with the Agreement;

(b) report Service Level issues to Client in accordance with the escalation process contemplated in the Agreement;

(c) use all commercially reasonable efforts to correct Incidents and Problems and restore Service and meet Service Levels as soon as practicable;

(d) advise Client of the root cause and the status of remedial efforts being undertaken with respect to such Critical Priority Level Incidents and Problems; and

(e) provide reasonable evidence to Client that the root causes of such Critical Priority Level Incidents and Problems have been or shall be corrected. This includes updating all relevant Incident Records, Problem Records, and Known Error Records with details of the Known Error and Workaround. Supplier shall ensure that any Changes to the environment resulting from these analyses are effected in accordance with the Change Request Procedures.

5.0 SERVICE LEVEL DEFAULT

In the event of a Service Level Default, Supplier shall provide to Client Service Level Credits as described below:

5.1 Subject to Sections 5.7, 6, and 7 of this Schedule and upon the occurrence of a Service Level Default, a Service Level Credit (calculated as set out in this Section 5 of this Schedule) shall be credited to Client by Supplier.

5.2 Service Level Credits do not apply to Key Measurements.

5.3 A Service Level Default shall occur when performance for a specific Service Level fails to meet the applicable Minimum Service Level Target;

5.4 A Service Level Default shall occur when Service Level performance for a particular Service Level fails to meet the applicable Expected Service Level Target (but does not fail to meet the applicable Minimum Service Level Target), and in the immediately previous eight (8) months, there have been at least two (2) other months where Service Provider's performance failed to meet such Expected Service Level Target(but did not fail to meet the Minimum Service Level Target)

5.5 If Supplier fails to meet a Minimum Service Level Target for a Critical Service Level or a Key Measurement, Supplier shall provide Client with a written plan for improving Supplier's performance within ten (10) calendar days following the date of the Service Level Posting.

5.6 The plan referred to in Section 5.5 shall be subject to Client's approval. Supplier shall promptly implement such plan when it has received approval from Client.

5.7 Exhibit 2 to the applicable SOW sets forth the information required to calculate the Service Level Credit in the event of a Service Level Default. For each Service Level Default, Supplier shall apply a Service Level Credit to Client. Such Service Level Credit shall be computed in accordance with the following formula:

Service Level Credit = A x B x C

where:

A = At-Risk Fees

B = At-Risk Percent

C = Service Level Credit Allocation Percentage in Exhibit 2 to the applicable SOW

Example:

Supplier fails to meet the Minimum Service Level Target for a Critical Service Level. Assume Supplier's At-Risk Fees for the month in which the Service Level Default occurred was $1,000,000 and that the At-Risk Percent was fifteen (15%).

Additionally, assume that the Service Level Credit Allocation Percentage is ten percent (10%). The Service Level Credit due to Client for such Service Level Default would be computed as follows:

A = At-Risk Fees ($1,000,000)

Multiplied by

B = At-Risk Percent. (15%)

Multiplied by

C = Service Level Credit Allocation Percentage for the Critical Service Level for which the Service Level Default occurred as shown in Exhibit 2 to the applicable SOW (10%)

= Fifteen thousand dollars ($15,000) (the amount of the Service Level Credit)

5.8 Subject to Section 5.7, if more than one Service Level Default has occurred in a single month, the sum of the corresponding Service Level Credits shall be credited to Client.

5.9 In no event shall the amount of Service Level Credits credited to Client with respect to all Service Level Defaults occurring in a single month exceed, in total, the At-Risk Amount, except as otherwise noted in this Schedule.

5.10 Intentionally Omitted.

5.11 If Supplier fails to provide a Service Level Credit that is due, Client may offset an amount equal to the Service Level Credit from payments owed to Supplier in accordance with Section 16.6 of the Agreement.

5.12 The total amount of Service Level Credits, which Supplier shall be obliged to credit to Client, with respect to Service Level Defaults occurring each month (subject to Earnback), shall be reflected on the invoice that contains charges for the month following the month which the Service Level Default(s) giving rise to such credit(s) occurred.

Example:

The amount of Service Level Credits for Service Level Defaults occurring in August will appear as a credit on Supplier's invoice in October for the September monthly charges.

5.13 If a single Incident results in more than one Service Level Default, Client shall have the right to select any one (but only one) of such multiple Service Level Defaults for which it shall be entitled to receive a Service Level Credit. Client shall be entitled to Service Level Credits, as applicable, for the other Service Level Defaults that have a Root Cause other than the single Incident referred to above. For the purpose of

clarity, a single Incident may impact more than one Critical Service Level or Key Measurement for the purpose of calculating performance against the target. This provision only addresses which of the Service Level Credits are applicable.

6.0 EXCEPTIONS

6.1 If any events or periods that are measured as part of a Service Level are not successfully achieved in accordance with the relevant performance standard specified in the Service Level, and Supplier demonstrates that such failure is directly caused by any of the following, then such events or periods shall be disregarded for the purpose of calculating the relevant Service Level (and shall be excluded from both the numerator and the denominator for the purposes of calculating whether the Service Level has been achieved):

(a) Client's (or a Client Third-Party Vendor's) breaches of this Agreement;

(b) actions or inactions by Client (or a Client Third-Party Vendor), to the extent a Service Level Default is caused by such actions or inactions and Supplier can demonstrate how such action or inaction caused the Service Level Default;

(c) infringements of Third-Party proprietary rights by Client or a Client Third-Party Vendor;

(d) Willful Misconduct or violations of Law by Client or a Client Third-Party Vendor;

(e) failure to conduct repair on Equipment that has been identified and agreed in writing by Client to be Unserviceable Equipment (such agreement shall have been made identifying the Equipment Resource Unit as Unserviceable Equipment prior to any such failure qualifying as an exception);

(f) Services performed during the execution of the Supplier Business Continuity Plan or Supplier Enterprise Continuity Plan, the execution of which is in support of a Client-declared disaster, provided, however, that failure to execute the Supplier Business Continuity Plan or Supplier Enterprise Continuity Plan may constitute a breach of the Agreement.

6.2 Supplier must submit the request for exception within fifteen (15) days of the Service Level Posting in the format specified by the Client, acting reasonably.

7.0 EARNBACK

7.1 Supplier shall Earnback a Service Level Credit for a given Service Level Default when Service Level Performance for the same Critical Service Level meets or exceeds the Expected Service Level Target for each of month of the four (4)

Measurement Periods immediately following the Measurement Period in which the Service Level Default occurred.

7.2 Whenever Supplier is entitled to an Earnback, Supplier shall include such Earnback as a charge to Client (indicated as an Earnback) on the same invoice that contains charges for the Measurement Period giving rise to such Earnback or on the next invoice after such invoice, and include such information in Supplier's monthly performance reports as described in Section 4 of this Schedule.

7.3 In no event may Supplier earn back a Service Level Credit related to a Minimum Service Level Default.

7.4 Upon termination or expiration of the Agreement, Service Level Credits issued by Supplier are no longer subject to Earnback.

8.0 CHANGES TO SERVICE LEVELS

8.1 Continuous Improvement

The Parties agree that the Service Levels shall be subject to continuous improvement, and accordingly, the Service Levels shall be modified with effect from the start of each Contract Year (starting with the second Contract Year) in accordance with Sections 8.2 and 8.3.

8.2 Expected Service Level Targets

(a) Subject to Section 8.2(b), each Expected Service Level Target shall be reset to the average of the four (4) highest monthly actual results (for example, 99.6% is higher than 99.4%) at or above the Expected Service Level Target achieved during the previous Contract Year; however, if fewer than four (4) monthly actual results exceeded the Expected Service Level Target, then the Expected Service Level Target shall be reset by taking the four (4) highest monthly actual results, replacing each such actual result that is below the Expected Service Level Target with the Expected Service Level Target, and dividing the sum of the resulting four (4) numbers by four (4).

For example, if the Expected Service Level Target being adjusted were 99.6%, and there were three (3) actual results that were higher and none equal (for example: 99.90%, 99.80%, and 99.70%), the calculation would be ((99.90% + 99.80% + 99.70% + 99.60%) / 4) = 99.75% with the reset governed by Section 8.2(b)).

(b) In no event shall any single increase in an Expected Service Level Target pursuant to Section 8.2 exceed 10% of the difference between 100% and the then-current Expected Service Level.

For example, if the Expected Service Level Target being adjusted were 99.60%, the maximum increase for that reset would be 0.04% (in other words, from 99.60% to 99.64%).

8.3 **Minimum Service Level Target**

Each Minimum Service Level Target shall be reset by adding to the then current Minimum Service Level Target 5% of the difference between 100% and the then current Minimum Service Level, but in any event shall not exceed the Expected Service Level Target.

For example, if the Minimum Service Level Target being adjusted was 99.40%, the increase would be 0.03% (for example, from 99.40% to 99.43%).

8.4 **Additions, Deletions, and Modifications**

(a) Subject to Section 8.1, the remainder of this Section 8.4, and Section 8.5, Client may, once per Contract Year quarter by giving written notice to Supplier at least forty five (45) calendar days prior to the effective date of the Service Level change (and such notice may contain multiple additions, deletions, or changes):

(i) add or delete Service Levels;

(ii) change Service Levels from Critical Service Levels to Key Measurements or from Key Measurements to Critical Service Levels; or

(iii) modify the Service Level Credit Allocation Percentage for any Critical Service Levels.

(b) Where such additions or substitutions may occur in conjunction with changes to the environment and the introduction of new Equipment or Software or means of Service delivery that is, in each case, a replacement or upgrade of existing technology, there shall be a presumption of equivalent or improved performance.

(c) All new Service Levels shall:

(i) be quantifiable, measurable and objective; and

(ii) have an Expected Service Level Target and a Minimum Service Level Target.

(d) At all times during the Term, including following any Change:

(i) the sum of the Service Level Credit Allocation Percentages for all Critical Service Levels shall equal the Pool Percentage;

(ii) Intentionally left blank..

(iii) if a Service Level Credit Allocation Percentage has not been defined for a Critical Service Level, then the Service Level Credit Allocation Percentage shall be zero (0%).

8.5 **Performance Standards for Additional Service Levels**

If Client adds a Service Level in accordance with Section 8.4, the Expected Service Level Target and Minimum Service Level Target for such Service Level shall be agreed by the Parties. Should the Parties not agree, they shall be computed as follows:

(a) If at least six (6) consecutive months of Supplier-provided service measurements exist for a particular Service that is being performed by the Supplier, then:

(i) the Expected Service Level Target shall be the average of such service measurements for the nine-month Measurement Period; and

(ii) the Minimum Service Level Target shall be the second lowest service measurement achieved during the nine-month Measurement Period; or

(b) if the six months of measurements described in Section 8.5(a) do not exist, then the Parties shall attempt in good faith to agree on an Expected Service Level Target and a Minimum Service Level Target using industry-standard measures or Third-Party advisory services that are paid for equally by the Supplier and the Client.

(c) If the measurements do not exist and the Parties fail to agree in accordance with Section 8.5(b), then:

(i) Supplier shall begin providing monthly measurements within ninety (90) calendar days after Supplier's receipt of Client's written request given pursuant to Section 8.5(a); and

(ii) after six (6) or more actual Service Level performance measurements have been captured, or should have been captured, Client may at any time in writing require that the Expected Service Level Target and Minimum Service Level Target Commitments be established in accordance with Section 8.5(a). If Supplier fails to capture one or more actual Service Level performance measurements, Section 8.5(d) shall apply.

(d) If Supplier fails to provide one (1) or more of the measurements during the six-month Measurement Period to be provided in accordance with Section 8.5(c), then the missing measurements shall be constructed as follows:

(i) If up to two (2) measurements are missing, the missing measurement or measurements shall be constructed by using the highest of the four (4) actual measurements; or

(ii) if more than two (2) measurements are missing, Client shall have the right to set the Expected Service Level Target using industry-standard measures.

9.0 CRITICAL DELIVERABLES

9.1 Certain of Supplier's obligations under the Agreement are one-time or periodic obligations to deliver Critical Deliverables. Critical Deliverables are core components of the Services. Exhibit 2 to the applicable SOW sets forth the Critical Deliverable Credits that shall be payable by Supplier to Client in the event Supplier fails to deliver any of the Critical Deliverables within the time period specified in Exhibit 2 to the applicable SOW.

9.2 Supplier acknowledges and agrees that Critical Deliverable Credits shall not be deemed or construed to be liquidated damages or a sole and exclusive remedy or in derogation of any other rights and remedies Client has hereunder or under the Agreement.

9.3 Supplier shall agree to the amount of the Critical Deliverable Credit which shall be applicable to each Critical Deliverable in accordance with Exhibit 2 to the applicable SOW.

9.4 If the Supplier fails to deliver to Client any Critical Deliverable in accordance with Exhibit 2 to the applicable SOW and subject to meeting the applicable acceptance criteria and deliverable requirement, Supplier shall credit Client with the Critical Deliverable Credit as set forth in Exhibit 2 to the applicable SOW. Additionally, if such Critical Deliverable is not delivered by the 7th calendar day from the day the Critical Deliverable was originally due, Supplier shall credit to Client an additional amount ("**Additional Critical Deliverable Credit**") to be calculated as 25% of the Critical Deliverable Credit for each week or partial week thereafter until the obligations for delivery are fulfilled.

(a) If the Supplier's failure under Section 9.4 is for a Critical Deliverable that is common to more than one SOW, as defined in Exhibit 2 to any SOW, then Supplier shall credit Client for only one of the SOW Critical Deliverable Credits as set forth in Exhibit 2 to any applicable SOW.

9.5 Critical Deliverable Credits shall be separate from and not a part of the At-Risk Amount.

9.6 Critical Deliverables are not Service Levels.

9.7 Critical Deliverable Credits are not Service Level Credits.

9.8 Critical Deliverable Credits are not subject to Earnback.

9.9 Supplier further acknowledges that there may be occasions during the Term when additional Critical Deliverables may be required to support New Services or different services. In these instances the Critical Deliverables and the Critical Deliverable Credits shall be subject to the Change and New Service Procedure.

9.10 Supplier shall reflect any Critical Deliverable Credits due to Client on the invoice that contains charges for the month during which the Critical Deliverable Credits were incurred or on the next invoice after such invoice.

Example:

The amount of Critical Deliverable Credits payable for failure to deliver any Critical Deliverable(s) in August shall be reflected on the invoice for August charges issued in September. or on the next invoice issued in October.

HYDRO ONE

REQUEST FOR PROPOSAL

SCHEDULE 5.4

CLIENT SATISFACTION SURVEYS

TABLE OF CONTENTS

Page

1.0 INTRODUCTION 3

2.0 INTRODUCTION 3

3.0 SATISFACTION SURVEY PRINCIPLES 3

4.0 SATISFACTION SURVEY OBJECTIVES 4

5.0 DEVELOPMENT AND REFRESH OF SATISFACTION SURVEYS AND SURVEY METHODOLOGY 4

6.0 CONDUCT OF SATISFACTION SURVEYS 5

ATTACHMENT A TO SCHEDULE 5.4 7

1.0 INTRODUCTION

For purposes of this Schedule, capitalized terms will have the meanings set out below:

"**Client Satisfaction Survey(s)**" means any survey of the level of satisfaction among Client's personnel, including senior management, with the Services and the Supplier Personnel.

"**Satisfaction Survey Principles**" means the basis upon which the survey is conducted which has been approved by the Client in consultation with the Supplier.

"**Service Request Satisfaction Survey**" means any survey issued to one or more Client personnel receiving Services through the Service Desk.

"**Project Satisfaction Survey**" means a survey issued to the Project stakeholders at the end of Projects selected by the Client as part of the Project closeout procedure.

"**Stakeholder Satisfaction Survey**" means any survey conducted through interviews with stakeholders on a frequency established by the Client.

"**Satisfaction Survey**" means each of the Client Satisfaction Survey, Service Request Satisfaction Survey, the Project Satisfaction Survey and the Stakeholder Satisfaction Survey.

2.0 INTRODUCTION

Both the Client and the Supplier recognize the importance of the Client Satisfaction Surveys and a consistent measurement methodology as a tool for improving Services on an ongoing basis.

3.0 SATISFACTION SURVEY PRINCIPLES

The Satisfaction Survey Principles are set forth below:

3.1 The Supplier in consultation with the Client shall be responsible for establishing a statistically significant sampling program for the Service Request Satisfaction Survey;

3.2 The Supplier shall randomly identify Projects to be subject to the Project Satisfaction Survey, and also a list of Project stakeholders who will receive the survey for each of the selected Projects. The Client shall approve or request the Supplier to make changes to either the selected projects or the stakeholders;

3.3 The Supplier will identify and periodically refresh lists of Client personnel who are invited to participate in the Stakeholder Satisfaction Surveys for the Services overall. Such list(s) shall be reviewed with the Client and Client approval shall be sought. The Client shall approve or request the Supplier to make changes to either the selected Projects or the stakeholders

3.4 Supplier shall be responsible for measuring Client satisfaction levels on a regular and consistent basis using survey methods approved by the Client;

3.5 For each Client Satisfaction Survey, Supplier will distribute the Client Satisfaction Surveys and will collect and tabulate the resulting survey data;

3.6 Supplier will identify upward and downward trends in Client satisfaction levels across all three surveys as identified in Section 3.1 above and to present and review survey trends and findings at monthly Client meetings;

3.7 Whereas a result of its review of the survey trends Client notifies Supplier of an underlying issue it believes is reducing satisfaction, Supplier shall produce an action plan for remediation of the issue and present the plan for Client approval within thirty (30) days of that notification; and

3.8 Supplier will conduct all Satisfaction Surveys required under this Schedule and perform the analysis of the results.

4.0 SATISFACTION SURVEY OBJECTIVES

With respect to Satisfaction Surveys conducted by Supplier under this Schedule, Supplier will:

4.1 Collect all relevant data about satisfaction levels among Client's personnel with the Services and with the applicable Supplier Personnel performing the Services on a regular basis as agreed by the Client using a consistent approach and methodology to allow for an accurate and comprehensive comparison over time;

4.2 Ensure that Supplier personnel understand the importance of achieving a high level of Client satisfaction with the Services and how Client satisfaction will remain a Supplier focus throughout the Term; and

4.3 Ensure that Supplier identifies and implements action plans for responding to Client Satisfaction issues.

5.0 DEVELOPMENT AND REFRESH OF SATISFACTION SURVEYS AND SURVEY METHODOLOGY

No less than thirty (30) days in advance of the Commencement Date, Supplier will propose and seek Client agreement upon:

5.1 The timing and specific statements of the initial Satisfaction Survey that will be used as the baseline for comparing future Client Satisfaction Surveys, and a proposed Client Satisfaction Survey and survey methodology, including a proposed schedule for conducting Service Request Satisfaction Surveys, Project Satisfaction Surveys and Stakeholder Satisfaction Surveys throughout the Term.

5.2 Each Client Satisfaction Survey to be conducted by Supplier under this Schedule will:

(a) include a combination of:

(i) rated responses to a series of survey questions, and

(ii) an opportunity for free format feedback;

(b) include statements specific to each SOW, the Projects and the Services that elicit feedback from Client personnel receiving applicable Services;

(c) deploy a five point scale ranging from: 1-Very Dissatisfied, 2-Somewhat Dissatisfied, 3-Neutral, 4-Somewhat Satisfied and 5-Very Satisfied;

(d) include clear, concise and unambiguous survey questions and instructions;

(e) contain survey questions about the Services and Supplier Personnel performing the Services designed to elicit feedback on the following general attributes:

(i) responsiveness;

(ii) performance;

(iii) knowledge and innovation;

(iv) reliability and integrity;

(v) courtesy;

(vi) timeliness;

(vii) quality;

(viii) communication; and

(ix) overall satisfaction

(f) include an indication of how the completed survey data will be used; and

(g) comply with any other Client Satisfaction Survey related requirements that Supplier is made aware of by Client, acting reasonably.

5.3 For each Satisfaction Survey, Supplier shall submit to Client for its approval, at least thirty (30) days prior to the scheduled Satisfaction Survey release date, a copy of the Client Satisfaction Survey related draft written communications to Client personnel, and detailed survey methodology that will be used for the Satisfaction Survey. For each Satisfaction Survey, Supplier shall update the Client Satisfaction Survey, communications templates and survey methodology to reflect any changes required by the Client after consultation with the Supplier. At a minimum, each Satisfaction Survey will contain the survey questions set out in Attachment A attached to this Schedule.

6.0 CONDUCT OF SATISFACTION SURVEYS

6.1 Each Service Request Satisfaction Survey form will be delivered by personalized e-mail in which the respondent is invited to log onto a web based tool to complete and submit a survey response.

6.2 Each Project Satisfaction Survey form will be delivered by personalized e-mail in which the respondent is invited to log onto a web based tool to complete and submit a survey response.

6.3 For Client Stakeholder Surveys, Client Stakeholders will be invited to participate in a phone or in-person interview.

In conducting any Satisfaction Survey, Supplier shall:

(a) follow up with Client participants to maximize response rate to the survey requests;

(b) track Satisfaction Survey's response rates;

(c) receive, tabulate and analyze completed survey responses in accordance with the survey methodology;

(d) measure satisfaction of Client Personnel, SOW lead Client Personnel and Client senior management, and report on specific findings for identified Projects and for the Services.

4. Satisfaction Survey Results Reporting

At monthly Client meetings, Supplier shall present:

(a) a report on the Service Request Satisfaction Survey, including trends over a rolling 12 months history;

(b) the results of any Project Satisfaction Surveys completed since the last meeting, together with trends over a rolling 24 month period;

(c) the results of any Stakeholder Satisfaction Survey interviews completed since the last meeting, including any specific areas identified for improvement; and

(d) an analysis of the trends reported, with recommended actions to correct any downward trends.

(e) actions taken to correct any failure or deficiency identified during the survey process, and shall report their outcomes.

ATTACHMENT A TO SCHEDULE 5.4

Service Request Satisfaction Survey

Minimum Sample Questions

Questions	**Score**
1. To what extent are you satisfied with the Supplier responsiveness to your request?	
2. Was the Supplier knowledgeable about your requirements?	
3. Did the Supplier perform the services as communicated in the response to your request?	
4. Did the quality of the Supplier's service meet your requirements?	
5. Were the Supplier personnel courteous and effective in their communications with you?	
6. What is your overall satisfaction with the service provided by the Supplier?	
7. Please provide any additional comments on the services that are provided by the Supplier	
The rating system for your answers is: 1-Very Dissatisfied, 2-Somewhat Dissatisfied, 3-Neutral, 4-Somewhat Satisfied and 5-Very Satisfied	

Project Satisfaction Survey

Minimum Sample Questions

Questions	**Score**
1. Did the Supplier provide sufficient notice of project activities?	
2. Did the Supplier complete the work to the communicated schedule?	
3. Did the project deliver the results promised?	
4. Were the Supplier personnel courteous and effective in their interactions with you?	
5. What is your overall satisfaction with the project delivered by the Supplier?	
6. Please provide any additional comments on the services that are provided by the Supplier:	
The rating system for your answers is: 1-Very Dissatisfied, 2-Somewhat Dissatisfied, 3-Neutral, 4-Somewhat Satisfied and 5-Very Satisfied	

Stakeholder Satisfaction Survey

Minimum Sample Questions

Questions	**Score**
1. Did the services provided by the Supplier during the past survey interval (1 year/6 months) meets your business requirements?	
2. Did the Supplier complete the work to the communicated schedule?	
3. Did Supplier consistently deliver the results promised?	
4. Were the Supplier personnel courteous and effective in their interactions with you and your staff?	
5. What is your overall satisfaction with the services provided by the Supplier?	
6. Please provide any additional comments on the services that are provided by the Supplier:	
The rating system for your answers is: 1-Very Dissatisfied, 2-Somewhat Dissatisfied, 3-Neutral, 4-Somewhat Satisfied and 5-Very Satisfied	

HYDRO ONE

SCHEDULE 6.1

CLIENT ASSETS

TABLE OF CONTENTS

1.0 GENERAL 3

1.0 GENERAL

1. This schedule provides a preliminary listing of the Client Assets which the Supplier may use, listed according to Client service location.

2. This Schedule does not include Client Assets that are addressed in a Statement of Work.

NONE.

HYDRO ONE

SCHEDULE 8.1

KEY POSITIONS

Table of Contents

1.0 GENERAL - 3
2.0 KEY POSITIONS – DOMAIN 3
3.0 KEY POSITIONS – GOVERNANCE 4

1.0 GENERAL -

The table below lists the Key Positions designated by Client. Supplier will complete the table below by identifying employees of Supplier, Supplier Personnel, and the title of each Supplier Personnel proposed to fill the Key Positions. Finalization of this Schedule 8.1 is based on approval of the proposed Supplier Personnel by Client.

2.0 KEY POSITIONS – DOMAIN

Key Position	% Dedicated	Domain	Supplier Personnel	Effective Date	Supplier Personnel Title
AS Delivery Director	100	ITO	[redacted]	March 1, 2021	ITO Services Director
IS Delivery Director	100	ITO		March 1, 2021	ITO Delivery Director
PS Delivery Director	25	PS		~~March 1, 2021 - March 7,2021~~ March 8, 2021	Program and Project Delivery Director
AS Operations Delivery Manager	100	ITO		March 1, 2021	AS Operations Delivery Manager
IS Operations Delivery Manager	100	ITO		March 1, 2021	IS Operations Delivery Manager
Service Desk Lead	100	Service Desk		March 1, 2021	Service Desk Manager
Transition Lead	100%	Transition		Agreement Effective Date	Transition Manager

3.0 KEY POSITIONS – GOVERNANCE

Key Position	% Dedicated	Supplier Personnel	Effective Date	Supplier Personnel Title
Supplier Responsible Executive	100	[redacted]	March 1, 2021	Account Executive
Supplier Quality Assurance / Compliance Lead / Continuous Improvement	50		March 1, 2021	Quality Process lead
Supplier Commercial Lead	100		March 1, 2021	Commercial Lead
Supplier Financial Lead	60		March 1, 2021	Financial Controller

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HYDRO ONE

SCHEDULE 8.4

APPROVED SUBCONTRACTORS

1.0 GENERAL

The list of Supplier Subcontractors and Affiliates can be found on the Capgemini Sites tab of AS-IS-PS SOW Exhibit 1-Attachment D Sites.

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Subcontractor Name	Supplier Subcontractor Services	Street Address	City / Province	Country / Postal Code

HYDRO ONE

SCHEDULE 9.1

GOVERNANCE

TABLE OF CONTENTS

Page

1.0 INTRODUCTION 3

2.0 CHARTER 3

3.0 ORGANIZATION 5

4.0 CLIENT ROLES AND ACCOUNTABILITIES 5

4.1 Client Executive Sponsor Role 5

4.2 Client Responsible Executive Role 5

4.3 Client Line of Business (LOB) Service Recipient Management Role 6

4.4 Client Governance Management Role 6

4.5 Client Governance Outsourcing Advisor Role 8

4.6 Client Commercial Management Role 8

4.7 Client Transition Management Role 9

4.8 Client Financial Oversight Role 9

5.0 SUPPLIER ROLES AND ACCOUNTABILITIES 9

5.1 Supplier Account Executive 9

5.2 Supplier Commercial Manager Role 10

5.3 Supplier Transition Management Role 11

5.4 Supplier Transformation Management Role 11

6.0 GOVERNANCE PROCESSES 12

7.0 GOVERNANCE DECISION-MAKING RIGHTS 12

8.0 GOVERNANCE COMMITTEES 12

9.0 GOVERNANCE REPORTING 12

10.0 GOVERNANCE DELIVERABLES 13

1.0 INTRODUCTION

The purpose of this Schedule 9.1 is to establish the formal processes, procedures and structure for managing the relationship between the Client and Supplier, to facilitate the alignment of interests of the Parties and to provide the means to maintain a healthy relationship level between each Party.

This Schedule 9.1 and its attachments set out the Supplier-specific governance operating model, which includes:

(a) organization and staffing;

(b) governance roles and accountabilities;

(c) governance processes and implementation priorities;

(d) decision rights;

(e) committee structures and protocols; and

(f) the form of the content for the service management and governance manual.

Supplier will support the development and implementation of the governance operating model using leading industry practices and leveraging their expertise and resources (e.g., tools, templates).

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:

2.0 CHARTER

Client has certain business objectives and governing principles for the supplier service management and Governance operating model (the "**Charter**").

The objectives of the Governance operating model are to:

(a) Establish a set of governing principles, guidelines, formal processes and procedures for managing the relationship between the Client and Supplier;

(b) Establish a set of governing formal processes and procedures for managing the performance of the Client and Supplier obligations;

(c) Maintain alignment on the realization of the business benefits for Client and Supplier that caused them to enter into the Agreement while respecting the economic imperatives of each Party;

(d) Maintain awareness with key stakeholders of the scope of Services, Supplier performance requirements, applicable terms of the Agreement and critical milestones;

(e) Clarify the decision making rights, accountabilities, roles, obligations between Client and Supplier;

(f) Establish formal channels of communication with the Client and Supplier stakeholders;

(g) Ensure that the Services provided under the Agreement are tightly integrated with the services delivered by Client;

(h) Mitigate any other general risks during the Term and any termination assistance period that would impact the achievement of the overall business case to either Party; and

(i) Establish a central point of governance for the outsourced Services to facilitate effective and efficient resolution of matters, issues, etc. between the Client and Supplier.

Supplier agrees to develop together with Client an appropriate balanced scorecard reporting, which supports the Charter objectives, to support the management control objectives identified in the Charter.

The principles of the Governance operating model are:

(j) Be proactive and timely in all joint interactions;

(k) Work together to solve problems at their origin;

(l) Foster a fair, productive and collaborative relationship characterized by:

i. Open and frank discussions;

ii. Focusing on continuous improvement;

iii. Taking responsibility and meeting commitments;

iv. Working jointly to eliminate surprises;

v. Sharing information.

(m) Leverage Supplier's expertise wherever possible;

(n) Ensure internal and external communications are timely and complete;

(o) Ensure that Supplier effectively manages the operational aspects of delivering the Services and that Client focuses on performance outcomes; and

(p) Ensure quality is a key component of the delivery of Services.

3.0 ORGANIZATION

Client will nominate a Client Responsible Executive and Supplier will nominate a Supplier Account Executive, and will fully empower these executives to act in fulfilling the objectives of Governance including establishing appropriate communication, management and interfaces with Client Lines of Business ("**LOB**"), Client Governance team and any other parties identified within the Agreement.

The Client Responsible Executive and the Supplier Account Executive will put in place the Governance organization that contains all the roles identified to ensure the performance of its respective obligations, to fulfill the objectives of Governance, and the Client and Supplier will collaborate to exercise the functions of governance as set out in this Schedule.

To the extent there is any inconsistency between any organizational information Supplier maintains and the information maintained by Client in its Governance library, the inconsistency will be updated to accurately reflect the current organizational information in Client's Governance library, which Governance library may include the following (the "**Governance Library**)

(a) **Client Service Management and Governance Organization:** Includes organization charts, description of functions performed, and contact information.

(b) **Supplier Management and Delivery Organization:** Includes organization charts, description of functions performed, and contact information.

(c) **Key Contacts – Client:** The list of Client key contacts with contact information.

(d) **Key Contacts – Supplier:** The list of Supplier contacts with contact information.

(e) **Key Contacts – Third Parties:** The list of key third parties (such as maintenance providers, landlords, and subcontractors).

4.0 CLIENT ROLES AND ACCOUNTABILITIES

4.1 Client Executive Sponsor Role

The "Client Executive Sponsor" is designated by the Client and is the final level of escalation within the Client organization, and is accountable for senior level relationship between the Client and Supplier corporations.

4.2 Client Responsible Executive Role

The Client Responsible Executive Role accountabilities will include:

(a) Managing the overall business relationship with Supplier.

(b) Ensures success of the relationship and alignment on the realization of the business benefits to each Party that caused them to enter into the Agreement.

(c) Providing leadership and guidance to the Client Governance organization.

(d) Working with the Supplier Account Executive to progress the strategic goals and business objectives of the arrangement.

(e) Resolving escalated issues in accordance with the Governance escalation procedures.

(f) Providing liaison activities and guidance with Supplier's corporate executive leadership in regard to the strategic needs of Client.

(g) Serving as the executive level contact between Client and Supplier.

(h) Ensuring performance of the obligations described in this Schedule.

4.3 Client Line of Business (LOB) Service Recipient Management Role

The Client LOB Management Role has primary accountability for:

(a) Primary operational oversight accountability for Supplier's performance and quality of Services, and ensuring Client obligations are met (if any), etc.

(b) Approving (or declining) all work requests and Projects.

(c) Approving, authorizing, and overseeing all outsourcing operating policies and procedures.

(d) Reviewing and approving termination transition plans related to LOB outsourced Services.

(e) Monitoring implementation by Supplier of Client operational risk and compliance framework, policies and processes.

(f) Reviewing and accepting Supplier performance reports and ensuring Service Levels and Service obligations are met.

(g) Ensuring the Supplier manages and reports Incidents involving the Supplier, Supplier Subcontractors, vendors, etc. review such Incidents with the Supplier.

(h) Providing communication to Client Personnel affected by Supplier.

(i) Reviewing and approving specific Project plans and operational Change management activities within their scope of responsibilities.

(j) Monitoring fulfillment of Client Dependencies identified in the Statements of Work.

4.4 Client Governance Management Role

The Client Governance Management Role has primary accountability for the ongoing management and oversight of Supplier's obligations under the Agreement, including:

(a) The establishment of the Governance operating model, maintenance of the model.

(b) Staffing and managing the Client Governance organization.

(c) Development, implementation and adherence to the Governance processes.

(d) Developing and implementing the decision rights governing the Agreement.

(e) Tracking fulfillment of Critical Deliverables and Governance Deliverables.

(f) Managing Benchmarking activities.

(g) Receiving escalated issues and attempting to resolve such issues according to the Governance issue escalation and dispute resolution procedures.

(h) Evaluating Service Level Credits and facilitate approval or rejection of any action plans and or excusal requests related to Service Level Defaults.

(i) Evaluating and approving Innovation gain sharing mechanisms, and assure their alignment with the agreed-upon principles of Innovation.

(j) Approving, authorizing, and overseeing all outsourcing governance policies and procedures.

(k) Verifying implementation by Supplier of agreed Client risk management strategy.

(l) Developing and executing an annual compliance plan for the Services, including compliance monitoring.

(m) Monitoring Supplier identified risks related to the Services and the effectiveness of the mitigations.

(n) Monitoring and managing compliance by Supplier with risk and compliance obligations.

(o) Liaising with applicable Client organizations to ensure Supplier is provided with information regarding all applicable Client Policies with which Supplier is to comply as set forth in the Agreement.

(p) Responsible for ensuring that Client's stakeholders' expectations are managed effectively, reviewing need for business requirement changes and evaluating user satisfaction with Supplier services.

(q) Facilitating the development and execution of the Service performance management processes and tools; facilitating the reviews of Service quality, performance, cost and reliability; and works with the Client and Supplier management teams to enable effective quality and Service support management and reporting.

(r) Oversight and management of Supplier's performance across all areas of service delivery.

(s) Reviewing Change Requests and Change Orders.

4.5 Client Governance Outsourcing Advisor Role

The Client Governance Outsourcing Advisor Role provides support to a designated Client LOB in an advisory capacity on all aspects of their outsourced Services including:

(a) Providing outsourcing advice and guidance.

(b) Participating in Supplier performance meetings.

(c) Monitor Suppliers obligations and fulfillment of the obligations.

(d) Assists in investingating and resolving issues escalated to Governance by the Client LOB.

(e) Reviewing Change Requests and Change Orders.

(f) Reviewing and approving Governance TTP documents.

(g) Serving as a coordination point for the annual OPM reviews.

(h) Taking actions to address improvement opportunities identified in the Outsourcing Services survey's.

(i) Educating the respective Client LOB about the Outsourcing Agreement.

(j) Fulfilling requests for information about the Outsourcing Agreement.

4.6 Client Commercial Management Role

The Client Commercial Management Role has primary administrative accountabilities for the Agreement, Changes and ensuring Supplier compliance with all reporting obligations, Critical Deliverables and other Service delivery obligations under the Agreement including:

(a) Ensuring receipt and review of all Deliverables and obligations required in accordance with the Agreement.

(b) Developing standard governance reporting and communication requirements between Supplier and Client.

(c) Developing and assisting with negotiations related to all addendums and updates to the Agreement that are required during the Term.

(d) Assisting with interpretation and intent of the Parties in regard to the terms and conditions of the Agreement.

(e) Providing support to Client LOB management as required.

(f) Managing and tracking all changes to the Agreement.

4.7 Client Transition Management Role

The Client Transition Management Role has the overall accountability the Client Transition oversight and for fulfilling Client's obligations under the Transition Plan including:

(a) Reviewing and acceptance of the Transition Plan and any revisions to the Transition Plan, including any contingency arrangements.

(b) Establishing the Client Transition management office and the Transition processes.

(c) Monitoring Supplier's obligations and managing Client's obligations under the Transition Plan.

(d) Ensuring Client resources are available when required during the Transition.

(e) Establishing the acceptance criteria for Transition Deliverables.

(f) Acceptance and signoff of the Transition Deliverables.

4.8 Client Financial Oversight Role

The financial management of the Agreement is critical to providing accuracy and auditability of all related financial transactions and to making sure proper financial controls are in place during the term of the Agreement. This role oversees the financial activities related to the Agreement and the delivery of the Services. Accountabilities include:

(a) Overseeing and managing all Charges including payment authorization.

(b) Monitoring the Client's outsourcing business case and financial value achievement.

(c) Supporting Client LOB's in reviewing and analyzing all Supplier-sponsored initiatives.

(d) Assisting Client LOB's in and supporting, as needed, the review of monthly non-base charges to ensure the accuracy of Supplier's Charges, Client Retained Expenses, and Pass-Through Expenses.

(e) Monitoring that anticipated and agreed-upon Supplier financial accountabilities are not converted to Client Retained or Pass-Through Expenses.

(f) Managing the resolution of invoicing and payment issues that have been escalated.

5.0 SUPPLIER ROLES AND ACCOUNTABILITIES

5.1 Supplier Account Executive

The Supplier Account Executive Role has primary accountability for management of the overall relationship between Supplier and Client, escalations within Supplier organization, commercial aspects of the relationship, changes to the current SOWs and additional SOWs. Accountabilities include:

(a) Managing the overall business relationship with Client;

(b) Ensures success of the relationship and alignment on the realization of the business benefits to each Party that caused them to enter into the Agreement;

(c) Providing leadership and guidance to the Supplier Governance organization;

(d) Working with the Client Responsible Executive to progress the strategic goals and business objectives;

(e) Resolving escalated issues in accordance with the Governance Issue Management Process;

(f) Providing liaison activities and guidance with Supplier's corporate executive leadership;

(g) Serving as the executive level contact between Supplier and Client;

(h) Implementing the governing processes and procedures for managing the performance of the Supplier obligations described in the Agreement;

(i) Overall accountability for coordination, planning, and roll-out of major Supplier initiatives

(j) Maintain awareness of Supplier Personnel of applicable Laws, Client Policies and Guidelines as described in the Agreement; and

(k) As required, work to coordinate periodic audits or other activities to assess Supplier compliance with applicable Laws, Client Policies, etc. as described in the Agreement.

5.2 **Supplier Commercial Manager Role**

The Supplier Commercial Manager Role has primary administrative accountabilities for the Agreement and Changes under the Agreement including:

(a) Oversight and management of Supplier's compliance with the Agreement obligations. Identifies, tracks, draft amendments, reviews, and facilitates changes to the Agreement; and facilitates and tracks on behalf of Supplier all formal communication between the Parties. Manages the Change and New Service Procedure;

(b) Ensures the timely and accurate preparation of the Supplier billings, including all invoices and supporting associated with this Agreement;

(c) Developing and assisting with negotiations related to all addendums and updates to the Agreement that are required during the Term;

(d) Assisting Supplier with interpretation and intent in regard to the terms and conditions of the Agreement;

(e) Providing support to Supplier management as required; and

(f) Managing and tracking all Agreement changes.

5.3 **Supplier Transition Management Role**

The Supplier Transition Management Role has the overall accountability for the planning and executing the Transition :

(a) Preparing and baselining the Transition Plan

(b) Establishing the Transition management office and the Transition processes.

(c) Monitoring and coordinating Client's or Client Third Parties dependencies under the Transition Plan.

(d) Where there is a problem with Client's or Clients's Third Parties availability impacting Client's dependencies escalate where necessary.

(e) Working with Client to establish the acceptance criteria for Transition Deliverables.

5.4 **Supplier Transformation Management Role**

The Supplier Transformation Management Role has the overall accountability for oversight of the Supplier Transformation Plan and program and for fulfilling Supplier's obligations under the Transformation Plan including:

(a) Reviewing any revisions to the Transformation Plan, including any contingency arrangements and advising Client of any such revisions;

(b) Establishing the Supplier Transformation management office and the Transformation processes;

(c) Monitoring Client's obligations and managing Supplier's obligations under the Transformation Plan;

(d) Ensuring Supplier resources are available when required during the Transformation activities; and

(e) Establishing the acceptance criteria for Transformation Deliverables.

6.0 GOVERNANCE PROCESSES

The Client and Supplier will jointly develop a process responsibility matrix (the "Governance Process Responsibility Matrix") that details who is accountable and involved in the development and maintenance of each process.

The Client and Supplier will jointly develop the governance processes that Client intends to implement. The processes will be categorized by Client based on timing priority. These governance processes and priorities are defined in Attachment II to Schedule 9.1 Governance Process Priority Matrix.

7.0 GOVERNANCE DECISION-MAKING RIGHTS

A decision-making rights model shall be finalized by the Client Governance organization, in collaboration with Supplier, under the direction of the Client Responsible Executive and the Supplier Account Executive.

The decision-making rights model facilitates decision-making relative to the Services being provided, as it pertains to the Client stakeholders, the Client Governance organization, Supplier and other potential Third-Parties. The model focuses on "who is accountable for making a decision", "who participates in making the decision" and "who is informed of the decision".

8.0 GOVERNANCE COMMITTEES

In addition to the roles mentioned above, various joint oversight teams and boards will be established by the Client Responsible Executive and the Supplier Account Executive to provide a formal mechanism for working together in a collaborative fashion. These joint governance teams, boards and protocols are defined in Attachment I to Schedule 9.1 Governance Joint Committees and Membership.

9.0 GOVERNANCE REPORTING

The Client and Supplier shall meet to define the detailed requirements for the Governance reports to be delivered to Client using the Governance Reports defined in Attachment III to Schedule 9.1 Governance Reports. Such Governance reporting shall include but is not limited to:

(a) Executive/Management Reports

(b) Performance Reports

(c) Financial Reporting

(d) Issue Tracking Reporting

(e) Service Request/Ad-Hoc Change Reporting

(f) Satisfaction Survey Reporting

(g) Project Reporting

(h) Transformation Milestone Status Reporting

(i) Milestones and Governance Deliverables Status Reporting

(j) Continuous Improvement Status Reporting

(k) Minutes

(l) Balanced Scorecard

(m) Supplier Deliverables Status Reporting

10.0 GOVERNANCE DELIVERABLES

The Client and Supplier shall implement the Governance deliverables as agreed during the implementation. Both Client and Supplier shall cooperate to work in good faith to complete the Governance deliverables as defined in Attachment IV to Schedule 9.1 Governance Deliverables. Supplier shall successfully complete, present or provide and obtain Client's acceptance, which acceptance will not be unreasonably withheld, of each Supplier responsible party Governance deliverable set forth in Attachment IV to Schedule 9.1 Governance Deliverables. Each Supplier responsible party Governance deliverable shall be accompanied by a "Deliverable Acceptance Form" set forth in Attachment V to Schedule 9.1 Governance Deliverable Acceptance Form.

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT I TO SCHEDULE 9.1

GOVERNANCE COMMITTEES AND MEMBERS

TABLE OF CONTENTS

Page

1.0 INTRODUCTION....3

2.0 GOVERNANCE AND OVERSIGHT COMMITTEES....3

2.1 Joint Executive Committee.... 3

2.2 Joint LOB Services Strategy Committee.... 4

2.3 Joint LOB Services Delivery Oversight Committee.... 6

2.4 Joint Project Services Oversight Committee.... 8

2.5 Transition Program Steering Committee.... 9

2.6 Transformation Program Oversight Committee(s)....11

1.0 INTRODUCTION

This document identifies the Governance and oversight committees requirements relating to the governance of the Agreement, alignment of the business interests, oversight of the delivery of Services performance, oversight of the transition program and milestone achievement, and oversight of any transformational programs.

Prior to the milestone dates specified in the Attachment IV Governance Deliverables, the Parties will establish each of the committees. The names and/or titles of appropriately authorized representatives serving on the initial committees are listed in this Attachment I to Schedule 9.1.

2.0 GOVERNANCE AND OVERSIGHT COMMITTEES

The following table identifies the Client governance committee requirements and these committees are explained in detail in this Attachment I to Schedule 9.1.

2.1 Joint Executive Committee

The Joint Executive Committee will have executive management oversight responsibility for the Agreement, Supplier performance (all Services), strategic alignment, and for the business relationship between the Client and the Supplier.
2.1.1 Members
The Joint Executive Committee shall be chaired by the Client Responsible Executive or delegate and will comprise the following members:
1. Client Executive Sponsor
2. Client Executives (CEO, CFO/CAO, CIO, VP Lines of Business)
3. Client Responsible Executive
4. Supplier Executive Sponsor
5. Supplier Account Executive
6. Supplier Service Delivery Executive(s)
7. Other Client and Supplier personnel as required
2.1.2 Key Responsibilities
The responsibilities of the Joint Executive Committee include:

1. Ensure strategic and operational business alignment between the Parties, analysis of Client and Supplier business environment, challenges, business changes (e.g., mergers and acquisitions).
2. Monitor the strategic relationship and direction of the Parties' relationship and addressing appropriate actions to strengthen the relationship.
3. Provide joint oversight of critical issues or disputes escalated to this committee.
4. Review at a summary level Supplier Services and project delivery performance (quality of services, service level and deliverables achievement), audit results, benchmark findings, major project status updates, customer satisfaction, improvement plans, innovation/transformation initiatives.
5. Review transition/transformation program progress and achievement of Critical Deliverables and key milestones.
2.1.3 Reports
1. Provide minutes of Joint Executive Committee meetings.
2. Document action items from this meeting.
2.1.4 Meetings
Hold quarterly meetings, the 1st meeting to be held within 6 months following the Effective Date.

2.2 Joint LOB Services Strategy Committee

The Joint LOB Services Strategy Committee will have leadership oversight responsibility for the Client LOB Outsourced Services, Supplier performance and service quality at the SOW level, strategic alignment at the Client LOB level, and for the business relationship between the Client LOB and the Supplier. (This committee is intended to be established for each Client LOB who has contracted for Services under Statement(s) of Work with Supplier.)
2.2.1 Members
The Joint LOB Services Strategy Committee shall be chaired by the Client LOB Executive or delegate and will comprise the following members:

1. Client LOB Executive
2. Client LOB Service Recipient Management
3. Client Governance Outsourcing Advisor
4. Supplier Service Delivery Executive (LOB)
5. Supplier Service Delivery Lead(s) (LOB)
6. Other Client and Supplier personnel as required
2.2.2 Key Responsibilities
The Joint LOB Services Strategy Committee will have management oversight responsibility for the Supplier delivery performance and service quality, addressing delivery issues, service improvements, satisfaction with Services, charges and credits, SOW audit results, SOW benchmark findings and will have general authority and responsibility regarding:
1. Reviewing Supplier service delivery performance against the applicable service levels.
2. Reviewing Supplier performance for the designated projects, Service Requests, Minor Enhancements against the applicable service levels, service credits, etc.
3. Reviewing customer satisfaction results and service improvement initiatives.
4. Reviewing business plans/acquisitions, upcoming initiatives impacting services, new Supplier service offerings, audit results, benchmark findings, etc.
5. Monitor business risks and results of actions taken to mitigate the risks in respect of the outsourced Services.
2.2.3 Reports
1. Summary Service Delivery Reports.
2. Service Level Performance Reports.
3. Audit Results and Benchmark Findings Report.
4. LOB Charges and Service Credits.
5. Client Customer Satisfaction Survey Results Report.
6. Provides minutes Joint LOB Services Strategy Committee meetings.

7. Document action items from this meeting.
8. Any other reports, as required.
2.2.4 Meetings
Hold monthly meetings, the 1st meeting to be held during the 2nd month following the Service Commencement Date and in each month thereafter.

2.3 Joint LOB Services Delivery Oversight Committee

The Joint LOB Services Delivery Oversight Committee will have operational oversight responsibility for the Client LOB Outsourced Services delivered by Supplier. (This committee is intended to be established for each Client LOB who has contracted for Services under Statement(s) of Work with Supplier.)
2.3.1 Members
The Joint LOB Services Delivery Oversight Committee shall be chaired by Client LOB Service Recipient Management or delegate and will comprise the following members:
1. Client LOB Service Recipient Management
2. Client Governance Outsourcing Advisor
3. Supplier Service Delivery Executive (LOB)
4. Supplier Service Delivery Lead(s) (LOB)
5. Other Client and Supplier personnel as required
2.3.2 Key Responsibilities
The Joint LOB Services Delivery Oversight Committee will have operational level oversight responsibility of the Supplier Services delivered, performane results, service quality, service disruptions, etc. and will have general authority and responsibility regarding:
1. Reviewing Supplier service delivery performance against the applicable service levels and contracted services.
2. Reviewing Supplier ARC/RRC volumes/charges and the business reason for key increases or decreases.

3. Reviewing service credits, SOW audit results, any other controls or financial matters.
4. Reviewing Supplier performance for the designated projects, Service Requests, Minor Enhancements against the applicable service levels.
5. Reviewing customer satisfaction results.
6. Review operational problems and service delivery issues. Address, co-ordinate and prioritize if required the issues affecting provision of Services to Client. Discuss the business impact.
7. Resolving escalated issues, actions required, etc.
8. Monitoring business risks and results of actions taken to mitigate the risks in respect of the outsourced Services.
2.3.3 Reports
1. Service Delivery Reports
2. Service Level Performance Reports, detailed and summary for applicable month. Service Level restoration plans to address any Service Level failures.
3. Historical Service Level Performance Results and Prior Rolling 12 Months Historical Service Level Failures.
4. Audit Results and Benchmark Findings Report
5. LOB Charges and Service Credits
6. Client Customer Satisfaction Survey Results Report
7. Meeting minutes including action items
8. Any other reports, as required
2.3.4 Meetings
Hold monthly meetings, the 1st meeting to be held during the 2nd month following the Service Commencement Date and in each month thereafter.

2.4 Joint Project Services Oversight Committee

The Joint Project Services Oversight Committee will have oversight responsibility for all Project Services delivered by Supplier.
2.4.1 Members
The Joint Project Services Oversight Committee shall be chaired by Client Corporate Projects Senior Management or delegate and will comprise the following members:
1. Client Corporate Projects Senior Management
2. Client ISD Sustainment Management
3. Client Outsourcing Governance Lead
4. Client Governance Outsourcing Advisor
5. Supplier Project Delivery Executive
6. Supplier Project Delivery PMO Lead
7. Other Client and Supplier personnel as required
2.4.2 Key Responsibilities
The Joint Project Services Oversight Committee will have management oversight responsibility for the Supplier project delivery performance and project quality, addressing project delivery issues, project delivery improvements, satisfaction with Project Services, issues with project charges and warranty credits, etc. and will have general authority and responsibility regarding:
1. Monitoring Supplier Project delivery, quality and performance results against Service Levels, including Client satisfaction with projects across the project portfolio.
2. Reviewing Client's satisfaction with Supplier's project delivery.
3. Reviewing project financials, project warranty credits, invoices, etc.
4. Reviewing project delivery issues and identifying project delivery improvements as necessary.
5. Reviewing Clients business requirements and associated projects to be released during the respective calendar year.

6. Reviewing project sustainment impacts (including decommissioning) and timing.
7. Addressing as needed project methodology improvements.
8. Manage the action items from this meeting.
2.4.3 Reports
1. Project Status Reports
2. Project Dashboard
3. Project Service Level Reports
4. Documented action items from this meeting
5. Meeting minutes including action items
2.4.4 Meetings
Hold monthly meetings, the 1st meeting to be held during the 2nd month following the Service Commencement Date for Project Services and in each month thereafter.

2.5 Transition Program Steering Committee

To ensure alignment of the business and outsourcing transition initiatives, ensure that the Services are transitioned to the new Agreement and or new Supplier(s) within the agreed -upon milestones and schedule to minimize the business impact and risk to Client.
2.5.1 Members
The Transition Program Steering Committee will comprise the following members and be chaired by Client:
1. Client Responsible Executive
2. Client Governance Outsourcing Advisor
3. Client Transition Program Manager
4. Client LOB Service Recipient Management (those with services being transitioned)

5. Supplier Account Executives (incoming and outgoing, if applicable)
6. Supplier Transition Program Managers (incoming and outgoing)
7. Supplier Transition Stream Leads, as required
8. Supplier Service Delivery Leads, as required
9. Other Client and Supplier personnel (incoming and outgoing) as required
2.5.2 Key Responsibilities
The responsibilities of the Transition Program Steering Committee include:
1. Ensuring alignment of the business and outsourcing transition initiatives.
2. Monitoring Critical Transition Deliverables achievement and overall transition progress.
3. Monitoring incoming and outgoing Supplier performance (if applicable).
4. Resolving issues or disputes escalated to this steering committee.
5. Monitoring stakeholder management and risk management.
6. Acting as an assurance check point for the transition program.
7. Reviewing the impact of significant transition milestone changes.
2.5.3 Reports
1. Supplier Transition Status Reports and Steering Committee Briefing Presentation
2. Critical Milestone Achievement and Client Acceptance
3. Documented Escalated Issues/Disputes
4. Significant Project Change Requests/Contract Change Requests related to Transition costs and schedule.
2.5.4 Meetings
The Transition Program Steering Committee will meet bi-weekly or as scheduled by the Transition Program Manager until completion of the Tranition Program.

2.6 Transformation Program Oversight Committee(s)

To ensure alignment between the business and the outsourcing transformation initiatives. To ensure that the transformation initiatives are completed as scheduled and deliver the described benefits for each LOB. Oversee changes to the transformation initiatives and timing. (This committee may be established for each LOB who has transformation initiatives.)
2.6.1 Members
The Transformation Program Oversight Committee will comprise the following members with an alternating designated chair from Client and Supplier:
1. Client Responsible Executive
2. Client Governance Outsourcing Adivsor
3. Client Transformation Program Manager
4. Client LOB Service Recipient Management (those with services being transformed)
5. Supplier Transformation Program Manager
6. Supplier Transformation Stream Leads, as required
7. Supplier Service Delivery Leads, as required
8. Other Client and Supplier personnel as required
2.6.2 Key Responsibilities
The responsibilities of the Transformation Program Oversight Committee include:
1. Ensuring alignment of the business and the outsourcing transformation initiatives.
2. Monitoring Critical Transformation Deliverables achievement and overall transformation progress.
3. Resolving issues or disputes escalated to this steering committee.
4. Reviewing the impact of significant transformation initiative changes.

2.6.3 Reports
1. Supplier Transformation Status Reports
2. Transformation Initiative Completion Report(s)
3. Transformation Initiative Change Requests
4. Minutes from meetings
2.6.4 Meetings
The Transformation Program Oversight Committee will meet monthly or as scheduled by the Supplier Transition Program Lead.

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT II TO SCHEDULE 9.1

GOVERNANCE PROCESS PRIORITY MATRIX

TABLE OF CONTENTS

Page

1.0 INTRODUCTION.....3

2.0 GOVERNANCE PROCESS PRIORITY MATRIX 3

1.0 INTRODUCTION

This document identifies Governance processes to be implemented by Client, their relative priority and Suppliers obligation in the performance of each process.

2.0 GOVERNANCE PROCESS PRIORITY MATRIX

Category A and B define the relative priority for the implementation of the processes. Category A processes have a higher relative priority than Category B processes.

Governance Process	Category (A / B)	Supplier Obligations
Service Knowledge Management	**A**	Provide information on the operational delivery of services to Client including processes, systems, tools, and methods used to provision the services, including all changes thereto. Includes the development and ongoing maintenance of all the information listed.
Issue Management	**A**	Participate with the Client Governance Organization regarding the tracking, resolving, researching implications of escalated operational issues, governance issues, commercial issues and other critical issues, including dispute resolution.
Contract Management	**A**	Assist the Client in managing compliance with all aspects of the agreement including compliance with all notification periods, representations, warranties, statements of work, etc.
Contract Change Management	**A**	As needed, Supplier shall work with the Client Governance Organization to identify, track, draft amendments, review, and process changes to the Agreement.

Governance Process	Category (A / B)	Supplier Obligations
Invoice Verification and Payments Management	**A**	Provide timely and accurate invoices on the agreed schedule and format. Respond to queries, support audit requirements, in accordance with the Agreement.
Financial Performance Reporting	**A**	Provide any necessary information on project costs, summary deal costs to facilitate required financial performance reporting.
Stakeholder Communications Management	**A**	Assist in the definition and support of communications within the enterprise. Coordinate communications to such Third Parties as necessary. Support or provide reporting to extended stakeholders as agreed.
Service Performance Management	**B**	Provide regularly scheduled and accurate performance reports in agreed format. Provide back-up detail as requested, including source data and calculations. Participate in regular performance reviews to discuss performance feedback from the Client retained organization and Client business units. Assist in the identification of the cause of consistent service delivery issues or major failures, including root cause identification, pattern analysis, recommendations for prevention/correction and implementation of prevention/correction plans.
Stakeholder Satisfaction Management	**B**	Develop/maintain the process for (OTACE) survey design, assessment, and joint improvement planning activities on a scheduled basis.

Governance Process	Category (A / B)	Supplier Obligations
External Compliance Management	**B**	Provide coordination with and access to information, people, and facilities for the Client Governance Organization during Client's audits for compliance with external regulatory laws, in accordance with the Agreement. Implement any Client Compliance Directives pursuant to Change Management procedures
Internal Compliance Management	**B**	Comply with Client Compliance Directives, Policies and Guidelines. Participate in Client's verification audits, in accordance with the Agreement, and implement Client Compliance Directives, Policies and Guidelines pursuant to Change Management procedures. Work with Client to assist in identifying impact of Client Compliance Directives on the Agreement and on Services provisioning. Assist Client in its testing for compliance and monitoring of improvement plans.
Risk Management	**B**	Participate in the planning and implementation of risk mitigation plans as agreed upon with Client. These plans and activities extend beyond Project activities and include any ongoing strategic, business continuity, emergency, and operational issues.

Governance Process	Category (A / B)	Supplier Obligations
Stakeholder Relationship Management	**B**	As requested by Client, participate with the Client Governance Organization in the communication of performance, financial benefits, success stories, change management, etc. with Client and the business units. Provide requested information and access to personnel.
Governance Reporting and Review	**B**	Work with the Client to provide any necessary information required for governance reporting such as dashboard reports, or other Service Level summary reports, consumption reports, etc.
Continuous Improvement and Innovation Management	**B**	As reasonably requested, participate with the Client Governance Organization and business units in the identification of new business requirements and forecasts in order to jointly develop future strategic and operational plans. Participate in continuous process review meetings to determine ways to improve overall quality and performance.
Market Comparison and Benchmarking	**B**	Work with and support the Client process for the benchmarking of the service charges and service levels in accordance with the Agreement.

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT III TO SCHEDULE 9.1

GOVERNANCE REPORTS

TABLE OF CONTENTS

Page

1.0 INTRODUCTION....3

2.0 FREQUENCY....3

3.0 MEDIA....3

4.0 COMPILATION AND ANALYSIS....3

5.0 COMPREHENSIVENESS....3

6.0 REPORTING PROCESS....3

7.0 LIST OF GOVERNANCE REPORTS....4

1.0 INTRODUCTION

This document identifies the Governance Reports to be produced and provided by Supplier as part of the Services, in addition to any other reports required to be produced by Supplier under the agreement.

2.0 FREQUENCY

The Governance Reports shall be provided by Supplier at the frequency indicated in the List of Reports table below. If a Governance Report is identified with a frequency of "Weekly," such Report shall be provided by Supplier by the close of business Tuesday of the following week. If a Governance Report is identified with a frequency of "Monthly," such Report shall be provided at the same time as all other monthly reports and by the tenth day (or first Business Day after the tenth day if the tenth day is not a Business Day) of the following month. If a Governance Report is identified with a frequency of "Quarterly," such report shall be provided by the tenth day (or first Business Day after the tenth day if the tenth day is not a Business Day) of the first month following the end of the calendar quarter (e.g., 10th of May, 2015 for the first quarter of calendar year 2015).

3.0 MEDIA

All Governance Reports shall be available via secure online portal to Client.

4.0 COMPILATION AND ANALYSIS

All Governance Reports shall be available by SOW or other service category, if applicable, and shall allow for roll-up and summarization across SOWs as appropriate.

5.0 COMPREHENSIVENESS

All Governance Reports shall include all of the applicable components as described in the applicable portion of the Agreement including reports identified in Attachment I to Schedule 9.1.

6.0 REPORTING PROCESS

Client may request, through the Service Request process, Supplier to participate in and support any efforts by Client to develop and enhance its internal reporting capability to its internal Clients relating to the Services by integrating its reporting with any such enhanced Client processes or governance reporting tools.

7.0 LIST OF GOVERNANCE REPORTS

Governance Reports		
Report Name	**Description**	**Frequency**
Executive / Management Reports		
Quarterly Business Review	Quarterly summary of Service performance including: performance against Service Levels; highlights of Service delivery; status of major Service issues; major project implementation status. Quarterly summary of strategic relationship performance including: Client business updates; Supplier business updates; new initiatives; and challenges/obstacles/opportunities.	Quarterly
Executive Summary Scorecard	Summary of: Service performance against Service Levels; highlights of Service delivery; status of major Service issues; and project implementation status.	Monthly
Scorecard Performance Summary	A dashboard summary of key performance metrics (Critical Service Levels and Key Measurements) and their attainment showing performance trends, service level defaults, credits, and improvement plans on a SOW basis. This report will also include an overall summary of all SOWs showing a rolling 12 month summary of service level defaults.	Monthly
Performance Reports		
Service Levels – Performance	Evaluation and reporting in accordance with the Service Level Schedule (Critical Service Levels and Key Measurements).	Monthly
Service Levels – Trending	Statistically based analysis of trended performance against expected and minimum Service Levels and identification of issues requiring resolution (Critical Service Levels and Key Measurements).	Monthly
Financial Reporting		
Invoice for Services by SOW	The invoice will be in the format agreed between the Parties. The invoice lists all Charges to Client. The information provided should include current month	Monthly

Governance Reports		
Report Name	**Description**	**Frequency**
	Services, and ARC / RRC elements from the previous month and related appendices, pricing element, rate, quantity and total amount billed. In addition, ongoing Charges related to Service Changes should be clearly identified in the invoicing.	
Report of Monthly Invoicing	Monthly report summarizing all invoice amounts for the Services that were provided for each SOW and Project work billed for that month. At a minimum, the report will include SOW, invoice number, invoice date, process, sub-process, number of Resource Units, Resource Unit rate and calculated Charges and for Projects the hours worked, milestones completed and amount invoiced. The report will also provide a year-to-date comparison of the same elements specified above by month for the current year. The electronic report will be available for query in a form that can be read, accessed, searched, and manipulated by Client using commercially available tools	Monthly
ARC/RRC Detail	The report lists all ARC/RRC Charges/Credits to Client. The information provided should include pricing element, ARC/RRC Rate, quantity and total amount billed.	Monthly
Service Level Credits	The report lists Service Level Defaults that occurred during the previous month and shows monthly and rolling 12 month totals on Critical Service Levels related Service Level Credits.	Monthly
Project Related Charges	The report lists all Project related Charges billed or to be billed to Client. The information provided includes Project identification, Project name, hours billed, rate, amount billed, amount to be billed if greater than authorized funding, amount budgeted and variance to budget.	Monthly

Governance Reports		
Report Name	**Description**	**Frequency**
Pass-through Expenses Detail	The report lists all Pass-through Expenses paid by Supplier and billed to Client. Copies of invoices and other Pass-through Expense details will be provided to Client upon request.	Monthly
Issue Tracking Reporting		
Monthly Issue Management Report	A report providing monthly counts of logged, resolved and open issues. This report shall also contain summaries of Root Cause Analysis results from the prior month and root cause analysis ongoing activities for issues affecting the Services.	Monthly
Monthly Trend Issue Management Report	A report providing monthly trends of logged, resolved, and open issues.	Monthly
Service Request / Ad-Hoc Change Reporting		
Weekly Status Report	A weekly report covering the status of Service Changes. To be provided by noon of the first day of each week. This report provides status and a weekly summary on completed and ongoing Services activities including status of ad-hoc Services completed or in progress performed by the Supplier Personnel, Changes implemented during the prior week, Changes scheduled for the current week, and open issues associated with all Project activity.	Weekly
Monthly Change Management Report	A report providing summary and detailed information on: Changes implemented during the past month, issues associated with the implemented Changes, Changes identified and planned for the coming month, and the actual or expected impacts of these Changes on the Services.	Monthly
Satisfaction Survey Reporting		
Satisfaction Survey Results	The results of a Client satisfaction survey for Client's relevant business managers and internal users in respect of their satisfaction with the performance of the Services.	Twice Annually

Governance Reports		
Report Name	**Description**	**Frequency**
Project Reporting		
Project Status Report	A report that provides a monthly update on the status of all Project milestones and executive summary of the Projects, unresolved issues and Problems, and estimates to complete the defined work to meet agreed upon target dates. This report will include projects in all SOWs.	Monthly
Monthly Tracking Report	A report showing the utilization and status of Service requests and Project work performed by Supplier Personnel.	Monthly

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT IV TO SCHEDULE 9.1

GOVERNANCE DELIVERABLES

TABLE OF CONTENTS

Page

1.0 INTRODUCTION 3

2.0 GOVERNANCE DELIVERABLES 3

1.0 INTRODUCTION

This document includes the activities, responsible party and expected milestones required to stand up the Governance organization.

2.0 GOVERNANCE DELIVERABLES

REFERENCE NBR	ACTIVITY	RESPONSIBLE PARTY	MILESTONE DATE	KEY DELIVERABLE
3	Jointly Plan and Conduct 1st Governance Team Meeting	Joint	Within 30 days after the Effective Date	Charter, agenda, meeting materials, relationship scorecard and conduct committee meeting
4	Jointly Review Detailed Governance Reporting Requirements	Joint	Within 60 days after the Effective Date	Detailed governance reports defined and accepted by Client
5	Designate the Supplier Account Executive	Supplier	As of the Effective Date	Named
6	Designate the Client Responsible Executive	Client	Within 10 days after the Effective Date	To be Named
7	Identify and Jointly confirm Governance Committee members, for all Committees identified in Attachment I to Schedule 9.1, filling the named roles	Joint	Within 30 days after the Effective Date	To be Named
8	Establish Committees identified in Attachment I to Schedule 9.1	Joint	Within timeframes identified for each committee in Attachment I to Schedule 9.1	To be Named
9	Jointly Launch Committees	Joint	Within timeframes identified for each committee in Attachment I to Schedule 9.1	Charter, agenda, meeting materials, conduct committee meeting
10	Jointly Develop Client Internal Stakeholders' Communications Package	Joint	Within 30 days after the Effective Date	Internal stakeholders communications package

11	Implement Category A Governance Processes	Joint	Within 60 days after the Commencement Date	Fully documented and implemented Governance processes including the functional responsibility matrix
12	Implement Category B Governance Processes	Joint	Within 180 days after the Commencement Date	Fully documented and implemented Governance processes including the functional responsibility matrix
13	Jointly Develop Decision Rights Model	Joint	Within 45 days after the Commencement Date	Supplier shall support Client governance team in developing decision rights model

HYDRO ONE

REQUEST FOR PROPOSAL

ATTACHMENT V TO SCHEDULE 9.1

GOVERNANCE DELIVERABLE ACCEPTANCE FORM

TABLE OF CONTENTS

Page

1.0 INTRODUCTION 3

2.0 GOVERNANCE DELIVERABLES ACCEPTANCE FORM 3

1.0 INTRODUCTION

This document includes the form to be used when seeking Client acceptance of Governance milestones and deliverables by Supplier.

2.0 GOVERNANCE DELIVERABLES ACCEPTANCE FORM

Milestones and Deliverable Acceptance Form

Following to be completed by Supplier:

Deliverable Reference Number_____

Deliverable Name/Title:

_____

Milestone Due Date:

_____

Deliverable Description (abbreviated):

_____

Completion Criteria

_____

Following to be completed by Client:

☐ Key Deliverable Accepted By Client

☐ Deliverable Rejected By Client

Reason Rejected: _____

Signed for Client

By: _____

Print Name: _____

Position: _____

Date: _____

HYDRO ONE

REQUEST FOR PROPOSAL

SCHEDULE 9.2

CHANGE AND NEW SERVICE PROCEDURES

TABLE OF CONTENTS

Page

1. OVERVIEW 3

2. CHANGE REQUESTS AND NEW SERVICE REQUESTS BY CLIENT; CHANGE PROPOSALS AND NEW SERVICE PROPOSALS BY SUPPLIER 3

3. CHANGE PROPOSALS OR NEW SERVICE PROPOSALS INITIATED BY SUPPLIER 6

4. DOCUMENTATION 6

SCHEDULE 9.2

CHANGE AND NEW SERVICE PROCEDURES

1. **Overview**

This Schedule describes the procedures to be followed in respect of the request and approval of Changes and New Services (the "**Change and New Service Procedures**"). For ease of reference, the various categories of revisions to the Services and the applicable process that should be followed are set out in the chart in Appendix I to this Schedule 9.2.

2. **Change Requests and New Service Requests By Client; Change Proposals and New Service Proposals by Supplier**

(a) Client may request a Change or New Service by providing to Supplier a written Change request (a **"Change Request"**) or a written request for New Services (a **"New Service Request"**), as applicable, substantially in the form attached hereto as Appendix II to this Schedule 9.2.

(b) Supplier will respond to each Change Request or New Service Request within five (5) Business Days (or such other period as the Parties may, acting reasonably, agree taking into account the nature and complexity of the Change Request or New Service Request, as applicable) by delivering to Client:

(i) for Change Requests, a detailed, written Change proposal (a **"Change Proposal"**); or

(ii) for New Service Requests, a detailed, written New Service proposal (a **"New Service Proposal"**);

provided, however, that if Supplier is not able to comply with such timeframe, then Supplier will, within such timeframe, deliver an initial Change Proposal or New Service Proposal, as applicable, to Client setting out as much of the information required under Section 2(c) as possible, and, to the extent Supplier has not delivered all information required under Section 2(c), Supplier will update the Change Proposal or New Service Proposal, as applicable, no less frequently than once every five (5) Business Days (or such other period as the Parties may, acting reasonably, agree taking into account the nature and complexity of the Change Request or New Service Request, as applicable) until Supplier has delivered all information required under Section 2(c). The Parties agree that the completeness of Supplier's Change Proposal or New Service Proposal, as applicable, will be dependent on Client making available certain information that Supplier may reasonably request to enable proper analysis of the Change Request or New Service Request, as applicable.

(c) For each Change Proposal or New Service Proposal Supplier will include the following information, as applicable:

(i) the specifications for the Change or New Service, and a description of how and when the proposed Change or New Service would be implemented, including a schedule for the implementation that addresses Client's business requirements;

(ii) a description of the effect, if any and to the extent Supplier is aware, that implementation of the Change or New Service could reasonably be expected to have on: (A) Client or any Affiliate of Client, other service providers of Client, or their respective hardware, software, systems, Client Data or business processes or other operations; (B) Client's ability to access any Material of Client; or (C) the ability of Supplier to perform its obligations in accordance with this Agreement;

(iii) an analysis of the risk, if any and to the extent Supplier is aware, that implementation of the Change or New Service would or could reasonably be expected to interfere with the operation of any hardware, software, systems, Client Data or business processes and process flows or other operations of Client or other service providers of Client or would otherwise have an adverse effect on Client's operations, including its business processes and process flows, and including associated contingency plans, back-out procedures, ability to repatriate any Service, or other risk mitigation plans;

(iv) a statement of the fees that Supplier proposes to charge Client, if any, that result from the Change or to perform any New Service (separately identifying all one-time fees, ongoing fees, and any Pass-Through Expenses) and any other applicable pricing requirements set out in this Agreement, along with supporting documentation detailing Supplier's calculation of the proposed fees and justifying Supplier's conclusion that it is entitled to charge the proposed fees and that such Services are not already paid for as part of the Fees payable hereunder;

(v) without limiting **[Section 14.2]** of the Agreement or [**Section 10 of Schedule 16.1]** for Change Requests, if the Change Request involves a Change that includes the removal or reduction in the scope of any of the Services provided, proposed reductions to the Fees payable to reflect the reduction in scope; and

(vi) any other information reasonably necessary for Client (as determined by either Party) to evaluate the Change Proposal or New Service Proposal, as applicable.

(d) Client will not be charged for the review or preparation of any Change Proposal or New Service Proposal, including any revisions thereof.

(e) Within five (5) Business Days after Client's receipt of a Change Proposal or New Service Proposal (or such other longer period as the Parties may, acting reasonably, agree taking into account the nature and complexity of the Change Proposal or New Service Proposal, as applicable), Client will:

(i) notify Supplier that more than five (5) Business Days will be required for Client's review of the Change Proposal or New Service Proposal, as applicable;

(ii) seek further clarification from Supplier, as Client deems necessary;

(iii) propose modifications or suggest improvements to any aspect of the Change Proposal or New Service Proposal, as applicable, by notifying the Client Responsible Executive for Supplier (or such other person as may be designated as a delegate in writing by the Client Responsible Executive), in writing, of such modifications or improvements;

(iv) reject the Change Proposal or New Service Proposal by notifying the Client Responsible Executive for Supplier (or such other person as may be designated as a delegate in writing by the Client Responsible Executive), in writing, of such rejection; or

(v) without limiting Sections 2(g) and (h) below, approve the Change Proposal by signing and returning the Change Proposal to the Client Responsible Executive for Supplier (or such other person as may be designated as a delegate in writing by the Client Responsible Executive), or indicating acceptance in writing of the New Service Proposal.

(f) If Client proposes modifications or improvements to the Change Proposal or New Service Proposal, Supplier will submit a revised Change Proposal or New Service Proposal, as applicable. Client reserves the right to accept or reject, in its discretion, any Change Proposal or New Service Proposal submitted by Supplier in response to a Change Request or New Service Request, as applicable. If Client rejects a Change Proposal or New Service Proposal, or does not respond by the deadline set out in Section 2(e) above, then the Parties will treat the Change Proposal or New Service Proposal, as applicable, and the corresponding Change Request or New Service Request, as withdrawn. If Client notifies Supplier that more than five (5) Business Days will be required for Client's review of Supplier's Change Proposal or New Service Proposal pursuant to Section 2(e)(i) above then Supplier will promptly notify Client in writing of any changes that will be required to the Change Proposal or New Service Proposal, as applicable, due to such extended review time, and thereafter Section 2(e) above shall apply.

(g) A Change Proposal that is signed by both Parties is referred to as a **"Change Order"** and is binding on the Parties and forms part of the Agreement.

(h) If a New Service Proposal is acceptable to Client, the Parties will negotiate in good faith to complete a Statement of Work for the applicable New Service in accordance with Section 4.2 of the Agreement.

(i) Supplier will not implement any Change or perform any New Service unless a Change Order for the Change or a Statement of Work for the New Service is executed by authorized representatives of each Party.

(j) Supplier will not be entitled to reject any Change Request or New Service Request received from Client unless: (i) it is not technically feasible to carry out, or Supplier does not possess the technical skill or resource capacity to implement, the proposed Change or New Service; (ii) it includes a requirement for Supplier to change or relocate the Service Locations set out in the applicable SOW (except where the Change Request or New Service Request is to address: (x) that a Service Level Termination Event has occurred; (y) compliance with applicable Laws or (z) a Service Location is 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); or (iii) the proposed Change or New Service will cause Supplier to breach Laws.

3. **Change Proposals or New Service Proposals initiated by Supplier**

(a) Where Supplier desires to propose a Change or New Service, it will prepare and deliver to Client a detailed, written Change Proposal or New Service Proposal, as applicable, which will include the information set out in Section 2(c) above.

(b) Each such Change Proposal or New Service Proposal will be submitted by Supplier to Client. Supplier will promptly make such further information available to Client as Client may reasonably request to enable Client to properly evaluate the Change Proposal or New Service Proposal.

(c) Client reserves the right to accept or reject, in its discretion, any Change Proposal or New Service Proposal submitted by Supplier in respect of a proposed Change or New Service initiated by Supplier; provided, however, that if Client has not communicated such acceptance or rejection to Supplier within thirty (30) days of Client's receipt of the Change Proposal or New Service Proposal, the Change Proposal or New Service Proposal shall be considered null and void and of no further effect.

(d) Client will not be charged for the review or preparation of any Change Proposal or New Service Proposal, including any revisions thereof.

4. **Documentation**

(a) Supplier will maintain a record of each Change Request, Change Proposal, Change Order, New Service Request, New Service Proposal, Statement of Work, and all other documentation relating thereto provided by Supplier to Client in connection therewith, and will make such record readily accessible to Client.

(b) Where there are two or more Change Requests or Change Proposals, they will be handled by Supplier in accordance with this Schedule as prioritized by Client, acting reasonably.

APPENDIX I
TO SCHEDULE 9.2

Category	Request/Approval Process
Contract amendments	Contract amendments are agreed in accordance with the applicable provisions of the Agreement. The Change and New Service Procedures do not apply. The requesting Party will provide written notice of the necessary change and appropriate wording for the other Party to consider.
Changes	Follow the Change and New Service Procedures.
Projects	Follow the proposal process for Projects as described in Schedule 3.1(a) (Project Methodology)
Changes to a Project	Follow the Change and New Service Procedures (as defined within the context of the particular Project).
New Services	Follow the Change and New Service Procedures.
Service Requests contemplated by a SOW and routine installs, moves, adds and changes contemplated by a SOW or by the Procedures Manual	The Change and New Service Procedures do not apply. Service requests shall be requested, approved and implemented in accordance with the process set out in the applicable Statement of Work or Procedures Manual at no additional fees.

HYDRO ONE

CHANGE REQUEST FORM

ATTACHMENT I TO SCHEDULE 9.2

CHANGE AND NEW SERVICES PROCEDURES

TABLE OF CONTENTS

Page

1.0 INTRODUCTION.....3

2.0 CHANGE REQUEST FORM 3

1.0 INTRODUCTION

The purpose of this Attachment I to Schedule 9.2 is to establish the form and templates for managing the Change Request process.

2.0 CHANGE REQUEST FORM

Title:	
Statement of Work (SOW):	Submission Date:
SOW Initiator:	Contact Number:
SOW Sponsor:	Contact Number:
Change: ☐ New Service: ☐	
Details of Proposed Change / New Service	
(Include reasons for Change/New Service and appropriate details/specifications. Identify any attachments as A1, A2, A3, etc.)	
Note: The above information will be submitted using the Client's automated online workflow solution designed to facilitate the approval process and submission to the Supplier. The Change Request number will be generated automatically by the workflow.	

HYDRO ONE

CHANGE PROPOSAL FORM

ATTACHMENT II TO SCHEDULE 9.2

CHANGE AND NEW SERVICES PROCEDURES

TABLE OF CONTENTS

Page

1.0 INTRODUCTION 3

2.0 CHANGE PROPOSAL FORM 3

1.0 INTRODUCTION

The purpose of this Attachment II to Schedule 9.2 is to establish the form and templates for managing the Change Proposal process.

2.0 CHANGE PROPOSAL FORM

TO: [insert name], Client Responsible Executive, Hydro One Networks Inc.

FROM: [insert name], Supplier Responsible Executive, [insert Supplier company name]

RE: Change Management Procedure under the Agreement dated "insert date" made between [insert Supplier company name] ("Supplier") and Hydro One Networks Inc. ("Client") (the "Agreement")

Proposal #:	***CC*** _____	***Submission Date:***	_____
Request #:	_____		
SOW:	_____	***Change:*** ☐	***New Service:*** ☐

This Change Proposal forms part of and is subject to the terms and conditions of the Agreement and is not binding until both Supplier and the Client have each executed and agreed to this Change Proposal by signing below.

1. Summary of Change or New Service

-

2. Description of Work and Deliverables required for Implementation

-

3. Timetable for implementation

-

4. Impact Analysis

- Refer to Schedule 9.2 Change and New Service Procedures, Section 2 (c) (ii) and (iii) for considerations.

5. Pricing impact Analysis:

-

6. Statement of alternative solutions:

-

7. Other relevant information

-

This Change Proposal is offered to the Initiating Party by the Recipient and will remain open for acceptance by the Initiating Party.

Recommended and Approved by: **[Supplier]**

Hydro One Networks Inc.

By: By:

SOW Designated Representative

Name: [insert name]

Title: [insert title]

SOW Operations Lead

Name: [insert name]

Title: [insert title]

Hydro One Networks Inc. **[Supplier]**

By: By:

Client Responsible Executive

Name: [insert name]

Title: [insert title]

Supplier Responsible Executive

Name: [insert name]

Title: [insert title]

Hydro One Networks Inc.

By: By:

Hydro One Contract Authority

Name: [insert name]

Title: [insert title]

HYDRO ONE

REQUEST FOR PROPOSAL

SCHEDULE 11.1(d)

SUPPLIER ONE-WAY NDA

Hydro One CONFIDENTIAL

TABLE OF CONTENTS

1.0 INTRODUCTION 3

2.0 SUPPLIER ONE-WAY NON-DISCLOSURE AGREEMENT 3

1.0 INTRODUCTION

The purpose of this Schedule 11.1(d) Supplier One-way NDA is to establish the form and template for the Supplier One-way Non-Disclosure Agreement.

2.0 SUPPLIER ONE-WAY NON-DISCLOSURE AGREEMENT

•

NON-DISCLOSURE AGREEMENT

This Agreement made this _____ day of _____, ____ between Capgemini Canada Inc. having offices at 1660 Tech Avenue, Unit 3A, Mississauga, ON, L4W 5S7 ("Supplier") and _____, having its principle place of business at _____ ("Recipient").

WHEREAS Supplier is in the business of providing proprietary software, documentation, or services to its customers; and

WHEREAS Supplier has agreed to provide certain services and associated deliverables (collectively, the "Supplier Services") to Hydro One Networks Inc. ("Client"); and

WHEREAS Recipient has agreed to provide certain services or deliverables (collectively, the "Recipient Services") to Client; and

WHEREAS Supplier, Client or any of their affiliates will disclose to Recipient proprietary information of Supplier pertaining to the Supplier Services (such proprietary information, the "Proprietary Information") for the sole purpose of Recipient performing the Recipient Services for Client (the "Purpose").

(A) Recipient acknowledges and agrees that Supplier's Proprietary Information will be held in strict confidence by Recipient, its officers, employees, subcontractors, and agents and that such items will not be copied or reproduced, either in whole or in part by any method whatsoever other than as necessary to fulfil the Purpose. Recipient will not, directly or indirectly, disclose, allow access to, transmit, transfer, or otherwise make available to any person for any use whatsoever, any such Proprietary Information, other than to a person who: (a) is an officer, director, employee, subcontractor, or agent of Recipient; (b) has a need to know such Proprietary Information to facilitate the fulfillment of the Purpose; and (c) is bound by obligations of confidentiality to Recipient that prohibit the use or disclosure of such Proprietary Information on terms that are consistent with the terms of this Non-Disclosure Agreement. Recipient will promptly notify Supplier in writing in the event of a loss or unauthorized use or disclosure of any Proprietary Information.

(B) Recipient agrees to use the Proprietary Information solely to fulfill the Purpose and Recipient will not, either directly or indirectly, use such Proprietary Information for any other reason or in any other manner.

(C) Supplier agrees that no restriction or obligation hereunder is made upon Recipient when any Proprietary Information shall (i) have been in Recipient's lawful possession prior to disclosure by Supplier, (ii) have become part of the public domain through no fault of Recipient or Client, (iii) have been developed subsequent to, and independent of, disclosure by Supplier, or (iv) have

been released in writing by Supplier so that Recipient may make public disclosure, or is otherwise deemed by Supplier to no longer be confidential.

(D) If so requested by Supplier and the Proprietary Information is no longer required to fulfil the Purpose, Recipient will deliver up or destroy the Proprietary Information and so certify to Supplier in writing.

(E) The obligations set forth herein with respect to the Proprietary Information shall be perpetual.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Non-Disclosure Agreement on the date and year first written above.

Accepted by:	Accepted by:
●	**Capgemini Canada Inc.**
Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

HYDRO ONE

SCHEDULE 14.5

TERMINATION TRANSITION PLAN

REQUIREMENTS

TABLE OF CONTENTS

Page

1.0 Overview 3

2.0 Definitions 3

3.0 Termination Transition Plan 3

4.0 Transition Plan 4

5.0 Termination Transition Services 4

6.0 Client's Successor Suppliers 7

7.0 Miscellaneous 8

8.0 Payment 9

1.0 Overview

(a) This Schedule describes the requirements for transition in circumstances of expiration or termination of the Agreement.

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

2.0 Definitions

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

(a) "**Exit Direction**" shall mean action that Supplier is required or requested by Client to take in respect of Termination Assistance.

(b) "**Successor Supplier**" shall mean one or more Third Parties appointed by Client to provide any service which Client obtains in succession of the Services or part of the Services, as the case may be, in case the Agreement has expired or has been terminated in whole or in part.

(c) "**Termination Assistance**" means the assistance Supplier is obligated to provide pursuant to this Schedule in order to transfer responsibility for delivery, performance and management of the terminating Services, including the services described in the Outbound Transition Plan. Termination Assistance is part of Termination Transition Services.

(d) "**Transition End Date**" shall have the meaning set forth in Section 4. of this Schedule.

(e) "**Termination Transition Period**" shall mean the period from the commencement of Termination Transition Services to the Transition End Date.

(f) "**Outbound Transition Plan**" means the plan for transitioning service(s) developed by the Client or Successor Supplier.

(g) "**Termination Transition Services**" shall have the meaning set forth in Section 4 of this Schedule.

3.0 Termination Transition Plan

(a) Supplier shall within ninety (90) days after the Effective Date, deliver at its own cost, a Termination Transition Plan with respect to each of the Statements of Work in accordance with Section 14.5(a) of the Agreement in order to support the orderly, timely and cost-efficient wind-down and transfer of Services and associated assets, agreements and any other items upon the termination or expiration of this Agreement, in a manner that minimizes (to the extent reasonably practicable) interruption, degradation or other adverse effect on Client. The Termination Transition Plan shall be prepared in the form of the attached

Attachment I to this Schedule 14.5 (Form of Termination Transition Plan), in close consultation with Client and shall incorporate the principles set out in this Schedule and shall also set out the detailed tasks, steps and deliverables necessary to carry out a transition as contemplated by such principles. Client shall cooperate with and assist Supplier in the preparation of the Termination Transition Plan.

(b) Supplier shall update and maintain the Termination Transition Plan on an on-going basis after it is has been prepared, including adding to the Termination Transition Plan for any new Statements of Work. Supplier shall review the Termination Transition Plan for accuracy and currency, and shall conduct joint reviews with Client on an annual basis before the end of the first Contract Year. Changes to the Termination Transition Plan are subject to Client approval during the annual review.

4.0 Transition Plan

At or following the date that Client notifies Supplier of termination or non-renewal, Client shall provide Supplier with a transition plan developed by Client or the Successor Supplier(s) (the "**Outbound Transition Plan**") that describes the detailed tasks, steps and deliverables for transition to the Successor Supplier or Client, including assistance from the Supplier as described in Section 5. Such assistance will be provided from the date the plan is activated until the date (which may be after the date of expiry or termination) that Client does not require Termination Transition Services (the "**Transition End Date**"). Such Outbound Transition Plan, including the Transition End Date, is subject to change by Client and Successor Supplier(s) and Client shall provide such revised versions as they may come available to Supplier.

5.0 Termination Transition Services

Each Party shall use commercially reasonable efforts to provide the Termination Transition Services within the timetable specified in the Outbound Transition Plan and shall do such other reasonable acts and things as are necessary or desirable to ensure the orderly, timely and efficient transition of the Services and applicable assets and agreements from Supplier to Successor Suppliers or Client.

The "**Termination Transition Services**" shall include the following:

(a) The provision of a dedicated Supplier Personnel who will be the exit manager together with other dedicated roles, to the extent agreed to by Client during initial planning of the Termination Transition Services.

(b) As part of Termination Transition, Supplier shall perform the following obligations (the obligations listed hereunder not to be interpreted as an exhaustive list):

(i) Upon receipt of reasonable notice from Client, Supplier shall provide Client and its Successor Suppliers with reasonable access to and use of all systems and facilities used by Supplier to provide the Services and to all proprietary materials (including methodologies and business processes) of Client. Supplier shall provide Client and its Successor Suppliers with reasonable

access, in accordance with any applicable Laws, any confidentiality requirements and Supplier's security procedures, to facilities used by Supplier to provide the Services and to all of Client Assets located at such facilities.

(ii) At the request of Client, Supplier will reasonably assist Client and its Successor Suppliers in the de-installation, testing and reconfiguration, as applicable, of any Client Assets which are in the possession or under the control of Supplier or assets which were acquired by Client from Supplier in the course of Transition. Subject to availability and to reasonable notice, Supplier shall make available to Client or its Successor Suppliers at Client's cost, any other available Hardware, Equipment, systems or networks reasonably required by Client or its Successor Suppliers on a temporary basis to facilitate the transition including for temporary testing, back-up and parallel processing purposes.

(iii) Without limiting the generality of the foregoing obligations relative to the Client Assets, more particularly, the Supplier shall undertake the following:

(A) Software. Supplier will return to Client or its Successor Suppliers, as directed by Client, all Client Software in Supplier's possession or control and, if requested with reasonable notice, reasonably assist Client and its Successor Suppliers in its de-installation, testing, re-installation and reconfiguration on the Equipment and networks to be used by Client or its Successor Suppliers.

(B) Data. Supplier shall transfer all Client Data (in complete, machine readable form) including all transactional accounts data, to Client or its Successor Suppliers, as directed by Client, in a usable format that can be accessed, searched and manipulated by Client by commercially available Software or tools.

(C) Documentation. Supplier will, as part of Supplier's obligations under the Agreement, return to Client all copies of all existing documentation of, or relating to, Client's business, including proprietary materials of Client, as well as all back-ups and archived data in Supplier's possession.

(iv) Supplier will assist Client, on request, to cause all Third Party services then being utilized by or for Supplier in the performance of the Services to be transferred or made available to Client and its Affiliates and Successor Suppliers, as directed by Client. As part of the Termination Transition Services, Supplier shall identify such Third Party services and make recommendations for their transition, as appropriate.

(v) In accordance with the terms of the Agreement and to the extent applicable and within Supplier's possession or control, Supplier shall provide copies of all relevant licences, warranty information and agreements (including all Third Party service contracts in respect of the Subcontractors to extent

transfer of such Third Party contracts is reasonably anticipated) related to the provision of the Services.

(vi) Client shall have the right, at its option, to purchase any Equipment, third party Software or other assets, the use of which has been dedicated to the provision of Services to Client, during the six (6) month period prior to termination or expiration of the Agreement, at a price equal to the net book value thereof.

(vii) At the request of Client, Supplier shall provide reasonable assistance to Client or the Successor Suppliers with the handover of operation responsibility including providing assistance and cooperation in the preparation and execution of a parallel operation, data migration and testing process during the Termination Transition Period.

(viii) Supplier shall provide information concerning Software, types and skills of employees, third parties, and other resources used by Supplier to provide Services, as may be necessary for Client or a Successor Supplier to assume responsibility for the Services.

(ix) Subject to the terms of this Agreement, Supplier shall provide a complete and up-to-date, electronic copy of the Procedures Manual;

(x) Supplier shall provide other technical assistance related to transfer of the Services as reasonably requested by Client or a Successor Supplier

(xi) Supplier shall identify significant risk factors relating to the transfer of the Services and, with the agreement of Client, shall prepare recommended plans and contingencies to mitigate such risk to the extent it applies to the Services provided by Supplier; assist Client or a Successor Supplier in identifying other significant risk factors relating to the transfer of the Services.

(xii) Supplier shall identify Projects and other work expected to be in progress, if any, as of the date of termination or expiration. With respect to such work, Supplier shall document current status, stabilise for continuity during transfer, and provide any required training to achieve transfer of responsibility without loss of momentum and to achieve an orderly hand-off.

(xiii) Supplier shall, in accordance with the Agreement, return to Client any remaining property of Client in Supplier's possession or under Supplier's control, including any remaining materials.

(xiv) Supplier shall document and provide Client and its Successor Suppliers details of Supplier's participation in Business Impact Assessments and Business Continuity Plan.

(xv) At the request of Client, Supplier will provide appropriate knowledge transfer to the Successor Supplier who will be assuming responsibility for performance of the Services previously provided by Supplier under the Agreement. This knowledge transfer shall include the following activities and shall be described in the Outbound Transition Plan:

(A) providing to Client or Successor Supplier personnel training in the performance of the Services that are to be transferred;

(B) providing to Client or its Successor Suppliers such information regarding the Services as is reasonably necessary to implement the Outbound Transition Plan;

(C) providing to Client or its Successor Suppliers such information regarding the Services as reasonably necessary to assume responsibility for continued performance of Services in an orderly manner so as to minimise disruption in the operations of Client, including:

(1) the documentation related to the Equipment, Software, and any other Materials to be provided by Supplier; and

(2) key support contacts (names, business phone numbers, fax numbers, e-mail addresses and business postal addresses) of Third-Party personnel and Supplier personnel during the transfer; and

(D) explaining the then-current Change management process (including the Change and New Service Procedures), problem management process, Procedures Manual, reports and other standards and procedures to Client's or a Successor Supplier's personnel.

6.0 Client's Successor Suppliers

(a) If and to the extent that it is proposed by Client that any Successor Supplier shall assume responsibility for any of the Services, Supplier shall provide such Successor Supplier with such information regarding the Services as is reasonably requested in order for such Successor Supplier to evaluate, assume responsibility for, provide pricing for, and continue the performance of, the Services in an orderly manner, provided that no financial information of Supplier, including pricing, shall be made available.

(b) Client shall ensure that any such Successor Supplier complies with all obligations of Client under the Agreement to the extent applicable including without limitation obligations relating to confidential information.

(c) Where in this Schedule or in the Outbound Transition Plan, Client is given a right, that right shall also be given to a Successor Supplier (but only for the benefit of Client) and both Client and the Successor Supplier shall be entitled to exercise that

right (in the case of a Successor Supplier only for the benefit of Client). For clarity this provision does not provide Successor Supplier with any contractual or other legal right against Supplier with respect to such rights.

(d) Where in this Schedule or in the Outbound Transition Plan, Client has an express obligation, that obligation may be fulfilled by either Client or a Successor Supplier, and fulfilment of an obligation by a Successor Supplier shall discharge Client's obligation.

(e) Where in this Schedule or in the Outbound Transition Plan, Supplier has an obligation towards Client, it shall be construed to mean that such obligation may be fulfilled by either Supplier or Supplier Subcontractors approved in accordance with the terms of the Agreement, unless provided otherwise by applicable Law.

7.0 Miscellaneous

(a) Supplier will continue to provide all Service delivery in accordance with the Agreement until given explicit instructions by the Client to discontinue or reduce such Service delivery.

(b) During the performance of the Termination Transition Services, Supplier will perform the Services until they have been transitioned in accordance with the Outbound Transition Plan and the provisions of the Agreement will continue to apply during such period.

(c) Subject to the terms of the Outbound Transition Plan and this Schedule 14.5 as Supplier performs such Termination Transition Services, Supplier shall:

(i) continue to provide the Services in accordance with the Service Levels; and

(ii) allow no unplanned material impact or disruption to the Services being delivered to Client, except where such disruption or impact is a consequence of any Exit Direction by Client.

(d) Supplier shall perform the Termination Transition Services with the personnel and other resources then remaining and to the extent reasonably possible without impacting Supplier's ability to provide the Services in accordance with the terms of this Agreement, including Service Levels.

(e) If Supplier anticipates any material disruption or impact to the Services (including any impact on the Service Levels) as a result of any Exit Direction, it shall notify Client of that possible impact or disruption and Supplier shall comply with Client's decision:

(i) that Supplier will comply with the Exit Direction regardless of the anticipated disruption or impact, in which case Supplier shall be relieved of any failure to provide, or delay in providing, the Services in accordance with this Agreement (including performance in accordance with the Service

Levels) to the extent that such failure is caused by compliance with the Exit Direction; or

(ii) that Supplier will comply with a revised Exit Direction that the Parties agree would not cause such disruption or impact; or

(iii) to proceed to comply with its other obligations in this Schedule as if the Exit Direction had not been given.

(f) Once the Termination Transition Services have been completed, Supplier shall, designate, if available, a duly qualified and informed employee of Supplier to act as a continuing contact for a period of no less than six (6) months for the purposes of answering questions and inquiries made by Client and its Successor Suppliers.

8.0 Payment

Client shall pay Supplier for Termination Assistance as follows:

(a) Client shall continue to pay Supplier in accordance with this Agreement for Services provided by Supplier. Such payment for Services shall be reduced as Services and workloads are transitioned in accordance with the Outbound Transition Plan.

(b) To the extent that Supplier can provide Termination Assistance with the personnel and other resources then allocated to perform the Services under this Agreement pursuant to Section 7.0(d) above, Client will not be required to compensate Supplier for any amounts in addition to the amounts then being paid to Supplier for the applicable terminating Services.

(c) If Supplier is required to utilize resources in providing such Termination Assistance other than as contemplated by Sections 8.0(a) or (b) above, then Client shall compensate Supplier in accordance with the Rate Card rates; provided, however, that, at Client's option, Client may elect in lieu of such compensation for providing Termination Assistance Services:

(i) to relieve Supplier from its obligations in whole or in part under the Service Level regime set out in the SOW; or

(ii) to reprioritize delivery of the Services to allow Supplier to perform its Termination Assistance Services,

in each case, so that Supplier is able to perform the Termination Assistance with the personnel and other resources then allocated to perform the Services under this Agreement without impacting Supplier's ability to provide the Services in accordance with the terms of this Agreement, including Service Levels.

HYDRO ONE

TERMINATION ASSISTANCE PLAN

ATTACHMENT I TO SCHEDULE 14.5

TERMINATION TRANSITION PLAN REQUIREMENTS

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1.0 GENERAL

This section shall outline the elements of the Termination Transition plan that are common to all SOWs.

1.1 Organization Structure

- *Overall "Prime" responsibility for termination transition program (i.e. each of Client, Supplier, and, as or when applicable, the Successor Supplier(s) will appoint a "Transition Manager").*
- *Tasks and activities to establish staff and maintain a Program Office.*
- *Roles within the Program Office.*
- *Supplier's responsibilities during each phase (planning, execution, post transition support) of the Termination Transition lifecycle*
- *Responsibilities of the Program Office. These would include such responsibilities as:*
    - *Determine and finalize project structure*
    - *Assign responsibilities for projects*
    - *Determine required incremental resources for program and project management and support*
    - *Manage execution activity*
    - *Manage escalations*
    - *Reporting*
    - *Validate project completion, and solicit approvals*
    - *Validate program completion, and solicit approval*
- *Relationship between the Program Office and the ongoing service/sustainment organizations.*
- *Transition Governance (e.g., Sign-off and acceptance authorities, service request process, resource request process, decision authorities).*

1.2 Program and Project Structure

To address:

- *Key steps, shown in a critical path, including:*
    - *Activation of the Termination Transition Plan*
    - *Major project phases*
    - *Shut-down of the Program Office at the end of transition*
- *Approach for:*
    - *Defining, approving, and monitoring of separate, chargeable Transition services*
    - *Defining, approving, and monitoring the ramp-down of baseline, Run-The-Business service fees as they are transitioned to the Successor Supplier or Client and approach zero*
    - *Changes to SLAs through transition*
    - *Change management and system changes through the transition*
    - *Assuring Business Continuity and Disaster Recovery through the transition*

- *Interim procedures during Transition for approvals related to the purchase of assets and implementation (or transition) of proprietary tools*
- *Transition staffing procedures including hiring, firing, retiring and retention of key employees, relative to the Collective Bargaining Agreements*
- *Knowledge Transfer. This includes the documentation and a training approach along with applicable job shadowing process for Successor Supplier with Supplier. The approach would be finalized after the Successor Supplier is selected. The Knowledge Transfer is included in the detailed Scope of Effort by task, including, but not limited to:*
    - *Due diligence by Successor Supplier*
    - *Client review of current processes*
    - *Identify training methodology (e.g. direct training vs. "train the trainer") for each process and sub-process.*
    - *Create training material, prepare sign-off documentation and identify training resources*
    - *Document management toll gates should be established throughout the knowledge transfer process to assess the readiness at each stage.*
- *Defining the Repository of Materials, highlighting existing information sources, and incremental sources required*
- *Base lining tasks and activities may be required if data sources are missing, or deemed insufficiently accurate.*

X.0 Transition Plan Particulars – XX Statement of Work

One section shall be prepared by Supplier for each Statement of Work:

Each section shall address Inputs and Information requirements that Supplier shall make available to Client.

X.1 Transition Plan Inputs

Item	Description
Workload Migration Strategy & Plan	• Provide a recommended detailed strategy and approach for migrating the Workload for each SOW • Provide a preliminary outline of the Workload Migration activities that includes sequencing, dependencies and any constraints to assist Client in developing the Termination Transition Plan. • Provide a preliminary outline of the ramp down of the workload as the SOW services are transitioned. This is an aid in determing the ramp down of fees for services. *Deliverable: SOW Workload Migration Strategy and Workload Migration Activities*
Service Transition Migration Strategy & Plan	• Provide a recommended detailed strategy and approach for migrating Services within and across SOWs as appropriate • Provide a preliminary outline of the Services Migration activities that includes sequencing, dependencies and any constraints to assist Client in developing the Termination Transition Plan. • Provide an outline of the transition conditions and or events that represent the demarcation points between Supplier terminating delivery of service and Client or a designate assuming responsibility for delivery of service. *Deliverable: Services Migration Strategy and Plan*
Knowledge Transfer Strategy and Plan	• Provide a recommended detailed strategy and approach for transferring knowledge (e.g., by service, by function, by process) • Provide a preliminary outline of the Knowledge Transfer activities that includes sequencing, dependencies, completion and acceptance criteria and any constraints to assist Client in developing the Termination Transition Plan. *Deliverable: Knowledge Transfer Strategy and Plan*
Termination Transition Responsibility Matrix	• Provide a recommended detailed Transition Responsibility Matrix that identifies the primary responsibilities of each party during Termination Transition *Deliverable: Termination Transition Responsibility Matrix*
Historical Data Transfer Process	• Provide recommended detailed approach and plan for transferring Historical Data residing in Supplier owned assets • Provide a description of the audit method to be used to confirm the Historical Data transferred properly *Deliverable: Historical Data Transfer Approach, Plan and audit method*
Transition Risk Assessment and Mitigation Strategies	• Provide a recommended detailed Risk Assessment including anticipated risks and mitigation strategies. (see template) *Deliverable: Transition Risks and Migration Strategies*

Item	Description
Supplier Termination Transition Project Organization, Resourcing and Transition Lifecycle Support	• Provide the Supplier transition project organization structure including key individuals, roles and responsibilities • Provide a detailed description of how Supplier will staff and provide SME's for the transition project including backfilling for ongoing Services • Provide a detailed description of how Supplier will support Client during the transition phases: - Pre-transition planning and program organization - Transition Execution - Post transition support (all SOWs) *Deliverable: Transition Project Organization & Roles and Responsibilities, Transition Project Resourcing and Transition Lifecycle Support*
Physical & Logical Security & Access during Transition	• Provide recommended detailed strategy and approach for handling physical/logical security and access (e.g., facilities, systems, databases, networks, documentation) for the Client team and /or designate team during the transition planning and execution phases. Identify any constraints or limitations. • Provide the procedures for establishing the security Id's, access rights and access to facilities. *Deliverable: Transition Security & Access Strategy, Transition Security and Access Procedures*

X.2 Transition Key Information Requirements

Item	Information Required
Assets	• Provide detailed asset information including but not limited to: - Detailed information on all Client assets (e.g., hardware, software, licenses). Including the location of the asset. - Detailed asset inventory data (e.g., hardware, software, licenses) including status (e.g., on order, received/not installed, installed, not in use, on loan) - Detailed information on Client applications - Detailed information on all Supplier assets (e.g., hardware, software, licenses) utilized in the delivery of services under the Agreement - Supplier assets not available for transfer - Supplier assets available for transfer - Supplier software tools not available for transfer - Supplier software tools available for transfer - Supplier lease information (e.g., facilities, equipment) - Supplier leases not available for transfer - Supplier leases available for transfer - Hardware and equipment spares inventory and information by location - Detailed information on all external system/application interfaces include key support contact information - Consumable supplies inventories and location

	- Diagnostic and test equipment information (e.g., hardware, software, application, network) - Stranded assets - Test scripts and procedures - Planned and anticipated patches required for (systems, applications, software, hardware) - Configuration information (e.g., systems, hardware, software, devices, appliances) - Detailed environments information (e.g., development, UAT, production) - Architectural documents - Volumetric information - Help desk knowledge repository data/information
Contract and Agreements	• Provide detailed information on all contracts and agreements including but not limited to: - Third Party Contract information including VPA's and any contingent liabilities - Third Party arrangements or service agreements information (e.g., off-site storage, disaster recovery) - Third Party key contact information (e.g., named individuals, address, phone, email) - Contracts to be: assigned, assumed, retained, or replaced/terminated - Sub contractor services - Proration of pre-paid contracts
Maintenance and Warranties	• Provide detailed information on all maintenance and warranties including but not limited to: - Detailed maintenance information (e.g., type of maintenance, expiration date, vendor providing maintenance) - Assets not covered by maintenance and an explanation of why their not covered - Detailed warranty information (e.g., type of warranty, what 's covered, expiration date, vendor providing warranty) • Provide detailed information on all time and material support arrangements with any Third parties including but not limited to: - Third Party key contact information (e.g., named individuals, address, phone, email) - Support arrangements (e.g., response times, locations) and rates for support services

Item	Information Required
Processes, Procedures & Policies	• Provide detailed process and procedures information including but not limited to: - Detailed current operating procedure manual (OPM) - Supplier's participation in Client's Business continuity plans - Disaster Recovery plans and policies, including invocation and stand down procedures - Support process documentation (e.g., incident, problem, configuration) - Service process documentation (e.g., service requests, IMAC's, project requests, change requests) - Help desk procedures/process flow, with emphasis on operational interfaces between the help desk, Client, Supplier, and third party resolver queues, statusing, escalation, and level 2/3 support - Systems management control procedures - Security and access control policies and procedures, access rights - Business cycles, seasonality considerations, and blackout periods - Governance process documentation - Unresolved problems and workarounds - Supplier business process - Client escalation procedures and contact points - Process dependencies information including any dependencies on other SOWs - Client interface points - Process cycle time - Supplier authorities - Commercial process measures - Standards followed - Policies, regulations, laws where compliance is required - Job schedules (e.g., batch and online, automated and manual) • Provide detailed information on the demarcation points between Supplier and Client related to the services including: - What is Supplier accountable for and what is Client accountable for? - What is Supplier responsible for? - What is Client responsible for?
Reports	• Provide detailed information (e.g., report sample, purpose, method of delivery, distribution, repository and access) on all reports (current and historical)
Item	**Information Required**
Projects	• Provide detailed project information including but not limited to: - Backlog of projects and forecasted projects - In-flight projects separated by type (e.g., infrastructure) including project plans, project approval status, project requested date, requestor, required completion date, project estimates/pricing (approved and not approved), project & deliverable status - Historical project information – average number and size of new projects requested on a quarterly basis in the past 2 years and in the next 12 months

HYDRO ONE

SCHEDULE 15.1(e)

FORM OF BENCHMARKING ENGAGEMENT LETTER

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TABLE OF CONTENTS

Page

1. OVERVIEW 3

2. GENERAL - ENGAGEMENT OF ANALYST 3

3. BACKGROUND 3

4. ENGAGEMENT - SCOPE OF WORK 3

5. ELEMENTS OF THE BENCHMARKING STUDY 4

6. REQUIREMENTS OF THE ANALYST 6

SCHEDULE 15.1(e)

FORM OF BENCHMARKING ENGAGEMENT LETTER

1. Overview

This Schedule sets forth the form of engagement letter to be used by the Parties to retain the services of a third party to conduct the Third Party Benchmarking, as specified in Section 15 of the Agreement. The form of letter commences in Section 2 below of this Schedule 15.1(e).

2. General - Engagement of Analyst

Client and Supplier wish to jointly select and retain an independent third party applicant (the "**Analyst**") in order to perform a study, the intent of which is to provide assurance to each of Client and Supplier that services being provided by Supplier to Client and its affiliates are being provided for a price no greater than the Benchmark Price, as further determined hereunder. The results of the study will be used to satisfy each party's respective shareholders, Client's regulator, as well as to manage pricing. Further preliminary background information (as of the Effective Date, as updated), certain criteria of the study to be undertaken, as well as certain requirements upon which the successful applicant will be judged by Client and Supplier, are all set forth in this letter.

3. Background

Client currently operates the largest transmission and distribution system in Ontario and one of the ten largest systems in North America. The transmission system includes 17 interconnection facilities that connect Ontario with systems in neighbouring provinces and U.S. states. The distribution system delivers power to over one million customers in Ontario including residential, agricultural, commercial and industrial end-users, and smaller utilities. Client is regulated by the Ontario Energy Board (the "**OEB**").

Supplier is a service provider engaged in the provision of outsourcing services to Client.

Client and Supplier entered into an agreement pursuant to which Client agreed to purchase a range of administrative and support services from Supplier. The services that are provided pursuant to the Agreement are collectively referred to as the "**Services**").

Client and Supplier desire jointly to demonstrate to their respective shareholders, and Client is obliged to demonstrate to its regulator, that the Services provided by Supplier to Client and its affiliates are being provided for a price no greater than the Benchmark Price, as further determined hereunder. Accordingly, the Parties have agreed to a pricing mechanism that maintains service prices at the lesser of the guaranteed service price set out in the Agreement and the Benchmark Price, as periodically determined in accordance with the Agreement.

4. Engagement - Scope of Work

Client and Supplier desire the Analyst to perform a study, the intent of which is to provide assurance to each of Client and Supplier that services being provided by Supplier to Client are

being provided for a price no greater than the Benchmark Price, as further determined hereunder. The results must be in writing and in such a form that they can be filed as evidence in Client's regulatory hearings. In addition, the authors of the study must be available to participate in such regulatory hearings in order to explain and defend the results of the study.

More particularly, the study is to undertake an analysis of the Fair Market Value Range (as such term is defined in the Agreement) of the full range of the Services being provided by Supplier under the Agreement. For each of the SOW's and the service categories within the SOW's, the study is to develop:

(a) One or more appropriate cost-drivers from which to compare the service levels and price set forth in the Agreement, and

(b) A fair market value range using the cost-driver(s), with evidence as to the validity of the range.

The Analyst shall be required to enter into a non-disclosure agreement, on terms and conditions specified jointly by Client and Supplier, including, for greater certainty, a provision to the effect that the Analyst will be prohibited from sharing any of Supplier's costs relative to its provision of the Services specified in the Agreement.

5. Elements of the Benchmarking Study

(i) Elements of the Benchmarking Study - Methodology

The Analyst will commence its analysis with discussions with each of Client and Supplier, as well as an analysis of the Agreement. The Analyst will develop the measurements, metrics and criteria pursuant to which it will conduct the Third Party Benchmarking.

The Analyst will obtain and examine information relating to the pricing of arrangements then in effect in Canada involving the provision of services which are of a comparable nature, type and volume to the Services then being provided by Supplier to Client under the Agreement. As part of this process, the Analyst will be required to determine how a representative market place in Canada would typically bundle services similar to the Services being contracted for by Client from Supplier pursuant to the Agreement. The Analyst may unbundle the Services, as necessary, for comparison purposes to reflect those available in the Canadian market place , provided, however, that the Analyst not unbundle the Services below the service categories in the SOWs.

In undertaking this research, the Analyst will develop a comparison database of companies (as further specified in paragraph (ii) below) which companies provide services of a comparable nature, type and volume to the Services then being provided by Supplier to Client. In compiling this database, relevant data used by the Analyst in the Third Party Benchmarking shall not be more than twelve (12) months old, or if older, shall be equitably adjusted by the Analyst to reflect current market conditions, and more particularly, the average price as of the mid-point of the prior year. The Analyst shall be required to normalize the data by it used to perform the Third Party Benchmarking in order to accommodate, as appropriate, differences in volume levels, scope of

services, service levels, cost components (i.e. relevant amortisation costs) and other pertinent factors, including, to the extent demonstrated and quantifiable: (i) the impact of cross-subsidization on the Charges arising between of the (a) Statements of Work, and (b) between each service category within any individual Statements of Work; and (ii) the impact of the synergistic benefits on the Fees arising as a consequence of Supplier providing the full scope of Services specified in Statements of Work A thru F, such normalization regarding the factors specified in (i) and (ii) not to exceed five percent (5%) in each case.

The Analyst will evaluate each of the Services (to the service category level) with respect to price and associated service levels. Services comparisons should be aligned along both price and service levels. By way of illustration, certain Services may be evaluated on a single measure reflective of both cost and efficiency level, while certain Services may be evaluated only on price (e.g. price per hour for cost accounting support). The Analyst will also compare service levels to ensure the validity of the comparison.

The number of service arrangements to be examined by the Analyst shall be sufficient to be representative of the market place and shall in no event be less than six (6). If the Analyst is unable to obtain six (6) service arrangements for comparison purposes by reference to the Canadian market place, it shall be entitled to develop reasonable proxies and/or to extend the territory of its analysis from Canada to North America, provided that it in so doing, it shall make such equitable adjustments as may be required to reflect the differences in the cost of providing services in different geographical locations.

(ii) Elements of the Benchmarking Study - Companies

The Analyst shall undertake an analysis of companies comparable to Supplier, which analysis shall be based, amongst other things, on the following:

(a) the comparison of comparable companies shall be broken in such a way to align with Clients major lines of business coinciding with the description of such businesses set forth in the Statements of Work to the Agreement, such that each of these lines of business is market priced against comparable companies within the same line of business;

(b) comparable companies shall include both unionized and non-unionized work forces, and the Analyst shall consider comparable companies that are:

(i) unionized in the same general proportion as Supplier, or

(ii) unionized to a different proportion than Supplier, normalized to reflect such difference, or

(iii) non-unionized comparable companies, normalized for unionization in the same general proportion,

(iv) and unionized work forces shall have pension and benefit entitlements; and,

(c) comparable companies shall be comparably sized, having regard, in general terms, to the revenues for the Statement of Work being assessed, or normalized for size.

As part of the Third Party Benchmarking, the Analyst may consider not only service arrangements where a company provides services constituting all of the services provided pursuant to the Agreement, but instead may consider service arrangements where a company provides one or more kinds or types of services comparable to the Services specified in each of those agreements.

(iii) Elements of the Benchmarking Study - Market Prices and Price Comparisons

As part of the Third Party Benchmarking, the Analyst shall identify necessary price adjustments to ensure comparable price comparisons (e.g. Client has maintained ownership of its IT assets used in connection with performing the outsourcing services). As may be necessary, Client will work with the Analyst as part of the benchmarking study to establish Client's costs, which may be needed to adjust prices for valid external comparisons.

6. Requirements of the Analyst

The Analyst should:

(a) have in-depth expertise and proven experience in the evaluation and assessment of costing and pricing issues in a complex multi-regulator and competitive environment;

(b) have in-depth experience with rate regulation principles and specific practices within the utility industry, including expert witnessing at rate hearings on related areas;

(c) have the ability and willingness to draw on international contacts in order to determine applicable precedents in analogous situations and in other jurisdictions;

(d) demonstrate that they have completed similar work successfully for other clients.

The Analyst will be provided copies of contracts, detailed scope of services, and IT configurations if applicable to assist in its review.

HYDRO ONE

SCHEDULE 16.1

FEE METHODOLOGY

TABLE OF CONTENTS

Page

1.0 GENERAL 3

1.1 References 3
1.2 Definitions 3
1.3 Purpose 3

2.0 OVERHEAD 3

3.0 PRICING STRUCTURE 5

3.1 Monthly Base Charge and Monthly Service Charge 5
3.2 Additional Resource Charges (ARC) and Reduced Resource Credits (RRC) For Non – ITO SOWs 6
3.3 Local Currency 7
3.4 Assumed Efficiencies 7

4.0 ADJUSTMENTS TO CHARGES 8

4.1 Adjustments for Inflation and Deflation for IS/AS SOWs Renewal Terms 8
4.2 Taxes 11

5.0 RESOURCE BASELINES AND VOLUME BASELINES 11

5.1 Resource Baselines and Resource Units 11

6.0 FINANCIAL DOCUMENTATION 12

6.1 Invoicing and Payment 12

7.0 PROJECTS 12

7.1 Time and Materials Charges 13
7.2 Fixed Fees 14

8.0 SERVICE CONTINUITY SERVICES 14

9.0 IS/AS/PS COMMITTED AMOUNTS 15

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 program portfolio management are not chargeable unless agreed by both Parties in a Project. Contract management is 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 IS/AS 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 Projects.

(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) the support of any charge-back or allocation of Supplier's invoices to individual Hydro One business units or cost centers in accordance with the requirements of the Agreement;

(i) Performance of quality assurance activities to monitor Supplier's performance and ensure internal Supplier compliance with standards e.g. ISO (International Organization for Standardization).

(j) Performance of error correction or defect rectification.

(k) Provision of management reporting (both internal and Client) as to the extent required under the Agreement.

(l) All planning-related activities (technology, business, financial/budget, etc.).

(m) 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.

(n) 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.

(o) Implementation of activities and tools to promote efficient use of service delivery resources.

(p) 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.

(q) Activities and tools implemented by Supplier either at its discretion or as required to meet its obligations under the Agreement.

(r) Management of Third-Party relationships and resources as required under the Agreement.

(s) Preparation of all cost estimates and proposals for Projects or Change and New Services Procedures.

(t) 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 "ITO Monthly Committed Amounts" 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 ITO Monthly Committed Amounts for the applicable month in accordance with this Exhibit and the Agreement.

(c) The ITO Monthly Committed Amounts 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, or are considered Reimbursable Costs) 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, One-Time Charges Tools Costs). 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.

(d) 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 Charges. The Charges for such Services are included within the Monthly ITO 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.

(e) 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 – ITO SOWs**

(a) This Section 3.2 only applies to IS and AS 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 A 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 after each three (3) month period as part of the Re-Balancing Process as defined in Exhibit 3. All applicable ARCs and RRCs for each Resource Baseline 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:

June's Invoice will contain May's Base Charges and the ARC/RRC charges for March, April and May.

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, 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 IS/AS SOWs Renewal Terms

(a) **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 only during the Renewal Terms. 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.

(b) 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.

(c) 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 during the Renewal Terms.

(d) **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

(e) 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.

(f) 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.

(g) **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").

(h) **ECA Factor**: The "ECA Factor" for a given year is determined as follows:

(i) 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.

(j) 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}

(k) 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.

(l) **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.

(m) **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.

(n) 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

(o) 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

(p) New Monthly Base Charge rate would be:

((Existing Monthly Base Charge) * (Inflation Sensitivity Factor) * (ECA Factor)) + Existing Monthly Base Charge

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

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

((Existing ARC Rate or RRC Rate or Skill Level Rate Card rate) * (Inflation Sensitivity Factor) * (ECA Factor)) + Existing ARC Rate or RRC Rate or Skill Level Rate Card rate

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

(r) 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

(s) New Monthly Base Charge rate would be:

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

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

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

(u) 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 to IS/ASSOWs. 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 for IS and monthly hours as identified in the AMS (by Application) tab of Attachment A to Exhibit 3 for AS 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.

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 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 in accordance with the methodology set forth in Schedule 3.1(a).

The Charges for such requested Projects can be either Fixed Fee or Time and Materials (T&M). 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.

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. 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.

(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.

(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, 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 (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) 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.

7.2 **Fixed Fees**

The Charges for Projects to be provided as Fixed Fees under IS/AS/PS SOWs shall be firm and fixed and subject to the following terms:

(a) Supplier shall perform the Project Services in the applicable Project for the Fixed Fees set forth in the applicable Project, 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, Supplier shall invoice the Fixed Fees in accordance with Client's Acceptance of the Deliverables or Milestones specified in the applicable Project.

(d) If the Project 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 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.

8.0 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.

9.0 IS/AS/PS COMMITTED AMOUNTS

In relation to the IS/AS/PS 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 IS/AS/PS Statements of Work is the AS/IS/PS Committed Amount as set out in Exhibit 3 to the applicable AS/IS/PS SOWs.

Capgemini America, Inc.
as Guarantor

and

Hydro One Networks Inc.
as Hydro One

FINANCIAL GUARANTEE

TABLE OF CONTENTS

Page

ARTICLE 1 DEFINITIONS AND INTERPRETATION 2
1.1 Defined Terms 2
1.2 Interpretation 2

ARTICLE 2 GUARANTEE 3
2.1 Financial Guarantee 3
2.2 Absolute Liability 3
2.3 Limitation of Liability 4

ARTICLE 3 ENFORCEMENT 5
3.1 Payment on Demand 5
3.2 Disgorgement 5
3.3 Suspension of Guarantor's Rights 6
3.4 Rights of Subrogation 6
3.5 Taxes and Other Taxes 6
3.6 Judgment Currency 7
3.7 Amendments and Waivers 8

ARTICLE 4 GENERAL 8
4.1 Notices, etc. 8
4.2 Gender and Number 10
4.3 Headings, etc. 10
4.4 Currency 10
4.5 Successors, etc. 10
4.6 Severability 11
4.7 Governing Law 11
4.8 Jurisdiction and Forum 11
4.9 No Representations 11

FINANCIAL GUARANTEE

This financial guarantee (this "**Guarantee**") dated February 8, 2021, is made by Capgemini America, Inc., a corporation formed under the laws of the State of New Jersey (the "**Guarantor**"), to and in favour of Hydro One Networks Inc., a corporation incorporated under the laws of the Province of Ontario ("**Hydro One**").

RECITALS:

(1) Hydro One and Capgemini Canada Inc. ("**Capgemini**") entered into a Master Services Agreement dated February 8, 2021 (the "**Master Services Agreement**") pursuant to which Capgemini agreed to provide, and Hydro One agreed to receive, certain services;

(2) The Guarantor has agreed to guarantee the payment to Hydro One upon demand as herein provided, of all debts, liabilities and obligations of, or owing by, Capgemini to Hydro One at any time and from time to time arising pursuant to the Master Services Agreement, as applicable, and all amendments, restatements, replacements, renewals, extensions or supplements of and continuations to each such agreement, on the terms and conditions hereinafter set forth, (collectively, the "**Agreements**").

In consideration of the foregoing, the sum of $10.00 now paid by Hydro One to the Guarantor and other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Guarantor agrees as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

Capitalized terms used herein shall have the meanings provided for such terms in the Master Services Agreement, unless otherwise defined herein or the context otherwise requires.

"**Bankruptcy Event**" means any Event of Insolvency applicable to Capgemini.

"**Bankruptcy Judgment**" means: (i) a Court Judgment in favour of Hydro One arising out of a Bankruptcy Event in which Hydro One has been awarded an amount or amounts; (ii) in respect of the proceedings by Hydro One which resulted in such Court Judgment, the Guarantor has been provided with adequate notice by Hydro One; and (iii) to the extent such proceedings are under the control of Hydro One, the Guarantor has been given the opportunity to dispute the claims made against Capgemini on their merits (including raising, on behalf of Capgemini, the same rights of dispute, counterclaim or set-off, or other defences that Capgemini could have raised).

"**Business Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close in Toronto, Ontario, Canada or New York, New York, United States of America.

"**Court Judgment**" means a judgment (including, without limitation, a default judgment) of a court of competent jurisdiction.

"**Guaranteed Financial Obligation**" means an amount arising at any time and from time to time pursuant to the Agreements for which Capgemini is determined to be liable to Hydro One under or pursuant to: (i) a Court Judgement (including, without limitation, all reasonable costs of Hydro One in connection therewith); (ii) a Bankruptcy Judgment (including, without limitation, all reasonable costs of Hydro One in connection therewith); or (iii) a written acknowledgement by Capgemini (but not including an insolvency representative of Capgemini) that such amounts (which amounts may include Service Level Credits as calculated in the manner specified in Schedule 5.1 of the Master Services Agreement) are properly owing to Hydro One, and the term "**Guaranteed Financial Obligations**" shall mean the aggregate of each Guaranteed Financial Obligation existing from time to time.

"**Original Currency**" has the meaning set forth in Section 3.6(a).

"**Other Currency**" has the meaning set forth in Section 3.6(a).

"**Other Taxes**" has the meaning set forth in Section 3.5(b).

"**Reduced Guaranteed Financial Obligation**" has the meaning set forth in Section 3.2.

"**Taxes**" has the meaning set forth in Section 3.5(a).

1.2 Interpretation

Intentionally omitted.

ARTICLE 2
GUARANTEE

2.1 Financial Guarantee

Subject to the terms and conditions hereof, the Guarantor guarantees to Hydro One the due and punctual payment to Hydro One, upon demand and in accordance with the provisions hereof, of all Guaranteed Financial Obligations, and the Guarantor promises to pay, on demand, any and all reasonable out-of-pocket expenses (including, without limitation, reasonable counsel fees and disbursements) incurred by or on behalf of Hydro One in the enforcement of any of its rights under this Guarantee.

2.2 Absolute Liability

(a) The liability of the Guarantor under this Guarantee shall not be affected by:

(i) any extension of the time or times for performance of any obligation or payment of any amount arising at any time and from time to time pursuant to the Agreements for which Capgemini is liable to Hydro One for any of the Guaranteed Financial Obligations or any other indulgences which Hydro One may grant to Capgemini; or

(ii) any amendment to, or alteration or renewal of, any of the Agreements.

(b) The performance by the Guarantor hereunder shall not prejudice its right to assert any defence, claim, counterclaim, right of set-off or right of appeal which Capgemini may have in respect of any of the Guaranteed Financial Obligations.

(c) This Guarantee shall be a continuing guarantee and shall continue to be binding regardless of whether any payment of any of the Guaranteed Financial Obligations has been made by Capgemini where such payment is rescinded or must otherwise be returned pursuant to the insolvency or bankruptcy of Capgemini, all as though such payment had not been made and, in any such case, the Guaranteed Financial Obligations shall be the amount that does not reflect such rescinded or returned payment.

(d) This Guarantee shall not be determined or affected, and the rights of Hydro One hereunder shall not be prejudiced, by:

(i) the bankruptcy, insolvency, dissolution or liquidation of Capgemini;

(ii) any change in the name, business, powers, capital structure, constitution, objects, organizations, directors or management of Capgemini with respect to transactions occurring either before or after such change; or

(iii) the amalgamation, merger, combination or partnership of Capgemini or the Guarantor, as the case may be, with one or more other corporations, partnerships, limited liability companies, unlimited liability companies or other such entities (the occurrence of which will cause this Guarantee to be extended to the liabilities of the resulting corporation or entity, and the term "Capgemini" to include such resulting corporation or entity), and all of such liabilities shall be included in the Guaranteed Financial Obligations, provided however, that in no event shall the Guaranteed Financial Obligations include any liabilities or obligations of a successor to Capgemini, or any assignee, whether by operation of law, voluntary or involuntary, of the Agreements or the business of Capgemini in bankruptcy, insolvency, dissolution or liquidation circumstances, save and except if such successor is an Affiliate of the Guarantor, or Capgemini.

(e) By execution of this Guarantee, the Guarantor represents and warrants to Hydro One that it has obtained all corporate and other authorizations, consents and approvals necessary for the granting and performance of this Guarantee and that this Guarantee is enforceable against the Guarantor in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, and the fact that equitable remedies such as specific performance and injunctive relief are within the discretion of a court of competent jurisdiction. Hydro One shall not be concerned to see or inquire into the powers of the Guarantor or any of its directors or other agents, acting or purporting to act on its behalf.

2.3 Limitation of Liability

(a) Subject to the remaining provisions of this Section 2.3, the aggregate liability of the Guarantor under this Guarantee shall not exceed, in the aggregate, the limit of liability determined under Article 19 of the Master Services Agreement (subject to any exceptions and qualifications noted therein).

(b) Notwithstanding any other provision hereof, the aggregate liability of Hydro One, the Guarantor, Capgemini and their respective Representatives (as defined in the Master Services Agreement) under the Master Services Agreement, this Guarantee, the Performance Guarantee of Capgemini North America, Inc. in favour of Hydro One, (all of which agreements and documents are dated as of February 8, 2021) and any other contract, agreement, certificate or other document related thereto or executed and delivered in connection therewith (whether executed and delivered before or after the date hereof) (collectively, the "**Hydro One Documents**"), shall, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, be subject to the aggregate limitation of liability set forth in Article 19 of the Master Services Agreement (subject to any exceptions and qualifications noted therein).

(c) Notwithstanding any other provision hereof, the Guarantor's liability to pay the Guaranteed Financial Obligations, and the aggregate liability of the Guarantor, as limited in accordance with Section 2.3(a), will be reduced dollar-for-dollar by the amount of any payments made under compulsion by Capgemini to Hydro One in respect of the Guaranteed Financial Obligations. For greater certainty, "payments made under compulsion" shall be limited to payments made by Capgemini or in the case of a Bankruptcy Judgment including payments by a trustee in bankruptcy or other insolvency representative, in respect of an amount owing under or pursuant to a Court Judgment or a Bankruptcy Judgment, as the case may be.

(d) Hydro One hereby agrees to indemnify and save the Guarantor harmless from and against any Losses incurred or suffered by the Guarantor as a result of an improper or invalid demand under this Guarantee, which shall not include a demand in respect of which Hydro One is required to disgorge a payment or any part thereof under Section 3.2 (absent a specific finding that such demand was improper or invalid when made), and any amount awarded under a Court Judgment in respect thereof shall bear interest at the Prime Rate plus four percent (4%) per annum from the date of the improper or invalid demand to the date of payment.

ARTICLE 3
ENFORCEMENT

3.1 Payment on Demand

The Guarantor shall render any payment of the Guaranteed Financial Obligations and all other amounts payable by it to Hydro One under this Guarantee upon demand, together with a notarial copy of the Court Judgment or the Bankruptcy Judgment, as the case may be. All amounts properly demanded hereunder in accordance with the provisions hereof shall bear interest from the time of demand until the date payment is actually made, both before and after default and

judgment, at a rate equal to the Prime Rate plus four percent (4%) per annum. Nothing but payment and satisfaction in full of the Guaranteed Financial Obligations shall release the Guarantor from the Guarantor's obligations hereunder.

3.2 Disgorgement

In the event that Capgemini appeals a Court Judgment in respect of a Guaranteed Financial Obligation and obtains an order from a court of competent jurisdiction the effect of which is to relieve Capgemini or from all or part of the payment obligation determined in the Court Judgment under appeal, the obligation of the Guarantor in respect of such Guaranteed Financial Obligation shall be reduced accordingly. If the Guarantor has made payment to Hydro One in respect of such Guaranteed Financial Obligation, Hydro One shall forthwith return such payment or portion thereof to the Guarantor (together with interest on the returned amount at a rate equal to the Prime Rate plus four percent (4%) per annum), provided that if the Guarantor has not paid the full amount of such Guaranteed Financial Obligation (a "**Partial Payment**") and the effect is to reduce the payment obligation determined in the Court Judgment under appeal, the Guarantor shall have the benefit of such reduction and Hydro One shall return such payment or part thereof only if the effect of such reduction is to reduce the payment obligation in respect of the Guaranteed Financial Obligation to an amount less than the amount of the previously made the partial payment. In those circumstances, Hydro One shall forthwith return to the Guarantor the difference between the previously made partial payment and the reduced payment obligation in respect of the Guaranteed Financial Obligation (together with interest on the returned amount at a rate equal to the Prime Rate plus four percent (4%) per annum). Nothing in this Section 3.2 shall relieve the Guarantor from the obligation to pay in respect of an original demand by Hydro One with respect to a Court Judgment.

3.3 Suspension of Guarantor's Rights

The Guarantor agrees that the Guarantor shall not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee: (i) to be indemnified by Capgemini; or (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of Capgemini, until the Guaranteed Financial Obligations and all other amounts at such time due and payable to Hydro One under the Agreements have been paid or repaid in full. The Guarantor shall not exercise such rights or receive any amounts from Capgemini or any other guarantor if doing so would materially impair the ability of Capgemini to perform its obligations under the Agreements.

3.4 Rights of Subrogation

The right of subrogation acquired by the Guarantor by reason of payment under this Guarantee shall not be exercised until the Guaranteed Financial Obligations and all other amounts due to Hydro One under the Agreements have been paid or repaid in full. In the event of the liquidation or winding-up of Capgemini or the occurrence of any Bankruptcy Event (whether voluntary or compulsory), Hydro One shall rank in priority to the Guarantor, and any other Affiliate of the Guarantor for Hydro One's full claim in respect of the Guaranteed Financial Obligations, and Hydro One shall receive all dividends or other payments until its claims have been paid in full. In the event that the Guarantor or any other Affiliate of the Guarantor receives any amount in respect of the events described in the immediately preceding sentence, such Person shall forthwith pay such amount to Hydro One as Hydro One may direct, and the Guarantor shall

cause its Affiliates to make such payment. Hydro One shall assist the Guarantor in connection with the Guarantor filing proof of its claim in connection with any payment made by the Guarantor in respect of the Guaranteed Financial Obligations.

3.5 Taxes and Other Taxes

(a) All payments to Hydro One by the Guarantor under this Guarantee shall be made free and clear of, and without deduction or withholding for, any and all taxes, levies, imposts, deductions, charges or withholdings and all related liabilities (all such taxes, levies, imposts, deductions, charges, withholdings and liabilities being referred to as "**Taxes**") imposed by the United States of America (or any political subdivision or taxing authority of it), unless such Taxes are required by applicable law to be deducted or withheld. If the Guarantor shall be required by applicable law to deduct or withhold any such Taxes from or in respect of any amount payable under this Guarantee: (i) the amount payable shall be increased (and for greater certainty, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 3.5), Hydro One receives an amount equal to the amount it would have received if no such deduction or withholding had been made; (ii) the Guarantor shall make such deductions or withholdings; and (iii) the Guarantor shall immediately pay the full amount deducted or withheld to the relevant governmental entity in accordance with applicable law. The Guarantor shall furnish to Hydro One within 30 days after the payment of any amount deducted or withheld to the relevant governmental entity, certified copies of tax receipts evidencing that such payment has been made.

(b) The Guarantor agrees to immediately pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (all such taxes, charges, duties and levies being referred to as "**Other Taxes**") which arise from any payment made by the Guarantor under this Guarantee or from the execution, delivery or registration of, or otherwise with respect to, this Guarantee.

(c) The Guarantor shall indemnify Hydro One for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes legally imposed by any jurisdiction on amounts payable by the Guarantor under this Section 3.5) paid by or withheld, deducted or remitted on behalf of Hydro One and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes or Other Taxes. Payment under this indemnification shall be made within 30 days from the date that Hydro One makes written demand for it. A certificate as to the amount of such Taxes or Other Taxes submitted to the Guarantor by Hydro One shall be conclusive evidence, absent manifest error, of the amount due from the Guarantor to Hydro One.

(d) The Guarantor shall furnish to Hydro One the original or a certified copy of a receipt evidencing payment of Taxes or Other Taxes made by the Guarantor within 30 days after the date of any payment of Taxes or Other Taxes.

(e) The provisions of this Section 3.5 shall survive the termination of this Guarantee.

3.6 Judgment Currency

(a) If for the purposes of obtaining judgment in any court it is necessary to convert all or any part of the Guaranteed Financial Obligations or any other amount due to Hydro One in respect of the Guarantor's obligations under this Guarantee in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the Guarantor, to the fullest extent that it may effectively do so, agrees that the rate of exchange used shall be that at which, in accordance with normal banking procedures, Hydro One could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.

(b) The obligations of the Guarantor in respect of any sum due in the Original Currency from it to Hydro One shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by Hydro One of any sum adjudged to be so due in such Other Currency, Hydro One may, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to Hydro One in the Original Currency, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify Hydro One against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to Hydro One in the Original Currency, Hydro One agrees to remit such excess to the Guarantor.

3.7 Amendments and Waivers

(a) The Guarantor consents to Hydro One at any time and from time to time, without notice to the Guarantor and without affecting, relieving, limiting or lessening the liability of the Guarantor hereunder, to amend, with the written consent of Capgemini (where required by the Agreements), the terms of the Agreements, subject to their terms, as applicable.

(b) Except as provided herein, the Guarantor hereby waives each of the following, to the fullest extent allowed by law: presentment, demand, protest, and notice of any kind including, without limitation, notices of default and notice of acceptance of this Guarantee.

(c) Hydro One may deal with Capgemini and the Agreements as Hydro One may see fit, without notice to the Guarantor and without in any way affecting, relieving, limiting or lessening the liability of the Guarantor hereunder. Without limiting the generality of the foregoing, Hydro One may:

(i) grant time, renewals, extensions, indulgences, releases and discharges to Capgemini;

(ii) take security (including, without limitation, other guarantees) from Capgemini;

(iii) discharge or partially discharge any or all existing security;

(iv) elect not to take security from Capgemini, or not to perfect security;

(v) accept partial payment or performance from Capgemini, or otherwise waive compliance by Capgemini, with the terms of the Agreements; or

(vi) subject to Section 4.5 hereof, assign to an Affiliate the Agreements in accordance with its respective terms.

(d) No term, condition or provision hereof or any right hereunder, or in respect thereof, shall be, or shall be deemed to have been, waived by Hydro One except by express written waiver signed by Hydro One, all such waivers to extend only to the particular circumstances therein specified.

ARTICLE 4
GENERAL

4.1 Notices, etc.

Any notice, direction or other communication to be given under this Guarantee shall, except as otherwise permitted, be in writing and given by delivering it or sending it by facsimile (with written confirmation of such facsimile to follow immediately by mail) or other similar form of recorded communication addressed:

(a) to the Guarantor at:

Capgemini America, Inc.
400 Broadacres Drive, 4th Floor
Bloomfield, NJ 07003

Attention: The Treasurer

with a copy to:

General Counsel's Office
Capgemini America, Inc.
79 Fifth Avenue, 3rd floor
New York, NY 10003

Attention: General Counsel
Facsimile: (212) 314-8105

(b) to Hydro One:

483 Bay Street
8th Floor, South Tower
Toronto, Ontario M5G 2P5

Attention: Secretary
Telephone: 416-345-5000
Facsimile: 416-345-6240

with a copy to:

Hydro One
Attention: Chief Legal Officer

Telephone: (416) 345-6301
Facsimile: (416) 345-6056

Any such communication shall be deemed to have been validly and effectively given: (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day; and (ii) if transmitted by facsimile or similar means of recorded communication, on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

4.2 Gender and Number

Any reference in this Guarantee to gender shall include all genders and words importing the singular number only shall include the plural and vice versa.

4.3 Headings, etc.

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Guarantee.

4.4 Currency

All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

4.5 Successors, etc.

(a) Hydro One shall have the right, without obtaining the Guarantor's prior written consent, to assign this Guarantee in its entirety in connection with an assignment of the Agreements, or any one of them, in accordance with the provisions therein and with the contemporaneous assumption by the assignee of any and all obligations of Hydro One under this Guarantee. Hydro One shall be entitled to receive a release from any further obligation under this Guarantee only if Hydro

One is entitled to be released from its obligations in accordance with the provisions of the Agreements.

(b) Subject to Hydro One obtaining the prior written consent of Capgemini in accordance with the terms of the Master Services Agreement (save and except where such prior written consent is not so required), in the case of the assignment by Hydro One of one or more Statements of Work or any other partial assignment of the Master Services Agreement in accordance with the provisions therein or any assignment or novation contemplated by Section 4.4 of the Master Services Agreement, the Guarantor agrees to a corresponding partial assignment of this Guarantee and this Guarantee shall continue to apply. If such partial assignee is not an Affiliate of Hydro One, this Guarantee shall cease to apply for the benefit of such partial assignee two (2) years after the date of such partial assignment. If such partial assignee is an Affiliate of Hydro One as at the date of such partial assignment and ceases at any time thereafter to be an Affiliate of Hydro One, this Guarantee shall cease to apply for the benefit of such partial assignee two (2) years after the date on which such partial assignee ceased to be an Affiliate of Hydro One.

(c) Notwithstanding Sections 4.5(a) and 4.5(b), the Guarantor acknowledges that Hydro One is indirectly owned by the Province of Ontario and, as such, Hydro One 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, the restrictions set out in Sections 4.5(a) and 4.5(b) shall not apply.

(d) Any assignment of this Guarantee or of any benefit or obligation hereunder shall be null and void if this Guarantee is assigned other than in accordance with this Section 4.5.

(e) This Guarantee shall enure to the benefit of Hydro One and its successors and permitted assigns and shall be binding upon the Guarantor and its successors and permitted assigns.

(f) This Guarantee shall not be assignable by the Guarantor without the prior written consent of Hydro One, which consent shall not be unreasonably withheld or delayed and in the event that the proposed assignee of the Guarantor is not of equivalent creditworthiness to that of the Guarantor, the refusal of Hydro One to consent to such assignment shall not be deemed to be unreasonable.

4.6 Severability

If any provision of this Guarantee is deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

4.7 Governing Law

This Guarantee shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflicts of law provisions.

4.8 Jurisdiction and Forum

Each party irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with any suit, action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of such action may be heard and determined in such courts. Each party hereby irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor appoints Capgemini Canada Inc., located at 1660 Tech Avenue, Unit 3A, Mississauga, Ontario, L4W 5S7, Attention: The General Counsel, or such other agent in Toronto, Ontario as the Guarantor may designate from time to time in writing to Hydro One as agent for the service of any process against it with respect to any matter arising under or related to this Guarantee.

4.9 No Representations

The Guarantor acknowledges that this Guarantee has been delivered free of any conditions and that there are no representations which have been made to the Guarantor affecting the liability of the Guarantor under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantee(s) held or which may hereafter be held by or for the benefit of Hydro One.

(Signature page follows.)

IN WITNESS WHEREOF the parties have executed this Guarantee.

CAPGEMINI AMERICA, INC.

By: _____

Name: Richard Plessner

Title: Chief Financial Officer

HYDRO ONE NETWORKS INC.

By: _____

Name: Mark Poweska

Title: President & CEO

Capgemini North America, Inc.

as Guarantor

and

Hydro One Networks Inc.

as Hydro One

PERFORMANCE GUARANTEE

Page

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND INTERPRETATION 1
1.1 Defined Terms. 1
1.2 Interpretation. 1

ARTICLE 2 GUARANTEE 1
2.1 Performance Guarantee. 1
2.2 Absolute Liability. 3
2.3 Rights Under Master Services Agreement. 4
2.4 Limitation of Liability 4

ARTICLE 3 ENFORCEMENT 5
3.1 Performance on Demand 5
3.2 Suspension of Guarantor's Rights. 7
3.3 Amendments and Waivers. 7

ARTICLE 4 GENERAL 8
4.1 Notices, etc. 8
4.2 Gender and Number. 9
4.3 Headings, etc. 9
4.4 Currency. 9
4.5 Successors, Etc. 10
4.6 Severability. 11
4.7 Governing Law. 11
4.8 Jurisdiction and Forum. 11
4.9 No Representations. 11

PERFORMANCE GUARANTEE

This performance guarantee (the **"Guarantee"**) dated February 8, 2021 made by Capgemini North America, Inc., a corporation formed under the laws of the State of Delaware (the "**Guarantor**") to and in favour of Hydro One Networks Inc., a corporation incorporated under the laws of the Province of Ontario (**"Hydro One"**).

RECITALS:

(1) Hydro One and Capgemini Canada Inc. ("**Capgemini**") entered into a Master Services Agreement dated February 8, 2021 (the "**Master Services Agreement**") pursuant to which Capgemini agreed to provide, and Hydro One agreed to receive, certain services;

(2) The Guarantor has agreed to provide this performance guarantee to Hydro One to guarantee the performance by Capgemini of all of Capgemini's obligations to provide the Services (as defined in the Master Services Agreement) under the Master Services Agreement, all on the terms and conditions hereinafter set forth.

In consideration of the foregoing, the sum of $10.00 now paid by Hydro One to the Guarantor and other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Guarantor agrees as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms.

Capitalized terms used herein shall have the meanings provided for such terms in the Master Services Agreement unless otherwise defined herein or the context otherwise requires.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close in Toronto, Ontario, Canada or New York, New York, United States of America.

"**Demand**" shall have the meaning ascribed thereto in Section 3.1(b).

1.2 Interpretation.

.[Intentionally Omitted]

ARTICLE 2
GUARANTEE

2.1 Performance Guarantee.

(a) Subject to the terms and conditions hereof, the Guarantor guarantees to Hydro One upon Demand in accordance with Section 3.1, the due and timely performance of the obligations of Capgemini under the Master Services Agreement (such obligations, the "**Guaranteed Performance Obligations**") and promises to pay on demand, any and all reasonable out-of-pocket expenses (including reasonable

counsel fees and disbursements) incurred by or on behalf of Hydro One in the enforcement any of its rights under this Guarantee.

(b) For greater certainty, the Guarantor and Hydro One agree that for the purposes of this Guarantee, the Guaranteed Performance Obligations shall not include those monetary liabilities and obligations under the Master Services Agreement which would be the subject matter of Guaranteed Financial Obligations, as such term is defined in the Financial Guarantee of even date herewith between the Guarantor and Hydro One.

(c) In the performance of the Guaranteed Performance Obligations:

(i) the Guarantor shall provide on-site supervisory staff which are employees of the Guarantor sufficient to provide prudent supervision of the performance of the Guaranteed Performance Obligations;

(ii) may use personnel of Capgemini, its own personnel or the personnel of subcontractors, to perform the Guaranteed Performance Obligations, provided that (i) the Guarantor will not be permitted to subcontract performance of the Guaranteed Performance Obligations to Capgemini (ii) any subcontractor must be experienced and qualified in the performance of tasks such as the Guaranteed Performance Obligations and must agree to be comply with and be bound by all of the limitations, standards, performance levels and obligations relating to the Guaranteed Performance Obligations in the Master Services Agreement;

(iii) in performing the Guaranteed Performance Obligations, the Guarantor shall be subject to the same obligations, shall comply with and be bound by, and shall cause each of its subcontractors to comply with and be bound by all of the obligations, limitations, standards, performance levels and obligations relating to the Guaranteed Performance Obligations in the Master Services Agreement, including, without limitation:

(1) complying with all of the Hydro One written policies and guidelines in accordance with Section 4.5 of the Master Services Agreement, the policies and guidelines in any Statement of Work under the Master Services Agreement and, subject to the Change and New Services Procedure, any new, additional or amended policies and guidelines as Hydro One may, from time to time, reasonably require;

(2) ensuring that all of the Guaranteed Performance Obligations are performed at all times in compliance with all Laws applicable to the Guarantor and Hydro One and none of the Guarantor or any subcontractor shall affect Hydro One's regulatory licences or its rights thereunder; and

(3) maintaining Confidential Information in strict confidence and using such Confidential Information only in accordance with the Master Services Agreement.

2.2 Absolute Liability.

(a) The liability of the Guarantor under this Guarantee shall be unaffected by:

(i) any extension of the time or times for performance of any obligation arising at any time and from time to time pursuant to the Master Services Agreement or any other indulgences which Hydro One may grant to Capgemini; or

(ii) any amendment to, or alteration or renewal of, the Master Services Agreement.

(b) The performance by the Guarantor hereunder shall not prejudice its right to assert any defence, claim, counterclaim, right of set-off or right of appeal which Capgemini may have in respect of the Guaranteed Performance Obligations, provided that no assertion of any such defence, claim, counterclaim, right of set-off or right of appeal shall excuse the Guarantor from, or permit the Guarantor to withhold, the performance of the Guaranteed Performance Obligations in accordance with the terms and conditions of the Master Services Agreement subject to the terms and conditions of this Guarantee, including Sections 2.4(d) and 3.1(g) hereof.

(c) This Guarantee shall not be determined or affected, or the rights of Hydro One hereunder prejudiced, by the bankruptcy, insolvency, dissolution or liquidation of Capgemini, any change in the name, business, powers, capital structure, constitution, objects, organizations, directors or management of Capgemini, with respect to transactions occurring either before or after such change, or the amalgamation, merger, combination or partnership of Capgemini or the Guarantor, as the case may be, with one or more other corporations, partnerships, limited liability companies, unlimited liability companies or other such entities (in this case, this Guarantee shall extend to the liabilities of the resulting corporation or entity and the term "Capgemini" shall include such resulting corporation or entity) and all of such obligations and liabilities shall be included in the Guaranteed Performance Obligations, provided, however, that in no event shall the Guaranteed Performance Obligations include any liabilities or obligations of a successor to Capgemini or any assignee, whether by operation of law, voluntary or involuntary, of the Master Services Agreement or the business of Capgemini in bankruptcy, insolvency, dissolution or liquidation circumstances**,** save and except if such successor is an Affiliate of the Guarantor or Capgemini.

(d) By execution of this Guarantee the Guarantor represents and warrants to Hydro One that it has obtained all corporate and other authorizations, consents and approvals necessary for the granting and performance of this Guarantee and that this Guarantee is enforceable against the Guarantor in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws affecting creditors' rights

generally, and the fact that equitable remedies such as specific performance and injunctive relief are within the discretion of a court of competent jurisdiction. Hydro One shall not be concerned to see or inquire into the powers of the Guarantor or any of its directors or other agents, acting or purporting to act on its behalf.

2.3 Rights Under Master Services Agreement.

Hydro One and the Guarantor agree that, in respect of the Guaranteed Performance Obligations performed by the Guarantor, the Guarantor shall enjoy the same rights, benefits and privileges as Capgemini under the Master Services Agreement provided, however, for greater certainty, that Hydro One shall not be obligated to pay the Guarantor for any Guaranteed Performance Obligations for which Hydro One has made payment to Capgemini under the Master Services Agreement, and in no event shall the Guarantor's obligations in respect of the Guaranteed Performance Obligations be greater than those of Capgemini under the Master Services Agreement. The enjoyment of the rights, benefits and privileges by the Guarantor under the Master Services Agreement (including the payment of Fees) in respect of the Guaranteed Performance Obligations performed by the Guarantor, is not subject to any right of set-off, claim, counterclaim or defence by Hydro One for any claim, act or omission or cause of action against Capgemini under the Master Services Agreement or other claim, action or cause of action (whether arising in tort, breach of contract or otherwise) arising or accruing prior to the Demand.

2.4 Limitation of Liability.

(a) Subject to the remaining provisions of this Section 2.4, the aggregate liability of the Guarantor under this Guarantee shall not exceed in the aggregate the limit of liability determined under Article 19 of the Master Services Agreement (subject to any exceptions and qualifications noted therein).

(b) Notwithstanding any other provision hereof, the aggregate liability of Hydro One, the Guarantor, Capgemini and their respective Representatives (as defined in the Master Services Agreement) under the Master Services Agreement, , this Guarantee, the Financial Guarantee of Capgemini America, Inc. in favour of Hydro One, (all of which agreements and documents are dated as of January 1, 2021), and any other contract, agreement, certificate or other document related thereto or executed and delivered in connection therewith (whether executed and delivered before or after the date hereof) (collectively, the "**Hydro One Documents**"), shall, regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranties, failure of essential purpose or otherwise, be subject to the aggregate limitation of liability set forth in Article 19 of the Master Services Agreement (subject to any exceptions and qualifications noted therein).

(c) The performance by the Guarantor of the Guaranteed Performance Obligations hereunder shall not restrict any cause of action or other rights which Capgemini may have against Hydro One under the Master Services Agreement, including any defence, claim, counterclaim, right of set-off or right of appeal.

(d) Hydro One hereby agrees to indemnify and save the Guarantor harmless from and against any Losses incurred or suffered by the Guarantor as a result of an improper or invalid Demand under this Guarantee, and any amount awarded under a Court

Judgment (as defined in the Financial Guarantee) in respect thereof shall bear interest at the Prime Rate plus four percent (4%) per annum from the date of the improper or invalid demand to the date of payment.

ARTICLE 3
ENFORCEMENT

3.1 Performance on Demand.

(a) The Guarantor shall immediately perform the Guaranteed Performance Obligations upon receipt of written notice from Hydro One to it specifying the default f Capgemini to render due and timely performance of the obligations of Capgemini under the Master Services Agreement and demanding such performance.

(b) Hydro One shall only be entitled to make a demand hereunder ("**Demand**") when:

(i) a right of termination has arisen in favour of Hydro One under Section 14.1 of the Master Services Agreement or under any Statement of Work thereunder, and Hydro One agrees to postpone termination of the Master Services Agreement or the relevant Statement of Work for a period of six (6) months; or

(ii) during any time that Capgemini is required to provide Termination Transition Services pursuant to Section 14.5 of the Master Services Agreement, Capgemini is in material breach of its obligations under the Termination Transition Plan and shall have failed to cure such material breach within twenty-one (21) days after receipt by Capgemini of written notice thereof from Hydro One describing the breach in reasonable detail. For greater certainty, the Guarantor's liability to perform pursuant to a Demand made under this Section 3.1(b)(ii) shall be limited to such Termination Transition Services and shall not include any other services.

(c) Notwithstanding any other provision of this Guarantee, no Demand made by Hydro One to the Guarantor under this Guarantee shall be valid unless:

(i) in the case of a Demand made in connection with a right of termination in respect of Section 14.1(a), 14.1(b), 14.1(c), 14.1(d), 14.1(e), 14.1(g) or 14.1(i) of the Master Services Agreement, Hydro One has provided to the Guarantor, contemporaneously with the giving of such notice to Capgemini, a copy of the written notice required to be provided to Capgemini in accordance with the terms of Section 14.1 of the Master Services Agreement;

(ii) in the case of a Demand made in connection with a right of termination in respect of Section 14.1(f), or 14.1(h) of the Master Services Agreement, the Guarantor has been provided with at least seven (7) days prior written notice of the circumstances in respect of which Hydro One intends to make such Demand; or

(iii) in the case of a Demand made in connection with a material breach by Capgemini of its obligations under the Termination Transition Plan, Hydro One has provided to the Guarantor, contemporaneously with the giving of such notice to Capgemini, a copy of the written notice required to be provided to Capgemini in accordance with the terms of Section 3.1(b)(ii) hereof.

For greater certainty, any Demand made in connection with circumstances for which the Guarantor has not been provided with adequate notice as required under this Section 3.1(c) shall not be valid and the Guarantor shall not be obliged to perform any of the Guaranteed Performance Obligations in connection therewith until the expiry of the applicable time period required for notice.

(d) Subject to Section 3.1(g), in the case of a Demand made pursuant to Section 3.1(2)(a) (not including Demands made with respect to an event under Section 14.1(f) of the Master Services Agreement), the obligations of the Guarantor to perform the Guaranteed Performance Obligations pursuant to such a Demand shall cease at the earlier of the termination of the Master Services Agreement or the relevant Statement of Work (as defined in the Master Services Agreement), as the case may be, and:

(i) if the Demand is made with respect to Section 14.1(a), 14.1(b), 14.1(c), 14.1(d), 14.1(e), 14.1(g) or 14.1(i) of the Master Services Agreement, provided that Hydro One is satisfied, acting reasonably, that the Guaranteed Performance Obligations are then being performed in the normal course and in compliance with all applicable terms of the Master Services Agreement, that Capgemini then has the personnel, systems, procedures and capabilities in place that are required to perform the Master Services Agreement and the Statements of Work in accordance with all applicable standards, four (4) months after the date on which such breach has been cured (as evidenced by satisfaction of required Service Levels or other reasonable evidence) by the Guarantor;

(ii) if the Demand is made with respect to Section 14.1(h) of the Master Services Agreement, provided that Hydro One is satisfied, acting reasonably, that the Guaranteed Performance Obligations are then being performed in the normal course and in compliance with all applicable terms of the Master Service Agreement, that Capgemini than has the personnel, systems, procedures and capabilities in place that are required to perform the Master Services Agreement and the Statements of Work in accordance with all applicable standards, four (4) months after the date on which such Service Level Default has been cured (as evidenced by satisfaction of required Service Levels or other reasonable evidence) by the Guarantor;

(e) If the Demand is made with respect to an event under Section 14.1(f) of the Master Services Agreement, the obligations of the Guarantor to perform the Guaranteed Performance Obligations pursuant to such a Demand shall cease on the expiry of the period which is the aggregate of (i) six (6) months from the date that such right of termination first arose, at which time the Master Services Agreement will

automatically terminate in accordance with its terms, and (ii) the term for which Capgemini would otherwise thereafter be required to provide Termination Transition Services in accordance with the terms of the Master Services Agreement.

(f) In the case of a Demand made pursuant to Section 3.1(b)(ii), the obligations of the Guarantor to perform the Guaranteed Performance Obligations pursuant to such a Demand shall cease on the date on which Capgemini's obligations under the Termination Transition Plan are complete.

(g) Notwithstanding any other provision of this Guarantee, provided that such obligations have not otherwise ceased in accordance with the terms of this Guarantee, the obligations of the Guarantor to perform the Guaranteed Performance Obligations pursuant to a Demand made pursuant to Section 3.1(b)(i) (except in respect of a Demand made with respect to an event under Section 14.1(f) of the Master Services Agreement), shall cease on the date upon which a Court Judgment referred to in Section 2.4(d) determines that a Demand made pursuant to Section 3.1(b)(i) is improper or invalid.

(h) In the event that the obligations of the Guarantor to perform the Guaranteed Performance Obligations pursuant to a Demand cease pursuant to Section 3.1(d) or Section 3.1(g) and Capgemini recommences performance of such Guaranteed Performance Obligations, such cessation of the Guarantor's obligation and recommencement by Capgemini shall not affect the Guarantor's obligations in respect of any other or further breach under the Master Services Agreement by Capgemini.

3.2 Suspension of Guarantor's Rights.

The Guarantor agrees that it shall not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by Capgemini or (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of Capgemini, until the Guarantor has fully performed the Guaranteed Performance Obligations in accordance with the terms hereof, and the Guarantor shall not be entitled to exercise such rights and to receive any amounts pursuant to (i) or (ii) of this Section 3.2, if doing so would materially impair the ability of Capgemini to perform its obligations under the Master Services Agreement.

3.3 Amendments and Waivers.

(a) The Guarantor consents to Hydro One at any time and from time to time prior to Demand, without notice to the Guarantor and without affecting, relieving, limiting or lessening the liability of the Guarantor hereunder, to amend, with the written consent of Capgemini (where required by the Master Services Agreement), the terms of the Master Services Agreement subject to its terms, as applicable.

(b) Except as provided herein, the Guarantor hereby waives each of the following, to the fullest extent allowed by law: presentment, demand, protest, and notice of any kind including, without limitation, notices of default and notice of acceptance of this Guarantee.

(c) Hydro One may deal with Capgemini and the Master Services Agreement as Hydro One may see fit, without notice to the Guarantor and without in any way affecting, relieving, limiting or lessening the liability of the Guarantor hereunder. Without limiting the generality of the foregoing, Hydro One may:

(i) grant time, renewals, extensions, indulgences, releases and discharges to Capgemini;

(ii) take security (including without limitation, other guarantees) from Capgemini;

(iii) discharge or partially discharge any or all existing security;

(iv) elect not to take security from Capgemini, or not to perfect security;

(v) waive compliance by Capgemini with the terms of the Master Services Agreement; or

(vi) subject to Section 4.5, assign to any Affiliate the Master Services Agreement in accordance with its terms.

(d) No term, condition or provision hereof or any right hereunder, or in respect thereof, shall be, or shall be deemed to have been, waived by Hydro One except by express written waiver signed by Hydro One all such waivers to extend only to the particular circumstances therein specified.

ARTICLE 4
GENERAL

4.1 Notices, etc.

Any notice, direction or other communication to be given under this Guarantee shall, except as otherwise permitted, be in writing and given by delivering it or sending it by facsimile (with written confirmation of such facsimile to follow immediately by mail) or other similar form of recorded communication addressed:

(a) to the Guarantor at:

Capgemini North America, Inc.
400 Broadacres Drive, 4th Floor
Bloomfield, NJ 07003

Attention: The Treasurer

with a copy to:

General Counsel's Office
79 Fifth Avenue, 3rd floor
New York, NY 10003

Attention: General Counsel
Facsimile: (212) 314-8105

(b) to Hydro One at:

Hydro One Networks Inc.
483 Bay Street
8th Floor, South Tower
Toronto, ON M5G 2P5

Attention: Secretary
Telephone: 416-345-5000
Facsimile: 416-345-6240

with a copy to:

Hydro One
Attention Chief Legal Officer

Telephone: (416) 345-6301
Facsimile: (416) 345-6056

Any such communication shall be deemed to have been validly and effectively given (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Toronto time), otherwise on the next Business Day, and (ii) if transmitted by facsimile or similar means of recorded communication, on the Business Day following the date of transmission. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

4.2 Gender and Number.

Any reference in this guarantee to gender shall include all genders and words importing the singular number only shall include the plural and vice versa.

4.3 Headings, etc.

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect the interpretation of this Guarantee.

4.4 Currency.

All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

4.5 Successors, Etc.

(a) Hydro One shall have the right, without obtaining the Guarantor's prior written consent, to assign this Guarantee in its entirety in connection with an assignment of all of the Master Services Agreement, any Participation Agreement then in existence, and the Agreement Affecting Employees in accordance with the provisions of the Master Services Agreement and with the contemporaneous assumption by the assignee of any and all obligations of Hydro One under this Guarantee. Hydro One shall be entitled to receive a release from any further obligation under this Guarantee only if Hydro One is entitled to be released from its obligations in accordance with the provisions of the Master Services Agreement.

(b) Subject to Hydro One obtaining the prior written consent of the Supplier in accordance with the terms of the Master Services Agreement (save and except where such prior written consent is not so required), in the case of the assignment by Hydro One of one or more Statements of Work or any other partial assignment of the Master Services Agreement in accordance with the provisions of the Master Services Agreement or any assignment or novation contemplated by Section 4.4 of the Master Services Agreement, the Guarantor agrees to a corresponding partial assignment of this Guarantee and this Guarantee shall continue to apply. If such partial assignee is not an Affiliate of Hydro One, this Guarantee shall cease to apply for the benefit of such partial assignee two (2) years after the date of such partial assignment. If such partial assignee is an Affiliate of Hydro One as at the date of such partial assignment and ceases at any time thereafter to be an Affiliate of Hydro One, this Guarantee shall cease to apply for the benefit of such partial assignee two (2) years after the date on which such partial assignee ceased to be an Affiliate of Hydro One.

(c) Notwithstanding Sections 4.1(a) and 4.1(b), the Guarantor acknowledges that Hydro One is indirectly owned by the Province of Ontario and, as such, Hydro One 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, the restrictions set out in Sections 4.5(a) and 4.5(b) shall not apply.

(d) Any assignment of this Guarantee or of any benefit or obligation hereunder shall be null and void if this Guarantee is assigned other than in accordance with this Section 4.5.

(e) This Guarantee shall enure to the benefit of Hydro One and its successors and permitted assigns and shall be binding upon the Guarantor and its successors and permitted assigns.

(f) This Guarantee shall not be assignable by the Guarantor without the prior written consent of Hydro One, which consent shall not be unreasonably withheld or delayed and in the event that the proposed assignee of the Guarantor is not of equivalent creditworthiness to that of the Guarantor, the refusal of Hydro One to consent to such assignment shall not be deemed to be unreasonable.

4.6 Severability.

If any provision of this Guarantee is deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

4.7 Governing Law.

This Guarantee shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflicts of law provisions.

4.8 Jurisdiction and Forum.

Each party irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario in connection with any suit, action or proceeding arising out of or relating to this Guarantee, and hereby irrevocably agrees that all claims in respect of such action may be heard and determined in such courts. Each party hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The Guarantor appoints Capgemini Canada Inc. 1660 Tech Avenue, Unit 3A, Mississauga, Ontario, L4W 5S7, Attention: The General Counselor such other Person in Toronto, Ontario as the Guarantor may notify Hydro One in writing, as agent for the service of any process against it with respect to any matter arising under or related to this Guarantee.

4.9 No Representations.

The Guarantor acknowledges that this Guarantee has been delivered free of any conditions and that there are no representations which have been made to the Guarantor affecting the liability of the Guarantor under this Guarantee save as may be specifically embodied herein and agrees that this Guarantee is in addition to and not in substitution for any other guarantee(s) held or which may hereafter be held by or for the benefit of Hydro One.

(Signature page follows.)

IN WITNESS WHEREOF the parties have executed this Guarantee.

CAPGEMINI NORTH AMERICA, INC.

By: _____

Name: Richard Plessner
Title: Chief Financial Officer

HYDRO ONE NETWORKS INC.

By: _____

Name: Mark Poweska
Title: President & CEO

AMENDMENT TO FINANCIAL GUARANTEE

This Amendment to Financial Guarantee ("Amendment") is effective as of the 8th day of February, 2021 ("Amendment Effective Date").

BETWEEN:

Capgemini America, Inc., a corporation formed under the laws of New Jersey, having an office at 400 Broadacres Drive, 4th Floor, Bloomfield, New Jersey, USA 07003 ("Guarantor")

– and –

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

Recitals:

A. Capgemini Canada Inc. ("CG") is the limited partner of limited partnership named "Inergi LP" ("Inergi"), and Inergi Inc., is the general partner of Inergi, and each of CG and Inergi Inc. is an Affiliate of the Guarantor.

B. Hydro One and Inergi entered into a Master Services Agreement made as of the 28th day of November, 2014, as has been amended, renewed and extended from time to time (hereinafter referred to as the "Master Services Agreement").

C. Capgemini U.S. LLC, a limited liability company, and Hydro One entered into a Financial Guarantee dated November 28, 2014 (the "Original Financial Guarantee") whereby Capgemini U.S. LLC agreed, as set out in the Original Financial Guarantee, to the guarantee of certain Guaranteed Financial Obligations of, or owing by Inergi, under the Master Services Agreement, all on the terms and conditions set forth in the Original Financial Guarantee.

D. Hydro One and Inergi have agreed that Inergi will have certain obligations with respect to employees and former employees of Inergi under the terms of a Letter of Understanding For The Transfer of Employees dated January 22, 2021 in association with the termination of certain Statements of Work under the Master Services Agreement (the "LOU"). Hydro One and Inergi have also agreed that the obligations of Inergi under the LOU will become obligations of Inergi under certain definitive agreements which will be negotiated by Hydro and Inergi in good faith, on and subject to the terms of such definitive agreements (the "Final Agreement(s)").

E. The parties wish to amend the Original Financial Guarantee, to include, among other things, the guarantee by the Guarantor of the LOU Obligations (as herein defined) of Inergi under the LOU and the Final Agreement(s).

NOW THEREFORE, in consideration of the foregoing, the sum of $10.00 now paid by Hydro One to the Guarantor and other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Guarantor agrees as follows:

1. The "Financial Guarantee" shall hereinafter mean the Original Financial Guarantee, as amended by this Amendment.

2. Capgemini U.S. LLC changed its name to Capgemini America, Inc. and hereinafter shall be referred to as the Guarantor of the Financial Guarantee.

3. The definition of the "Agreements" under the Original Financial Guarantee for which the Guarantor provides a Guaranteed Financial Obligation of Inergi is hereby amended to include: (i) the obligations of Inergi under the LOU to pay amounts to Hydro One or to indemnify Hydro One (the "LOU Obligations"); and, (ii) the LOU Obligations as incorporated into the Final Agreement(s).

4. In respect of the LOU and the Final Agreement(s), the definition of "Court Judgment" also includes a grievance arbitration award (including a consent award) provided that such award has not been appealed or referred for judicial review.

5. Section 2.3(c) of the Original Financial Guarantee is amended by replacing the term "Energy" in that paragraph with the term "Inergi".

6. In section 4.1 (a), the address for Notices to the Guarantor is amended by replacement with the following:

   (a) to the Guarantor at:
   Capgemini America, Inc.
   400 Broadacres Drive, 4th Floor
   Bloomfield, NJ 07003

   Attention: The Treasurer

   with a copy to:
   General Counsel's Office
   Capgemini America, Inc.
   79 Fifth Avenue, 3rd floor
   New York, NY 10003

   Attention: General Counsel
   Facsimile: (212) 314-8105

7. In section 4.8 of the Original Financial Guarantee, the last sentence is amended by deleting and replacing it with the following:

"The Guarantor appoints Capgemini Canada Inc. 1660 Tech Avenue, Unit 3A, Mississauga, Ontario, L4W 5S7, Attention: The General Counsel, or such other Person in Toronto, Ontario as the Guarantor may notify Hydro One in writing, as agent for the service of any process against it with respect to any matter arising under or related to this Guarantee."

8. The parties agree that the LOU Obligations being guaranteed under this Amendment in respect of the LOU and the Final Agreements are Supplier obligations pursuant to Section 18.1(b) of the Master Services Agreement, subject to the terms thereof.

9. Capitalized terms used in this Amendment which are not otherwise defined in this Amendment shall have the meaning given to those terms in the Original Financial Guarantee. Except as amended under this Amendment, all terms and provision of the Original Financial Guarantee and all rights and obligations of the Parties shall remain in full force and effect. If any provision of this Amendment 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 Amendment which by their nature extend beyond the term or expiry of the Original Financial Guarantee or this Amendment shall survive the termination or expiry of the Original Financial Guarantee and this Amendment. This Amendment is governed by the laws of the Province of Ontario and the laws of Canada applicable therein. This Amendment 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 Amendment 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. This Amendment will be deemed to incorporate by reference the terms and conditions of the Original Financial Guarantee except to the extent stated herein or amended hereby.

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

Hydro One Networks Inc.	**Capgemini America, Inc.**
Per: _____	Per: _____
Mark Poweska	Richard Plessner
President & CEO	Chief Financial Officer

AMENDMENT TO PERFORMANCE GUARANTEE

This Amendment to Performance Guarantee ("Amendment") is effective as of the 8th day of February, 2021 ("Amendment Effective Date").

BETWEEN:

Capgemini North America, Inc., a corporation formed under the laws of the State of Delaware, having an office at 400 Broadacres Drive, 4th Floor, Bloomfield, New Jersey, USA 07003 ("Guarantor")

– and –

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

Recitals:

A. Capgemini Canada Inc. ("CG") is the limited partner of limited partnership named "Inergi LP" ("Inergi"), and Inergi Inc., is the general partner of Inergi, and each of CG and Inergi Inc. is an Affiliate of the Guarantor.

B. Hydro One and Inergi entered into a Master Services Agreement made as of the 28th day of November, 2014, as has been amended, renewed and extended from time to time (hereinafter referred to as the "Master Services Agreement").

C. Guarantor and Hydro One entered into a Performance Guarantee dated November 28, 2014 (the "Original Performance Guarantee") whereby the Guarantor agreed, as set out in the Original Performance Guarantee, to the guarantee the performance by Inergi of Inergi's obligations to provide the Services under the Master Services Agreement, all on the terms and conditions set forth in the Original Performance Guarantee.

D. The parties wish to amend the Original Performance Guarantee as set forth herein.

NOW THEREFORE, in consideration of the foregoing, the sum of $10.00 now paid by Hydro One to the Guarantor and other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Guarantor agrees as follows:

1. The "Performance Guarantee" shall hereinafter mean the Original Performance Guarantee, as amended by this Amendment.

2. In section 4.1 (a), the address for Notices to the Guarantor is amended by replacement with the following:

(a) to the Guarantor at:
Capgemini North America, Inc.
400 Broadacres Drive, 4th Floor
Bloomfield, NJ 07003

Attention: The Treasurer

with a copy to:
General Counsel's Office
Capgemini North America, Inc.
79 Fifth Avenue, 3rd floor
New York, NY 10003

Attention: General Counsel
Facsimile: (212) 314-8105

3. In section 4.8 of the Original Performance Guarantee, the last sentence is amended by deleting and replacing it with the following:

"The Guarantor appoints Capgemini Canada Inc. 1660 Tech Avenue, Unit 3A, Mississauga, Ontario, L4W 5S7, Attention: The General Counsel, or such other Person in Toronto, Ontario as the Guarantor may notify Hydro One in writing, as agent for the service of any process against it with respect to any matter arising under or related to this Guarantee."

4. Capitalized terms used in this Amendment which are not otherwise defined in this Amendment shall have the meaning given to those terms in the Original Performance Guarantee. Except as amended under this Amendment, all terms and provision of the Original Performance Guarantee and all rights and obligations of the Parties shall remain in full force and effect. If any provision of this Amendment 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 Amendment which by their nature extend beyond the term or expiry of the Original Performance Guarantee or this Amendment shall survive the termination or expiry of the Original Performance Guarantee and this Amendment. This Amendment is governed by the laws of the Province of Ontario and the laws of Canada applicable therein. This Amendment 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 Amendment 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. This Amendment will be deemed to incorporate by reference the terms and conditions of the Original Performance Guarantee except to the extent stated herein or amended hereby.

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

Hydro One Networks Inc.	**Capgemini North America, Inc.**
Per: _____	Per: _____
Mark Poweska	Richard Plessner
President & CEO	Chief Financial Officer

APPLICATION SERVICES
STATEMENT OF WORK

This Statement of Work forms part of the Agreement between Hydro One Networks Inc. ("**Client**") and Capgemini Canada Inc. ("**Supplier**") dated as of February 8, 2021 (the "**Agreement**"). This Statement of Work is effective as of March 1, 2021 (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

Common Exhibit 1 – Definitions

Common Exhibit 2.0 – Cross-Functional Services

Attachment A to Common Exhibit 2.0 Asset Inventory Data Element Requirements

Attachment B to Common Exhibit 2.0 Disaster Recovery Plan

Attachment C to Common Exhibit 2.0 Business Impact Assessment

Attachment D to Common Exhibit 2.0 Business Continuity Plan

Common Exhibit 3 – Client Policies and Guidelines

Common Exhibit 4 – Invoicing Requirements

Attachment A to Common Exhibit 4 Form of Invoice

Common Exhibit 5 – Transition Plan

Attachment A to Common Exhibit 5 Manage in Place

SOW Exhibits

Exhibit 1 – Application Services Description

Attachment A to Exhibit 1 – AS-IS Third-Party Software Contracts

Attachment B to Exhibit 1 – AS-IS Third-Party Service Contracts

Attachment C to Exhibit 1 – AS-IS Third-Party Equipment Maintenance Contracts

Attachment D to Exhibit 1 – AS-IS-PS Sites

Attachment E to Exhibit 1 – AS-IS-PS Equipment Assets

Attachment F to Exhibit 1 – AS-IS Third Party Acceptance Services

Attachment G to Exhibit 1 – AS-IS-PS Application Portfolio

Attachment H to Exhibit 1 – AS-IS Support Levels

Attachment I to Exhibit 1 – AS-IS-PS Types of Work

Attachment J to Exhibit 1 – AS-IS Priority Levels

Attachment K to Exhibit 1 –AS-IS Technical Architecture

Attachment L to Exhibit 1 – AS-IS Software Assets

Attachment M to Exhibit 1 – AS-IS-PS Hours of Operation

Exhibit 2 – AS-IS-PS Service Levels

Attachment A to Exhibit 2 – AS-IS-PS Critical Deliverables

Attachment A.1 to Exhibit 2 – CMDB Accuracy and Completeness

Exhibit 3 – AS-IS-PS Pricing

Attachment A to Exhibit 3 – AS-IS-PS Pricing Forms

Attachment B to Exhibit 3 – AS-PS Financial Resposibility Matrix

Attachment C to Exhibit 3 – AS-IS Resource Unit Definitions

Attachment F to Exhibit 3 – AS-IS-PS Personnel Projection Matrix

Exhibit 4 – AS-IS-PS 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 Application 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, 2021.

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 twelve (12) months after the SOW Effective Date; and (iii) notwithstanding the last sentence of Section 15.1(f) of the Agreement, at Client's request, the Parties agree to decrease the Fees payable under this Statement of Work and the Application Services Committed Amount by the Fees Difference (as defined below), and correspondingly increase the Fees payable by the Fees Difference and add the equivalent number of dollars required to the Project Services Committed Amount under the Project Services SOW, to be effective as of the 1st day of the next monthly invoice after the benchmark report until the expiry of this Statement of Work. The "Fees Difference" is the difference between: the total amount of Fees remaining to be paid under this Statement of Work after adjustment to the Benchmark Price pursuant to Section 15.1(f) of the Agreement, and the remaining amount of Fees that would have been paid under this Statement of Work had the adjustment from the benchmarking under Section 15.1(f) not occurred.

ARTICLE 5
TERM AND TERMINATION

5.1 SOW Term and Renewal

The term of this Statement of Work will begin on the SOW Effective Date and will expire at the end-of-day February 29, 2024, (the "**SOW Initial Term**"), unless terminated earlier in accordance with the Agreement. This Statement of Work may be renewed by Client for two (2) subsequent additional terms of one (1) year each ("**SOW Renewal Terms**"), which renewals may not exceed the Term of this Agreement, by providing Supplier with written notice no less than ninety (90) days prior to the expiry of the SOW Initial Term or SOW Renewal Terms, as applicable.

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 AS-IS 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 AS-IS 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: Mark Poweska
Title: President & CEO

CAPGEMINI CANADA INC.

By: _____

Name: Tom Mosseau
Title: Vice President & Account Executive

HYDRO ONE

EXHIBIT 1

SOW SERVICES DESCRIPTION

APPLICATION SERVICES (AS)

STATEMENT OF WORK

TABLE OF CONTENTS

1.0 INTRODUCTION 5

1.1 Attachments 5

1.2 Document Conventions 5

1.3 General Obligations 6

1.4 Cross-Functional Services 6

1.5 Document Layout 7

1.6 Project Services Authorization 7

1.6.1 Projects 7

1.6.2 Planning AD and SI Work 7

1.7 Planning and Analysis 7

1.7.1 General Planning and Analysis 7

1.7.2 Problem Definition and Feasibility 8

1.7.3 Requirements Definition 9

1.7.4 Business Case Development 9

1.8 Application Program Planning 9

1.9 Application Design 10

1.9.1 General Design 10

1.9.2 COTS Software Design 11

1.9.3 COTS Software Security Design 11

1.9.4 Design of Audit Controls within Applications 12

1.10 The Warranty Period 12

2.0 AS SERVICES 13

2.1 General Application Maintenance and Support 13

2.2 Incident and Problem Management and Service Desk Support 14

2.2.1 Application Incident and Problem Management 14

2.2.2 Level 2 Support 15

2.2.3 Level 3 Support 15

2.3 Error Correction 16

2.4 Emergency Application Maintenance 17

2.5 Preventive Maintenance 17

2.6 Regulatory and Compliance-Related Maintenance 18

2.7 Batch Scheduling 18
2.8 Operational Support Services 19
2.9 End User Support 20
2.10 Maintenance and Support of COTS Software 20
2.10.1 Service Pack Management 21
2.10.2 Configuration 21
2.10.3 Customization to COTS Software 21
2.10.4 COTS Security Maintenance 21
2.10.5 COTS Vendor-Supplied Maintenance 21
2.11 Decommissioning of Applications 22
2.12 Sustainment Inclusions 22
2.12.1 Application Commissioning to Sustainment 22
2.12.2 Design, Build, Test and Implement (Section 2 Inclusion) 24
2.12.3 Testing (Section 4 Inclusion) 24
2.13 SAP Database Administration (DBA) 24
2.13.1 Application Services Management (Section 4 Inclusion) 25
2.14 Interface with Project Services 25
3.0 SAP BASIS AND SYSTEMS ADMINISTRATION SERVICES 26
3.1 SAP Systems Architecture and Engineering 26
3.2 SAP Systems Administration 27
3.3 SAP Transport Management 29
3.4 GUI Deployment Management 30
3.5 Application Monitoring 31
3.6 Performance Data Collection 31
3.7 Peripheral Systems Administration 31
3.7.1 General 31
3.8 SAP Applications Database Administration 32
4.0 APPLICATION SERVICES MANAGEMENT 32
4.1 Application Resource Management 32
4.2 Cooperation with Third Parties 34
4.2.1 Third Party Supplier Communications 34
4.2.2 Third Party Developed Software 34

4.3 Work Scheduling 35
4.3.1 Request Management 35
4.3.2 Application Technology Refresh and Replenishment 35
4.3.3 Application Release Control 36
4.4 Application Management Controls 37
4.4.1 Operating Procedures Manual 37
4.4.2 Application Documentation 38
4.4.3 Quality Management 38
4.4.4 Application Data Integrity 39
4.4.5 Non-Compliance 39
4.4.6 Master Data Management 40
4.4.7 Software Configuration Management 40
4.4.8 Application Source Code Security 41
4.5 Application IT Service Continuity Management 41
4.5.1 Application Disaster Recovery Planning 41
4.5.2 Application Disaster Recovery Plan Testing 42
4.5.3 Application Disaster Recovery Plan Execution 42
4.5.4 Application Disaster Recovery Plan Maintenance 42
4.6 Application Methodologies, Standards and Architecture 43
4.6.1 Application Standards 43
4.6.2 Application Architecture 43

1.0 INTRODUCTION

This Exhibit sets forth the Application Sustainment Services that Supplier will be accountable for and must deliver (satisfy) as part of the AS Services. Supplier is required to provide the AS 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:

1. Attachment A – Third-Party Software
2. Attachment B – Third-Party Service Contracts
3. Attachment C – Third-Party Equipment Maintenance
4. Attachment D – Sites
5. Attachment E – Equipment Assets
6. Attachment F – Third Party Acceptance Services
7. Attachment G – Application Portfolio
8. Attachment H – Support Levels
9. Attachment I – Types of Work
10. Attachment J – Priority Levels
11. Attachment K – Technical Architecture
12. Attachment L – Software Assets
13. 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 Exhibit 1 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 Supplier to deliver quality AS 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 Exhibit 1 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.
6. Supplier responsibilities that arise as Service Requests will be qualified by effort hours to determine if the responsibility can be reasonably fulfilled within the threshold for Service Requests included in the Base Charges as specified in Exhibit 1-Attachment I-Types of Work. If the effort hours exceed the threshold for a Service Request, the responsibility will be fulfilled as a Project Order, as appropriate for the effort hours required.

1.4 Cross-Functional Services

Supplier shall provide the Services in Common Exhibit 2.1 Cross Functional Services, in conjunction with, and in addition to, the Services described in this Exhibit.

1.5 Document Layout

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

1. Section 2 – AS Services.
2. Section 3 – SAP Basis and System Administration Services.
3. Section 4 – Application Services Management.

1.6 Project Services Authorization

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

1.6.1 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 1.6 as agreed and set forth in such Project Order.

1.6.2 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).

1.7 Planning and Analysis

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

1.7.1 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.

1.7.2 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.

1.7.3 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.

1.7.4 Business Case Development

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

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

1.8 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 this Exhibit.
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.

1.9 Application Design

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

1.9.1 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.

1.9.2 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.

1.9.3 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.

1.9.4 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 in scope. 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. Assist Client to define, configure and document the audit controls within the Applications
2. Assist in 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. Assist 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 solution implementation.
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.

1.10 The Warranty Period

Supplier represents and warrants to Client and to Client Third Parties that Changes implemented by Supplier as a resolution to an Incident or a Problem shall function properly and operate without non-conformities.

Supplier’s responsibilities will include:

1. Update the Incident ticket or Problem ticket to communicate non-conformities and status to Client.
2. Correct non-conformities which occur and update the Incident ticket or Problem ticket to provide appropriate documentation for such corrections to Client.

2.0 AS SERVICES

This Section includes Supplier's responsibilities associated with Sustainment Services for the application scope designated as Supplier scope in Exhibit 1 – Attachment G (Application Portfolio), subject to capacity limits as agreed by the Parties and set forth in Exhibit 3 (Pricing).

2.1 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. Assist with requests for changes to the production job schedules.

2.2 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.

2.2.1 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 2.2. 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.

2.2.2 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 2.2.3 for Level 3 Support.

2.2.3 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.

2.3 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 2.1 Cross Functional 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.

2.4 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 GIS to restart or amend production schedules due to:
    a) Late arrival of critical interfaces or Applications, databases or system software. and
    b) 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.

2.5 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.

2.6 Regulatory and Compliance-Related Maintenance

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

1. Deploy Break Fix and Service Requests for Regulatory and Compliance corrections.
2. Perform Break Fix and Service Requests to modify the Applications in support of changes in Law identified, documented, and requested by Client with reasonable notice within timeframes acceptable to Client, subject to priorities established in the joint resource management plan set forth in Section 4.1.
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) 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.

2.7 Batch Scheduling

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

1. Provide support for the 24x7 batch processing schedule to correct batch processing errors, including all EDI interfaces into and out of the Applications, as required by Client in accordance with Exhibit 1 Attachment H (Support Levels).

2.8 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 Exhibit 1 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 Exhibit 1 Attachment G (Application Portfolio). and

d) Perform transaction performance analysis for AS SL1 and AS 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.

2.9 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 through Service Desk referrals/transfers, which includes:
    a) Investigate and resolve End User Incidents and Problems.
    b) Provide technical support and advice.
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 through Service Desk referrals/transfers 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, through Service Desk referrals/transfers, as authorized by Client.

2.10 Maintenance and Support of COTS Software

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

2.10.1 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 a Project Order, 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.

2.10.2 Configuration

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

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

2.10.3 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.

2.10.4 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.

2.10.5 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.

2.11 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.

2.12 Sustainment Inclusions

2.12.1 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 2) 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 Exhibit 1 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.

2.12.2 Design, Build, Test and Implement

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 2.13.1 (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.

2.12.3 Testing

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

1. 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.
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.
4. 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.

2.13 SAP Database Administration (DBA)

Supplier's responsibilities include:

1. Providing database support as needed, except for end-user computing databases, to support other AS 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 4 of this Exhibit in their entirety as a part of the Sustainment Services.

2.13.1 Application Services Management

Supplier shall perform the responsibilities set forth in Section 4 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.

2.14 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.

3.0 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 3.

3.1 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.

3.2 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.

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. and

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) 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.
5. Perform J2EE systems administration.
6. Monitor, support and coordinate system and database backups and restores for the SAP Software and Bolt-On Software.
7. Schedule and coordinate production readiness reviews with SAP AG (e.g., SAP AG's Early Watch and Go-Live programs).
8. Suggest actions based on Early Watch Report Recommendations and notify Client on monthly basis of any action requiring efforts that exceed the threshold for Service Request.
9. Control system security, which includes managing role-based security, permissions, groups, password policies, and user accounts as approved by Client.

3.3 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.

3.4 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, which includes:
    a) Provide change management services to keep the master GUI image current with new software patches.
    b) Maintain currency of SAP GUI when required as part of a Support Pack upgrade. For avoidance of doubt, SAP GUI upgrades are not part of AS Base Charges.
    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.
4. Provide train-the-trainer services to Client as necessary to reasonably transfer knowledge.

3.5 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.

3.6 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.

3.7 Peripheral Systems Administration

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

3.7.1 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 3.1

through 3.7, 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.

3.8 SAP 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.

4.0 APPLICATION SERVICES MANAGEMENT

Supplier is responsible for the Services set forth in Common Exhibit 2.1 Cross-Functional Services to the extent such Services are applicable to the Services.

This Section includes Supplier's additional management responsibilities in managing the Application Services for the application scope designated as Supplier scope in Exhibit 1 – Attachment G (Application Portfolio) 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 4.0 required for AD and or SI work will be provided under applicable Project Orders.

4.1 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 to advise or assist with the performance of Project Services (to the extent that doing so does not adversely affect the performance of Supplier's Sustainment responsibilities).
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.

   Prepare a monthly report as defined in Exhibit 4 (Service Reports) detailing the actual effort in hours by Application and such Applications list is set forth in Exhibit 1 Attachment G (Application Portfolio). Supplier will assist Client in reconciling the ITSM tickets related to Application Maintenance.
3. As part of the monthly ARC/RRC methodology report, show actual hours expended against each Application in scope.
4. Provide to Client a high-level personnel organization chart for overall governance and management of the Services.
5. Attend Client IT resource management meetings, as requested by Client.
6. 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.
7. Perform all administrative activities associated with bringing resources onto Client's account.
8. 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
   c) Overview of Client environment and Application portfolio, Client IT vision, objectives and guiding principles, Client IT operations and infrastructure environment, Client and IT standards, Client Policies, and the requirements of this Agreement (including any applicable Statements of Work), as appropriate.
9. Provide such Client specific 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 Client specific orientation training to authorized Client resources.

10. 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.

11. Supplier will use commercially reasonable efforts to keep the turnover rate of Supplier Personnel to an industry average for each country. If Client believes that the turnover rate of Supplier Personnel related to Application Services and Infrastructure Services are excessive and so notifies Supplier, Supplier will within ten (10) Business Days (i) provide Client with data concerning Supplier's turnover rate, (ii) meet with Client to discuss the reasons for the turnover rate, (iii) submit a proposal for reducing the turnover rate for Client review and approval and (iv) agree to a program designed to reduce the turnover rate, all at no additional cost to Client.

4.2 Cooperation with Third Parties

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

4.2.1 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.

4.2.2 Third Party Developed Software

Exhibit 1 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 Exhibit 1 Attachment F (Third Party Acceptance Services).

4.3 Work Scheduling

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

4.3.1 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 Exhibit 1 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.

4.3.2 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 Exhibit 1 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:

   i. 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

   ii. provided that, in any event, Supplier uses best efforts to meet such Service Levels.

d) 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.

e) 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.

f) 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.

4.3.3 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) Assigning 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.

    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.

4.4 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.

4.4.1 Operating Procedures Manual

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

1. Develop and maintain AS 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) AS 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.

4.4.2 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.

4.4.3 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).

4.4.4 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.

4.4.5 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.

4.4.6 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.

4.4.7 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.

4.4.8 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 Client or supported by Supplier.
4. Monitor and restrict access to source code and data, as directed by Client.
5. Comply with current Client security requirements and annual audits of source code security and as requested by Client.
6. Perform data/source code security audits as required by Client application development methodology, 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.

4.5 Application IT Service Continuity Management

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

4.5.1 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.

4.5.2 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.

4.5.3 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 AS 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.

4.5.4 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.

4.6 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 maintained and supported by Supplier shall adhere to Client's architectural standards. Supplier's responsibilities with respect to Break Fix and Service Requests, include the following:

1. Coordinate the implementation of such methods, processes, and procedures with Client.
2. Monitor and verify conformance to methods, processes, and procedures (e.g., programming standards).
3. 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.

4.6.1 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 maintenance activities. Supplier may propose improvements to Client Application standards, and if approved by Client, then Supplier may revise such Application standards.
2. Comply with Client's enterprise architecture or receive approval for variances that do not comply with such architecture.
3. Comply with Client's architecture variance process.

4.6.2 Application Architecture

Client will retain responsibility for Application architecture plans and associated AS 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.

INFRASTRUCTURE SERVICES
STATEMENT OF WORK

This Statement of Work forms part of the Agreement between Hydro One Networks Inc. ("**Client**") and Capgemini Canada Inc. ("**Supplier**") dated as of February 8, 2021 (the "**Agreement**"). This Statement of Work is effective as of March 1, 2021 (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

Common Exhibit 1 – Definitions

Common Exhibit 2.0 – Cross-Functional Services

Attachment A to Common Exhibit 2.0 Asset Inventory Data Element Requirements

Attachment B to Common Exhibit 2.0 Disaster Recovery Plan

Attachment C to Common Exhibit 2.0 Business Impact Assessment

Attachment D to Common Exhibit 2.0 Business Continuity Plan

Common Exhibit 3 – Client Policies and Guidelines

Common Exhibit 4 – Invoicing Requirements

Attachment A to Common Exhibit 4 Form of Invoice

Common Exhibit 5 – Transition Plan

Attachment A to Common Exhibit 5 Manage in Place

SOW Exhibits

Exhibit 1 – Infrastructure Services Description

Attachment A to Exhibit 1 – AS-IS Third-Party Software Contracts

Attachment B to Exhibit 1 – AS-IS Third-Party Service Contracts

Attachment C to Exhibit 1 – AS-IS Third-Party Equipment Maintenance Contracts

Attachment D to Exhibit 1 – AS-IS-PS Sites

Attachment E to Exhibit 1 – AS-IS-PS Equipment Assets

Attachment F to Exhibit 1 – AS-IS Third Party Acceptance Services

Attachment G to Exhibit 1 – AS-IS-PS Application Portfolio

Attachment H to Exhibit 1 – AS-IS Support Levels

Attachment I to Exhibit 1 – AS-IS-PS Types of Work

Attachment J to Exhibit 1 – AS-IS Priority Levels

Attachment K to Exhibit 1 –AS-IS Technical Architecture

Attachment L to Exhibit 1 – AS-IS Software Assets

Attachment M to Exhibit 1 – AS-IS-PS Hours of Operation

Exhibit 2 – AS-IS-PS Service Levels

Attachment A to Exhibit 2 – AS-IS-PS Critical Deliverables

Attachment A.1 to Exhibit 2 – CMDB Accuracy and Completeness

Exhibit 3 – AS-IS-PS Pricing

Attachment A to Exhibit 3 – AS-IS-PS Supplier Pricing Forms

Attachment B to Exhibit 3 – IS Financial Resposibility Matrix

Attachment C to Exhibit 3 – AS-IS Resource Unit Definitions

Attachment F to Exhibit 3 – AS-IS-PS Personnel Projection Matrix

Exhibit 4 – AS-IS-PS 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 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, 2021 with the exception of the Serivce Desk Services which shall be June 1, 2021.

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 twelve (12) months after the SOW Effective Date; and (iii) notwithstanding the last sentence of Section 15.1(f) of the Agreement, at Client's request, the Parties agree to decrease the Fees payable under this Statement of Work and the Infrastructure Services Committed Amount by the Fees Difference (as defined below), and correspondingly increase the Fees payable by the Fees Difference and add the equivalent number of dollars required to the Project Services Committed Amount under the Project Services SOW, to be effective as of the 1st day of the next monthly invoice after the benchmark report until the expiry of this Statement of Work. The "Fees Difference" is the difference between: the total amount of Fees remaining to be paid under this Statement of Work after adjustment to the Benchmark Price

pursuant to Section 15.1(f) of the Agreement, and the remaining amount of Fees that would have been paid under this Statement of Work had the adjustment from the benchmarking under Section 15.1(f) not occurred.

ARTICLE 5
TERM AND TERMINATION

5.1 SOW Term and Renewal

The term of this Statement of Work will begin on the SOW Effective Date and will expire at the end-of-day February 29, 2024, (the "**SOW Initial Term**"), unless terminated earlier in accordance with the Agreement. This Statement of Work may be renewed by Client for two (2) subsequent additional terms of one (1) year each ("**SOW Renewal Terms**"), which renewals may not exceed the Term of this Agreement, by providing Supplier with written notice no less than ninety (90) days prior to the expiry of the SOW Initial Term or SOW Renewal Terms, as applicable.

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 AS-IS 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 AS-IS 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: Mark Poweska
Title: President & CEO

CAPGEMINI CANADA INC.

By: _____

Name: Tom Mosseau
Title: Vice President & Account Executive

HYDRO ONE

EXHIBIT 1

SOW SERVICES DESCRIPTION

INFRASTRUCTURE SERVICES (IS)

STATEMENT OF WORK

TABLE OF CONTENTS

1.0 INTRODUCTION 7

1.1 Attachments 7

1.2 Defined Terms 7

1.3 Document Conventions 8

1.4 General Obligations 8

1.5 Document Layout 9

2.0 SERVER MANAGEMENT SERVICES 9

2.1 Server Operations 9

2.2 Server Engineering and Technical Support 11

2.3 High Availability Design, Engineering and Operations 13

2.3.1 HA Design and Configuration 14

2.3.2 HA Testing 14

2.3.3 HA Operations 14

2.4 Virtualization Design, Engineering and Operations 15

2.4.1 Virtualization Technologies 15

2.4.2 Virtualization Operations 15

2.5 File and Print Services 24

2.6 Non-SAP Database Management Services 24

2.6.1 General Database Management 24

2.6.2 Systems Database Management, Maintenance, and Support 24

2.6.3 Database Administrative Support 24

3.0 STORAGE MANAGEMENT SERVICES 24

3.1 Storage Area Network Operations 24

Storage Architecture and Design 293.2

Data Synchronization Design, Engineering and Operations 30

3.3 Batch Scheduling 30

4.0 IS SERVICES MANAGEMENT 42

4.1.1 Availability Management 44

4.1.2 Capacity Management 45

4.1.3 Performance Monitoring 45

4.2 Standard Service Requests 50

4.2.1Installation and Maintenance 53
5.0 SERVICE DESK 54
5.1 Contact Management 55
5.2 Incident Management 59
5.3Standard Order Management 60

1.0 INTRODUCTION

This Exhibit sets forth the Server, Storage, and other Services that Supplier will be accountable for and must deliver (satisfy) as part of the Infrastructure Services. Supplier is required to provide the Infrastructure 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. "Data Centre Services" means the Services set forth in this Exhibit.
2. "HA" means high availability.
3. "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.
4. "OPM" means the Operating Procedures Manual.
5. "Service Desk" means Supplier's function that delivers the Services set forth in Section 5 plus the applicable Services set forth in Section 9, Common Exhibit 2.0 Cross-Functional Services.
6. "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 for in scope Services.
3. The Infrastructure 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.

4. Supplier responsibilities that arise as Service Requests will be qualified by effort hours to determine if the responsibility can be reasonably fulfilled within the threshold for Service Requests included in the Base Charges as specified in Exhibit 1-Attachment I-Types of Work. If the effort hours exceed the threshold for a Service Request, the responsibility will be fulfilled as a Project Order, as appropriate for the effort hours required.

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 – IS Services Management.
- Section 5 – Service Desk.

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) All account management in compliance with Client policies.
   b) Comply to Security and access controls set forth by Client.
   c) Capacity and performance monitoring and management.
   d) Operational and sustainment activities.
   e) Hardware and software maintenance.
   f) Configuration and Technology Change Management/Revision Control.
   g) Problem management and resolution.
   h) Service Request management.
   i) 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.
   j) Assist in the evaluation and recommendation for the engineering and implementation of architectural changes.
   k) Decommission of and removal of data from all servers in compliance with Client policies and as per Client request, and

l) Implementation of additional physical and virtual servers.

2. Remotely manage and administer corrective maintenance and repair, (warranty and non-warranty repairs), and coordinate hands and feet activities at the Data Centre with Client resources including:
   a) Provisioning 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 contacts as provided by Client and such report will be made available to Client upon request
4. Define and manage system maintenance 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. Report any failure of the transmission of files between Client sites and any other parties as designated by Client.
11. Schedule batch jobs to optimize throughput in accordance with the scheduled batch completion times.
12. Complete Client-defined batch processing and backups in the correct sequence and within the time periods designated by Client.
13. Where practicable, automate the scheduled batch work and processes including backups.
14. Coordinate and process special processing requests as Authorized by Client.
15. Notify Client in accordance with the appropriate notification procedures in the event that applications do not execute properly.
16. Provide, administer and maintain automated tools and processes for systems management.
17. Configure and manage any software load balancing capabilities the Client has approved in the server infrastructure
18. Provide and maintain the backup server, systems management platforms and other utility Equipment as required to meet the Service Levels.

19. Provide administrative services. e.g., End User and print queue setup and print table setup rights.
20. Provide node/host information to Client or its service providers as required.
21. Check and reset server NIC interfaces if and when required
22. Perform system administration and operational support of high availability clusters using the Supplier Software set forth in Exhibit 1 Attachment L - Software Assets.
23. Perform changes in accordance with the Technology Change Management procedures.
24. 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.
25. 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. 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.
4. Maintain interfaces to the Capacity and Performance Management service to achieve service performance.
5. Perform server related changes in accordance with Technology Change Management methods and procedures.
6. Design, with Client's assistance, and deploy servers according to defined Client standards.
7. 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 as outlined in Exhibit 1 Attachment M Hours of Operation.
    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. Monitoring of virtual landscape within the data centre

iii. Server administration,

iv. Server re-configuration, and

v. Automatic alerting.

8. 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.

9. 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) Provide Server Management inputs to 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.

10. 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 of Client's approved infrastructure architecture design consists of:

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 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) 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 File Service based on events or service monitoring.
    e) Recommendations for the engineering and implementation of architectural changes.
    f) 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.

2.6 Non-SAP 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.

2.6.1 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.

2.6.2 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.

2.6.3 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 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. Allocate disk storage space as required for the performance of the Services.
17. Provide access to a dashboard of storage consumption/allocation to Client, based on data type and device.
18. Comply with and enforce the storage governance model for online storage.
19. Retain logs based on the Client Policies and data retention policies.
20. Manage up to four (4) tiers of online storage as mutually agreed to by the parties based on cost and performance measures.
21. Implement, configure and maintain Supplier-specific storage management software for external disk Equipment (e.g., SAN).
22. 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 Storage Architecture and Design

*Su*pplier's responsibilities with respect to storage architecture and design include the followi~~i~~ng:

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.

3.3 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 SERVICES

4.1 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.

4.2 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.
1. Provide support for the 24x7 batch processing schedule to correct batch processing errors as required by Client in accordance with Exhibit 1 Attachment H (Support Levels).
2. Stop and restart the batch schedule as needed during system maintenance.
3. Update access and scheduling-related parameter tables contained within the in-scope Applications where required.
4. Administer changes to the master batch schedule.
5. Manage access to, use and maintenance of the Client-approved batch scheduling tool.
6. Monitor batch processing and respond to alerts/errors in accordance with the agreed notification and escalation procedures.
7. Support audit reporting requirements associated with the batch schedule.
8. Manage and monitor batch scheduling for Applications as required and escalate, if problems are encountered.
9. Act as central administrator of batch scheduling Services.
10. Integrate production control and scheduling functions to meet Client's documented requirements.
11. Establish, document and maintain standards for production batch jobs.
12. Install, operate and maintain Client-approved batch job scheduling software as mutually agreed to by the parties.
13. Create and maintain production batch job dependencies on the master job scheduling database to meet Client's documented requirements.

14. Configure and test production batch job schedules in Client-approved batch job scheduling software.
15. Distribute and obtain Client's approval of production batch job schedules prior to implementation.
16. Coordinate and modify production batch job schedules to meet Client's documented priorities.
17. Resolve production batch job scheduling conflicts.
18. 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.
19. 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.
20. Entering program control specifications (parameters) into production batch job streams according to Client's documented requirements.
21. Maintain the documentation of production batch job streams, including data dependencies, job dependencies/priorities and processing options.
22. Monitor the processing of scheduled batch jobs.
23. Start jobs manually where automated processes do not exist.
24. Investigate and report on production batch jobs that fail to complete successfully.
25. Resolve interruptions caused by conditions external to production batch jobs.
26. Restart failed production batch jobs according to Client's instructions.
27. Create problem reports for failed production batch jobs using the Incident Management System.

5.0 DATA CENTRE SERVICES MANAGEMENT

Supplier is responsible for the Services set forth in Common Exhibit 2.0 Cross-Functional Services, to the extent such Services are applicable to IS Services.

This Section includes Supplier's additional management responsibilities in managing the Data Centre Services across data centre technology platform and Infrastructure-related functions.

5.1 IT Service Management

5.1.1 Incident and Problem Management

Supplier's responsibilities with respect to Incident Management and Problem Management include the following, except where physical access is required to the Data Center. Where such physical access is required, Supplier will coordinate with Client.

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.

5.1.2 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.

5.1.3 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.

5.1.4 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. Assist 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. Assist in 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.

5.1.5 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 including non SAP databases.
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. Provide a real-time dashboard or extracts of the data for server and storage performance for use by Client IT personnel.

5.1.6 Configuration Management

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

1. Document and maintain Client's Infrastructure Services configurations strategies, architectures and standards that have been awarded to Supplier as part of in-scope Services.
2. Adhere to Client's Infrastructure Services configurations strategies, architectures and standards.

5.1.7 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 Section 2.0 – Attachment D to the Common Exhibit 2.0 – Cross Functional Services, and Supplier Disaster Recovery Plan(s), as defined in Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services, 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 Section 2.0 – Attachment C to the Common Exhibit 2.0 – Cross Functional Services.

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 Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services.
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 Section 2.0 – Attachment D to the Common Exhibit 2.0 – Cross Functional Services, and Supplier Disaster Recovery Plan(s), as defined in Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services, 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 Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services 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 Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services Plan.
17. Execute the Supplier Disaster Recovery Plan(s) as defined in Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services 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.

5.1.8 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 including operating systems and non SAP databases.
2. Apply vendor software patches and upgrades as required.
3. Notify Client upon detection of suspected license violations of software.
4. Provide on-going hardware and software operational support activities.
5. Perform problem identification and problem management and problem resolution for hardware and software maintenance services.
6. 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) Assist in hardware and software maintenance vendor relationships.
7. Manage and administer corrective maintenance and repair (warranty and non-warranty repairs), which includes:
    a) Take necessary actions to repair the system, peripheral, or component to working order.

5.1.9 Platform Integration Testing Acceptance

Supplier's responsibilities with respect to testing acceptance to run include the following:

1. Operational service delivery model and documentation as necessary - linkages to support organizations and operational support roles, responsibilities, and service delivery parameters.
2. Perform the maintenance, operation, and administration for the commissioned platform integration testing environments.

6.0 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.

6.1 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 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 2.0 Cross-Functional Services.
10. Manage access requests from End Users relating to all IT Services in conformance with Access Management as set forth in Common Exhibit 2.0 Cross-Functional Services.
11. 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.
12. Seamlessly integrate the Service Desk — including existing processes — with the Service Desk(s) or Level 2 Support organizations of third-party suppliers providing services to Client.
13. 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 Exhibit 1 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 Exhibit 1 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 2.0 Cross-Functional Services

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, a secure Web site, or other means mutually approved by Client and Service Provider. Continuously educate End Users on the use of such media.

   a) Enable users to utilize a Supplier's Self-Service portal, or its equivalent, to:

      1. 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.

      2. 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.

      3. Participate in discussion forum based internally hosted site and allowing access to discussions by Supplier staff and Client staff for support discussions.

b) Integrate Service Center Wizard to ServiceNow implemented as of the go-live date of ServiceNow.

14. 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
15. 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.
16. 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.
17. Provide updates back to the affected End User regarding the reported Incident.
18. Subject to Client's review and approval, develop and update Incident and Problem escalation procedures, and distribute such procedures to designated End Users.
19. 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.
20. 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.
21. Update Knowledge Management.
22. Supplier's responsibilities with respect to users the Client has identified, at its sole discretion, as VIP or Executive End Users who will require VIP or Executive support services include:
    a) Notify Desktop Services to provide on-site support when required or as requested by the VIP or Executive End User.

b) 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.

6.2 End User Support

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. Assist in coordination and processing of corporate wide messages.
4. Assist End Users with Incidents, or Service Requests (including questions) related to collaborative tools and Applications.

6.3 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.

6.4 Standard Order Management

Supplier's responsibilities with respect to Standard Order management include the following:

1. Receive tickets from smart contextual web form system (and front end, if necessary) and other channels for receipt of Standard Orders, including:
    - Software procurement requests.
    - Security IDs and access requests.

- Telecom IMAC requests.

For avoidance of doubt, the smart contextual web form system (and front end, if necessary) and other channels for receipt of Standard Orders will be provided by Client.

2. Convert Standard Orders to 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.

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 5.0 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 when advanced notification from the third party has been provided.
    g) Close tickets after confirming with the Client that their request has been resolved/ completed to their satisfaction.

6.5 Standard Service Requests

Supplier's responsibilities with respect to standard Service Requests include the following:

1. Process standard Service Requests for In Scope Services, which are facilitated and managed through the Service Desk, for:
    a) Network naming and addressing services; Print services;
    b) File services;Messaging services;
    c) Batch scheduling services.
    d) Shared workgroup service.
    e) Provide technical support for end-user problems including:
        i. Workgroup printing resources;
        ii. Client VPN and 3rd party VPN requests including RSA token
        iii. Client WebEx and audio conferencing requests

iv. Client Wi-Fi access requests

v. Mobile Device management

6.6 Remote Access Services

Supplier's responsibilities with respect to remote access connectivity include the following:

1. Process remote access solutions request form and grant access by distributing remote access Client package.
2. Support/troubleshoot/resolve/escalate Client remote access issues.Provision remote security access ("RSA") token for authorized End Users.
3. Manage capacity/inventory of RSA tokens and report to Client as requested.
4. Comply with Client policies for remote access
5. Provide information and data as requested to satisfy Client internal or external business, audit, and governmental requirements
6. Manage unused RSA tokens and report for reassignment to Client.

6.6.1 Service Continuity Management

Supplier's responsibilities with respect to the Service Continuity Management of the Service Desk 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 (Section 2.0 – Attachment D to the Common Exhibit 2.0 – Cross Functional Services) and the Supplier Disaster Recovery Plan (Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services) for Service Desk recovery.
3. Provide the Supplier Business Continuity Plan (Section 2.0 – Attachment D to the Common Exhibit 2.0 – Cross Functional Services) and the Supplier Disaster Recovery Plan (Section 1.0 –Attachment B to the Common Exhibit 2.0 – Cross Functional Services) 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 (Section 2.0 – Attachment D to the Common Exhibit 2.0 – Cross Functional Services) and the Supplier Disaster Recovery Plan (Section 1.0 – Attachment B to the Common Exhibit 2.0 –Cross Functional Services).
5. Execute the Supplier Business Continuity Plan (Section 2.0 – Attachment D to the Common Exhibit 2.1 – Cross Functional Services) and the Supplier Disaster Recovery Plan (Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services) for Service Desk recovery as required
6. Support and communicate Supplier Business Continuity Plan (Section 2.0 – Attachment D to the Common Exhibit 2.0 – Cross Functional Services) and the Supplier Disaster Recovery Plan (Section 1.0 – Attachment B to the Common Exhibit 2.0 – Cross Functional Services) processes and procedures as appropriate.

PROJECT SERVICES
STATEMENT OF WORK

This Statement of Work forms part of the Agreement between Hydro One Networks Inc. ("**Client**") and Capgemini Canada Inc. ("**Supplier**") dated as of February 8, 2021 (the "**Agreement**"). This Statement of Work is effective as of March 1, 2021 (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

Common Exhibit 1 – Definitions

Common Exhibit 2.0 – Cross-Functional Services

Attachment A to Common Exhibit 2.0 Asset Inventory Data Element Requirements

Attachment B to Common Exhibit 2.0 Disaster Recovery Plan

Attachment C to Common Exhibit 2.0 Business Impact Assessment

Attachment D to Common Exhibit 2.0 Business Continuity Plan

Common Exhibit 3 – Client Policies and Guidelines

Common Exhibit 4 – Invoicing Requirements

Attachment A to Common Exhibit 4 Form of Invoice

Common Exhibit 5 – Transition Plan

Attachment A to Common Exhibit 5 Manage in Place

SOW Exhibits

Exhibit 1 – Projects Services Description

Attachment D to Exhibit 1 – AS-IS-PS Sites

Attachment E to Exhibit 1 – AS-IS-PS Equipment Assets

Attachment G to Exhibit 1 – AS-IS-PS Application Portfolio

Attachment I to Exhibit 1 – AS-IS-PS Types of Work

Attachment M to Exhibit 1 – AS-IS-PS Hours of Operation

Attachment N to Exhibit 1 – Test Defect Severity Level Classification

Exhibit 2 – AS-IS-PS Service Levels

Attachment A to Exhibit 2 – AS-IS-PS Critical Deliverables

Attachment A.1 to Exhibit 2 – CMDB Accuracy and Completeness

Exhibit 3 – AS-IS-PS Pricing

Attachment A to Exhibit 3 – AS-IS-PS Supplier Pricing Forms

Attachment B to Exhibit 3 – AS-PS Financial Resposibility Matrix

Attachment F to Exhibit 3 – AS-IS-PS Personnel Projection Matrix

Exhibit 4 – AS-IS-PS 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, 2021.

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 twelve (12) months after the SOW Effective Date; and (iii) notwithstanding the last sentence of Section 15.1(f) of the Agreement, at Client's request, the Parties agree to decrease the individual Rates in the Rate Card in Exhibit #3 under this Statement of Work for those Rates identified by the Benchmark findings as being lower, to be effective as of the 1st day of the next monthly invoice after the benchmark report until the expiry of this Statement of Work. The new Rates shall in effect for any future Projects and any inflight Projects going forward.

ARTICLE 5
TERM AND TERMINATION

5.1 SOW Term and Renewal

The term of this Statement of Work will begin on the SOW Effective Date and will expire at the end-of-day February 29, 2024, (the "**SOW Initial Term**"), unless terminated earlier in accordance with the Agreement. This Statement of Work may be renewed by Client for two (2) subsequent additional terms of one (1) year each ("**SOW Renewal Terms**"), which renewals may not exceed the Term of this Agreement, by providing Supplier with written notice no less than ninety (90) days prior to the expiry of the SOW Initial Term or SOW Renewal Terms, as applicable.

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 PS 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 PS 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: Mark Poweska
Title: President & CEO

CAPGEMINI CANADA INC.

By: _____

Name: Tom Mosseau
Title: Vice President & Account Executive

HYDRO ONE

EXHIBIT 1

SOW SERVICES DESCRIPTION

PROJECT SERVICES (PS)

STATEMENT OF WORK

Table of Contents

1.0 INTRODUCTION 3

1.1 Attachments 3

1.1 Document Conventions 3

1.2 General Obligations 4

1.3 Cross-Functional Services 4

1.4 New Works 4

2.0 PROJECT SERVICES 5

3.0 WARRANTY PERIOD 5

4.0 PROJECT DELIVERY SERVICES 5

4.1 Project Management 5

4.2 Application Development and System Integration Services 6

4.3 Project Services Authorization 6

4.4 Planning and Analysis 6

4.5 Application Design 9

4.6 Application Build 11

4.7 Application Deployment and Commissioning 15

4.8 System Integration 20

4.9 Application Testing Services 21

5.0 APPLICATION COMMISSIONING TO SUSTAINMENT 25

6.0 APPLICATION PROGRAM AND PROJECT MANAGEMENT 26

7.0 APPLICATION METHODOLOGIES, STANDARDS AND ARCHITECTURE 28

1.0 INTRODUCTION

This Exhibit sets forth the Project and other Services that Supplier may be accountable for and deliver (satisfy) as part of the Project Services. The specific services to be applied under a Project will be set forth in the relevant Early Engagement, Technical Early Engagement, or Project Order which may be amended by an authorized change request as set forth in the Project Services Operations Manual (OPM). The specific services detailed in this document represent examples of best practices which may evolve and change over time.

1.1 Attachments

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

Attachment D to Exhibit 1 – AS-IS-PS Sites

Attachment G to Exhibit 1 – AS-IS-PS Application Portfolio

Attachment I to Exhibit 1 – AS-IS-PS Types of Work

Attachment N to Exhibit 1 – Defect Severity Level Classification

The Project related forms such as Project Request Order, Project Order, Project Change Request, Early Engagement Request, Early Engagement Change Request, Technical Early Engagement Request and Technical Early Engagement Change Request shall be utilized in executing Projects.

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 PS 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 Exhibit 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 Projects to authorize Services (e.g., discretionary Projects) in accordance with the Agreement. Each Project will identify the Sections of the AS SOW Exhibit#1 or IS SOW Exhibit #1, as necessary, that are applicable to the Services authorized by such Project 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), 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 PROJECT SERVICES

Project Services includes Projects for the AS SOW Services and IS SOW Services, or any other mutually agreed project according to the Demand Fulfillment Process. Service Requests and Projects are defined in Exhibit 1 Attachment I Types of Work.

1. Project demand will be initiated via the Hydro One Projects Workflow site.
2. Project scope will be defined in the individual Project documents.

3.0 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) Defect, is identified during the Warranty Period Supplier is responsible for correcting the cause of the non-conformity. 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.

4.0 PROJECT DELIVERY SERVICES

4.1 Project Management

Projects are defined in Exhibit 1 Attachment I Types of Work. 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 per the demand management process as set forth in the Operations Manual (OPM). 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 continually improve the Project estimation.

4.2 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.

4.3 Project Services Authorization

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

4.3.1 Projects

Projects require Supplier to execute selected or all AD and SI lifecycle activities set forth in this Section 4.0 as agreed and set forth in such Project.

4.3.2 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).

4.4 Planning and Analysis

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

4.4.1 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.

4.4.2 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.

4.4.3 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.

4.4.4 Business Case Development

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

1. Create detail cost estimate by deliverable for the proposed solution to be provided in a format required by Client.
2. Estimates should clearly illustrate the effort and timing to achieve the deliverables and specific milestones defined in the Project.

4.5 Application Design

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

4.5.1 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.

4.5.2 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.

4.5.3 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.

4.5.4 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 subject matter advice to define, configure and document the audit controls within the Applications. Such subject matter advices will include leading practices within, 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.

4.6 Application Build

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

4.6.1 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 to Exhibit 3 Attachment B (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.
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.

4.6.2 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.

4.6.3 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.

4.6.4 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.

4.6.5 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.

4.6.6 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.

4.6.7 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 Exhibit 1 Attachment L (Software Assets).
2. Establish, maintain, support and operate the unit test environment only to the extent to Exhibit 3 Attachment B (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, in order to enhance unit test processes over time.

4.7 Application Deployment and Commissioning

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

4.7.1 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, 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.

4.7.2 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 Exhibit 3 Attachment B (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.
11. Work with Client to document Defects in accordance with the Defect Severity Level Classifications in Exhibit 1 Attachment N Defect Severity Level Classification 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.

4.7.3 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.

4.7.4 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).

4.7.5 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).
    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 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.

4.7.6 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.

4.7.7 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.

4.7.8 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.

4.8 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, 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.

4.9 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.

4.9.1 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 the 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 Exhibit 3 Attachment B (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 Project applicable acceptance criteria.

4.9.2 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 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 (FRM) to Exhibit 3 (Pricing) 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.

5.0 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 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.
11. Prior to Project implementation into production provide confirmation, in accordance with Exhibit 1 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.

6.0 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.

6.1 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 representative.
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, 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 representative 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 representative.
15. Supplier will baseline Client resources' current knowledge, skills, and abilities, set targets for their development, and track progress towards those targets.

6.2 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 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 (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.

7.0 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.

7.1 Application Methodologies, Tools, and Practices

Exhibit 1 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.

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.

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

ATTACHMENT A TO EXHIBIT 1

THIRD-PARTY SOFTWARE

APPLICATION SERVICES (AS) AND

INFRASTRUCTURE SERVICES (IS)

STATEMENT OF WORK

Table of Contents

1.0 GENERAL 3

2.0 THIRD PARTY SOFTWARE 3

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 SERVICES (AS) AND

INFRASTRUCTURE SERVICES (IS)

STATEMENTS OF WORK

Table of Contents

1.0 GENERAL 3
2.0 THIRD PARTY SERVICE CONTRACTS 3

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 SERVICES (AS) AND

INFRASTRUCTURE SERVICES (IS)

STATEMENT OF WORK

Table of Contents

1.0 GENERAL 3

2.0 THIRD PARTY EQUIPMENT MAINTENANCE 3

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
SITES

TO EXHIBIT 1
APPLICATION SERVICES (AS), INFRASTRUCTURE SERVICES (IS) and

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Attachment D to Exhibit 1

Hydro One Sites

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Attachment D to Exhibit 1

CAPGEMINI SITES

(1) The Global Delivery Model for Project Services allows for the best resource to be sourced from any Capgemini location as recorded in a Project Order or Service Request as required.
(2) In addition to the primary delivery centres listed in IS-AS-PS SOW-Exhibit 1-Attachment D-Sites, Supplier personnel may deliver Services under a work from home arrangement. The Work From Home Arrangement applies to situations when personnel must respond to Incidents outside of hours of support, when personnel have a work/life event that keeps them home, or when there is a Local Emergency Period. The Local Emergency Period is the period where Supplier's ability to operate with all employees in their normal place of work is restricted due to:
a. Laws, regulation and government or other relevant authority orders or advisory notices applying to the locations the Services are delivered from;
b. Duty of care responsibilities to its employees in line with good industry practice, including taking into account the need to protect individuals with relevant health conditions, and the availability of safe transportation services to and from Supplier premises.

The work from home arrangement does not relieve Supplier of its obligations to deliver Services per the Agreement or Statements of Work.

Ref.	Primary Delivery Centres	SOW	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications
1	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services End User Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO 14001:2015, ISO 9001:2015, ISO 20000-1:2018
2	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services End User Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO 14001:2015, ISO 9001:2015, ISO 20000-1:2018
3	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO 22301:2019, ISO/IEC 27001:2013, OHSAS 18001:2007, ISO 41001:2018, ISO 9001:2015, ISO/IEC 20000-1:2011, ISO 20000-1:2018, BCMS 680518
4	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO 22301:2019, ISO/IEC 27001:2013, OHSAS 18001:2007, ISO 41001:2018, ISO 9001:2015, ISO/IEC 20000-1:2011, ISO 20000-1:2018, BCMS 680518

Ref.	Primary Delivery Centres	SOW	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications
5	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO 22301:2019, ISO/IEC 27001:2013, OHSAS 18001:2007, ISO 41001:2018, ISO 9001:2015, ISO/IEC 20000-1:2011, ISO 20000-1:2018, BCMS 680518
6	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO 22301:2019, ISO/IEC 27001:2013, OHSAS 18001:2007, ISO 41001:2018, ISO 9001:2015, ISO/IEC 20000-1:2011, ISO 20000-1:2018, BCMS 680518
	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO 22301:2019, ISO/IEC 27001:2013, OHSAS 18001:2007, ISO 41001:2018, ISO 9001:2015, ISO/IEC 20000-1:2011, ISO 20000-1:2018, BCMS 680518
	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO 22301:2019, ISO/IEC 27001:2013, OHSAS 18001:2007, ISO 41001:2018, ISO 9001:2015, ISO/IEC 20000-1:2011, ISO 20000-1:2018, BCMS 680518
8	[redacted]	PS	Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO/IEC 27001:2013, ISO 9001:2015, ISO 20000-1:2018
9	[redacted]	IS, AS, PS	Application Maintenance and Support Services (AMS) Server Services Storage Services End User Services Security Management Services Service Management Projects	Capgemini shared customer Service Delivery Centres	Duration of contract	ISO/IEC 27001:2013, ISO 9001:2015, ISO 20000-1:2018
10	[redacted]	IS	Data Centre Services	GTA Location	First Contract Year	N/A
11	[redacted]	IS	Data Centre Services	GTA Location	First Contract Year	N/A
12	[redacted]	IS	End User Services (ODIGO)	Cloud Service	Duration of contract	N/A

Ref.	Primary Delivery Centres	SOW	Nature of Services Provided	Location Requirements (e.g., office space, equipment)	Duration	Location Certifications
13	[redacted]	IS	End User Services (ODIGO)	Cloud Service	Duration of contract	N/A

NONE

HYDRO ONE

ATTACHMENT E TO EXHIBIT 1

EQUIPMENT ASSETS

APPLICATION SERVICES (AS), INFRASTUCTURE SERVICES (IS) AND PROJECT SERVICES (PS) STATEMENT OF WORK

Table of Contents

1.0 INTRODUCTION 3
2.0 CLIENT PROVIDED EQUIPMENT ASSETS 3
3.0 SUPPLIER PROVIDED EQUIPMENT ASSETS 3

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

Client will provide desktop/laptop, up to a maximum number of fifty (50), to Supplier upon written request based on Client's security policy. The Parties will jointly document the list of equipment during Transition.

1. Intentionally Blank.

Ref.	Vendor Name	Model Number	Type	Quantity	Location

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.

2. Intentionally Blank.

Ref.	Vendor Name	Model Number	Type	Quantity	Location

HYDRO ONE

ATTACHMENT F TO EXHIBIT 1

THIRD PARTY ACCEPTANCE SERVICES

APPLICATION SERVICES (AS) AND

INFRASTUCTURE SERVICES (IS)

STATEMENTS OF WORK

TABLE OF CONTENTS

1.0 INTRODUCTION 3
2.0 SUPPLIER RESPONSIBILITIES 3
3.0 THIRD PARTY SOFTWARE ISSUE RESOLUTION 4

1.0 INTRODUCTION

This Attachment includes (i) Supplier's responsibilities with respect to the acceptance of Software developed by Client or a third party within the scope of the Application portfolio, as documented in Exhibit 1-Attachment G-Application Portfolio_Final, as a part of the Application Services, and Project 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.

20. Complete the process through a Change to update Attachment G to reflect the new application scope.

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 compliantfd 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
APPLICATION PORTFOLIO

TO EXHIBIT 1
APPLICATION SERVICES (AS), INFRASTRUCTURE SERVICES (IS) and PROJECT SERVICES (PS)

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HONI CONFIDENTIAL

HONI
Attachment G to Exhibit 1

Application Portfolio
Application Services

				Business				
Ref # *(APP ID)*	Application Name	LOB View	Unique Instances	Primary LOB	Application Support Level (SL1-SL5)	Infrastructure Support Level (Enhanced-SL5)	Application Monitoring (Y/N)	
ARef	AName	LOB View	Uniq	BFun	Alevel	Ilevel	AppMon	Comments/ Information Only(Delete for Final)
[redacted]								

HONI
Attachment G to Exhibit 1

Application Portfolio
Global Application Services

				Business				
Ref # *(APP ID)*	Application Name	LOB View	Unique Instances	Primary LOB	Application Support Level (SL1-SL5)	Infrastructure Support Level (Enhanced-SL5)	Application Monitoring (Y/N)	
ARef	AName	LOB View	Uniq	BFun	Alevel	Ilevel	AppMon	Comments/ Information Only(Delete for Final)
[redacted]								

				Business				
Ref # *(APP ID)*	Application Name	LOB View	Unique Instances	Primary LOB	Application Support Level (SL1-SL5)	Infrastructure Support Level (Enhanced-SL5)	Application Monitoring (Y/N)	
ARef	AName	LOB View	Uniq	BFun	Alevel	Ilevel	AppMon	Comments/ Information Only(Delete for Final)
[redacted]								

				Business				
Ref # *(APP ID)*	Application Name	LOB View	Unique Instances	Primary LOB	Application Support Level (SL1-SL5)	Infrastructure Support Level (Enhanced-SL5)	Application Monitoring (Y/N)	
ARef	AName	LOB View	Uniq	BFun	Alevel	Ilevel	AppMon	Comments/ Information Only(Delete for Final)

				Business				
Ref # *(APP ID)*	Application Name	LOB View	Unique Instances	Primary LOB	Application Support Level (SL1-SL5)	Infrastructure Support Level (Enhanced-SL5)	Application Monitoring (Y/N)	
ARef	AName	LOB View	Uniq	BFun	Alevel	Ilevel	AppMon	Comments/ Information Only(Delete for Final)
[redacted]								

HYDRO ONE

ATTACHMENT H TO EXHIBIT 1

SUPPORT LEVELS

APPLICATION SERVICES (AS) AND INFRASTRUCTURE SERVICES (IS) STATEMENT OF WORK

TABLE OF CONTENTS

1.0 INTRODUCTION 3
2.0 APPLICATION SUPPORT LEVEL DEFINITIONS 3
2.1 APPLICATION SUPPORT LEVEL 1 - CRITICAL 3
2.2 APPLICATION SUPPORT LEVEL 2 - HIGH 4
2.3 APPLICATION SUPPORT LEVEL 3 - STANDARD 5
2.4 APPLICATION SUPPORT LEVEL 4 - LOW 5
3.0 INFRASTRUCTURE SUPPORT LEVEL DEFINITIONS 6
3.1 INFRASTRUCTURE SUPPORT LEVEL - ENHANCED 6
3.2 INFRASTRUCTURE SUPPORT LEVEL - STANDARD 7

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 AS / IS Services. The support level for each application is identified in Exhibit 1 Attachment G (Application Portfolio) of the AS / IS SOW(s).

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 Release Management process.
2. All applications that are installed should be certified by Supplier and the certification data for the application is retained and maintained.

2.1 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:

Carry mobile devices.

Respond to calls within 30 minutes.

Conduct remote or on-site problem handling as required until resolution, as defined by problem severity levels.

4. 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.

5. A development/QA/test environment and toolset is maintained separately from production.
6. All changes follow the standard release, test and promotion processes.
7. Context diagrams are maintained.
8. Appropriate application documentation and configuration information is maintained.
9. Patching, tuning and managed releases for enhancements of the application are performed in order to maintain application currency.
10. Application and data backups are performed on a scheduled basis by Client. Restore plans are well documented and tested regularly.
11. Conduct an annual review with Client of all Support Level 1- Critical Applications.
12. System Architecture is designed for high availability.

2.2 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. 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:

   Carry mobile devices.

   Respond to calls within 30 minutes.

1. Conduct remote or on-site problem handling as required until resolution, as defined by problem severity levels. 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.
2. A development/QA/test environment and toolset may be set-up and maintained separately from production
3. All changes follow the standard release, test and promotion processes.
4. Appropriate application documentation and configuration information is maintained.
5. Patching, tuning are performed in order to maintain the application and meet the Service Levels.

6. Application and data backups are performed on a scheduled basis by Client. Restore plans are well documented and tested regularly.

2.3 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. 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. 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.

2.4 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. Support is provided during normal business hours.
2. Skills may not be readily available to support the Applications environment, however, Supplier will support such applications on a best effort basis.
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.)

3.0 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:
    a. Identification of accountability for the request.
    b. Update and actions to be taken.
    c. An expected lead time for completion.

3.1 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:
    Carry mobile devices.
    Respond to calls within 30 minutes.
    Conduct remote or on-site problem handling as required until resolution, as defined by problem severity levels.
4. Supported by a team of resources with a high level of expertise and appropriate skill sets.
5. All changes follow the standard release, test and promotion processes.
6. System configuration documentation is maintained.
7. Patching, tuning is performed to ensure compatibility with applications.
8. System Architecture is designed for high availability.

3.2 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. Support is provided during normal business hours.
2. Supported by a team of resources with a high level of expertise and appropriate skill sets.
3. All changes follow the standard release, test and promotion processes.
4. Patching is performed if required by an application.

HYDRO ONE

ATTACHMENT I TO EXHIBIT 1

TYPES OF WORK

APPLICATION SERVICES (AS),

INFRASTRUCTURE SERVICES (IS) AND

PROJECT SERVICES (PS)

STATEMENTS OF WORK

TABLE OF CONTENTS

1.0 INTRODUCTION 3
2.0 AS AND IS SERVICES 3
3.0 PROJECT WORK 3

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 AS AND IS SERVICES

IS and AS 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 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 forty (40) 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 forty (40) 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.

PS 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 SERVICES (AS) AND INFRASTRUCTURE SERVICES (IS) STATEMENT OF WORK

TABLE OF CONTENTS

1.0 INTRODUCTION 3

2.0 IMPACT STANDARDS 3

3.0 URGENCY STANDARDS 6

4.0 PRIORITY LEVELS 11

4.1. Critical Priority Level – 1 13

4.2. High Priority Level – 2 13

4.3. Medium Priority Level – 3 13

4.4. Low Priority Level – 4 13

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)
1 – Critical	▪ 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.	▪ 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

IMPACT STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
	▪ Events and/or problems that cause Client-wide or regional outages or a complete loss of service. ▪ No Workaround is available and processes cannot continue.	Applications (e.g., slow performance, error screens). ▪ Hourly employees' timekeeping System; shift level time recording and facility access control issues. ▪ Safety
2 – High	▪ 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.	▪ 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	▪ The Incident affects a single Authorized User who is a VIP User.	▪ 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

IMPACT STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
4 – Low	▪ 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 whole. ▪ 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.	▪ 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.
5 – Very Low	▪ The Incident consists of a question only.	▪ 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	DEFINITION	EXAMPLES (Non-Exhaustive)
1 – Critical	Business critical impairment of business operations has occurred. Business critical impact on service provided to the end customer has occurred Severe slow response is significantly affecting the entire user base.	A Support Level 1 Application is Unavailable or unable to perform its agreed function 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.) 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.) A server or network failure results in multiple services being unavailable to Authorized Users during agreed hours of service. A failure prevents Client from fulfilling any legal or regulatory requirements. (For example: This

URGENCY STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
		might include submitting a report to the regulator or providing a quote to the exchange.) 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. An overnight batch failure might impact a critical date for an enterprise. Delays or incorrect payments in and payments out.
2 – High	Critical data is, or will be, unavailable to all users of an application. There is a significant impact on the service provided to the end customer (such as delays or incorrect quotations). Poor responses are significantly affecting the entire floor/system/application. There is a major scheduling tool failure. Work cannot be completed by staff which is highly time sensitive.	A Support Level 1 Application has major degraded availability or performance A Support Level 2 Application is Unavailable or unable to perform its agreed function 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, and application outage.) 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.)

URGENCY STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
		Overnight Batch failure results in system being out-of-date. A key, but not critical, part of a server or system is, or will be, unavailable to users during agreed hours of service. Any part of an Internet Web site is unavailable or issuing timeout errors. Response times for any Internet Web site are substantially slower than normal for a sustained period. An Uninterruptible Power Supply (UPS) failure has occurred.
3 – Medium	The clients core business is unaffected but the issue is affecting efficient operation by multiple people The damage caused by the Incident increases considerably over time. A significant, but not key impact, overnight failure has occurred. Internet Web site issues of a non-business-critical nature have occurred.	A Support Level 1 Application has minor degraded availability or performance. A Support Level 2 Application has major degraded availability or performance. A Support Level 3 Application is Unavailable or unable to perform its agreed function. A Critical User has experienced a minor disruption to service, but the Critical User(s) can continue to work with a majority of function. A bank of personal computers is not working, but users can relocate to other desks.

URGENCY STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
		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. The back-office environment is experiencing degraded performance. Critical user has minor software bug. Critical user has difficulty accessing a non-critical function.
4 – Low	Work that cannot be completed by staff is not time sensitive. The damage caused by the Incident only marginally increases over time. System access issues are affecting a single user. System access issues are affecting a single personal computer. Minor inconvenience has been caused to a single user.	A Support Level 2 Application has minor degraded availability or performance. A Support Level 3 Application has degraded availability or performance. A Support Level 4 Application is Unavailable or unable to perform its agreed function or has degraded availability or performance. A minor disruption to the service: User(s) can continue to work with the majority of functionality. Minor software bugs. An individual user has difficulty accessing a non-critical function. Daily reporting is late.

URGENCY STANDARD	DEFINITION	EXAMPLES (Non-Exhaustive)
		A single user of a PC application/system is, or will be, affected. A single printer is unavailable (or not producing critical output).
5 – Planned	Planned Outages	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, or event. “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 or event 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 event 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**	P1 Critical	P1 Critical	P2 High	P3 Medium	P3 Medium
	High	P2 High	P2 High	P3 Medium	P3 Medium	P4 Low
	Medium	P2 High	P3 Medium	P3 Medium	P4 Low	P4 Low
	Low	P3 Medium	P3 Medium	P4 Low	P4 Low	P4 Low
	Planned	P3 Medium	P4 Low	P4 Low	P4 Low	P4 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 SERVICES (AS) AND INFRASTRUCTURE (IS) SERVICES STATEMENT OF WORK

TABLE OF CONTENTS

1.0 OVERVIEW OF CURRENT ARCHITECTURE 3

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 snap shot 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 SERVICES (AS) AND

INFRASTUCTURE SERVICES (IS)

STATEMENT OF WORK

Table of Contents

1.0 INTRODUCTION 3
2.0 CLIENT THIRD PARTY SOFTWARE 3
3.0 SUPPLIER THIRD PARTY SOFTWARE 7

1.0 INTRODUCTION

This attachment sets forth the Third Party Software provided by either the Client or Supplier utilized in the provision of the Services as identified below.

Definitions:

Ownership: The party that is responsible for the provisioning, licensing, requisitioning, and contract management of the tool.

Tool Support: The party that is responsible for the ongoing maintenance of the tool, access management, and break-fix.

2.0 CLIENT THIRD PARTY SOFTWARE

This section sets forth the Client Third Party Software utilized in the provision of the Services. The Client will maintain Software listed below in line with obligations defined within the FRM attachement and maintain a list of version numbers to be provided on request by the Supplier.

For avoidance of doubt, Supplier is providing certain tools documented below for which Client is paying under the terms as set forth in Exhibit 3 (Pricing) and its attachments.

Index	Tool/Software Name	Tool/Software Description	Ownership	Tool/Software support
1	**BlueCoat proxy**	Internet perimeter security system	Hydro One	Hydro One
2	**InfoBlox BloxOne Threat Defense Advanced**	Network infrastructure management by Hydro One Telecom	Hydro One	Hydro One
3	**Left intentionally blank**			
4	**Cyber Ark Security**	Manage Capgeminin Privelidged Users	Hydro One	Hydro One
5	**MKS Code Repository**	Legacy Code repository for Application Code	Hydro One	Hydro One

Index	Tool/Software Name	Tool/Software Description	Ownership	Tool/Software support
6	**Microsoft Visual Foundation Studio**	Code repository for Applciation Code	Hydro One	Hydro One
7	**UI Path**	Scripting/Automation tool to automate processes	Hydro One	Hydro One
8	**RSA Archer**	eGRC system	Hydro One	Hydro One
9	**Tenable.sc**	Self-serve reporting capability critical to Capgemini vulnerability management success	Hydro One	Hydro One
10	**Netskope Cloud Access Security Broker CASB**	Endpoint security agent monitors Internet traffic. Currently in project PR6343	Hydro One	Hydro One
11	**QRadar**	SIEM	Hydro One	Hydro One
12	**Splunk**	Various monitoring and detection capabilities including security certificate detection	Hydro One	Hydro One
13	**Trend OfficeScan, ScanMail, Apex One and Deep Security**	Antivirus/Antimalware. Currently undergoing upgrades via PR6381	Hydro One	Hydro One
14	**Sailpoint IAM**	Keystone product for next generation of Hydro One's Identity and Access Management program	Hydro One	Hydro One
15	**RHEL Ansible**	Centralized Automation Tool and blueprint repository	Hydro One	Hydro One
16	**RHEL Satellite**	System provisioning, central RPM Repository	Hydro One	Hydro One
17	**HPE InfoSight**	Call Home Feature	Hydro One	Hydro One
18	**HPE OneView**	to manage hardware	Hydro One	Hydro One
19	**HPE iLO Amplifier Pack**	HPE management tool to keep firmware up to date on HPE servers	Hydro One	Hydro One

Index	Tool/Software Name	Tool/Software Description	Ownership	Tool/Software support
20	**Hitachi HIAA Infra Analytics Adviser bottlenecks**	To keep firmware up to date	Hydro One	Hydro One
21	**EMC Unisphere**	ESRS Call Home Feature	Hydro One	Hydro One
22	**BNA For Brocasde Switches**		Hydro One	Hydro One
23	**3Par SSMC, Call Home**	Call Home	Hydro One	Hydro One
24	**HiTrack Hitachi**	Call Home	Hydro One	Hydro One
25	**VMWare vRealize Network Automation**	Virtual Networking EE To Decom	Hydro One	Hydro One
26	**VMWare vRealize Automation**	Automation tool for provisioning Windows and Linux servers. Also used to provision SQL servers	Hydro One	Hydro One
27	**VMWare vRealize Operations Mgr**	Operational dashboard to the health and capacity of PCDC virtual environment	Hydro One	Hydro One
28	**VMWare vRealize Log Insight**	Central log management collection for all VMware components within PCDC	Hydro One	Hydro One
29	**Computer Associates**	Erwin Data Modeling	Hydro One	Hydro One
30	**VMWare vSphere**	vSphere Enterprise - Virtualization Platform for management network	Hydro One	Hydro One
31	**VMWare vCenter**	vCenter - Virtualization Management	Hydro One	Hydro One
32	**Hummingbird**	Exceed - Connectivity Software	Hydro One	Hydro One
33	**Microsoft**	SQL Server Database Management System (DBMS)	Hydro One	Hydro One
34	**Microsoft**	Windows operating systems	Hydro One	Hydro One
35	**Microsoft**	Windows Sharepoint Services (WSS) - Process and Reporting Document Repository	Hydro One	Hydro One

Index	Tool/Software Name	Tool/Software Description	Ownership	Tool/Software support
36	**Microsoft**	Pstools - Windows OS tools	Hydro One	Hydro One
37	**PuTTY**	Telnet and SSH	Hydro One	Hydro One
38	**MIR3**	TelAlert - Ticket generated e-mail and paging	Hydro One	Hydro One
39	**Redhat**	Operating System	Hydro One	Hydro One
40	**WinSCP**	FTP and SFTP client	Hydro One	Hydro One
41	**IBM Tivoli End point Manager**	Monitoring Up time and Performance Vectors of Servers and Services	Hydro One	Capgemini
42	**IBM MOM (Netcool)**	Event Corelation of monitoring alerts	Hydro One	Capgemini
43	**Nimsoft Monitoring**	Monitoring Up time and Perfromance Vectors of Servers and Services	Hydro One	Capgemini
44	**IBM Big Fix for Patching**	Patching Server OS, with Vendor released Patches	Hydro One	Capgemini
45	**ITSM Ticketing System**	IT Service Management Ticketing tools; Also used to workflow ITIL Processes e.g. Change, Problem	Hydro One	Capgemini
46	**ITBM Reporting**	Bespoke contracted Report generation	Hydro One	Capgemini
47	**Service Center Wizard**	End User Service Request Catalogue	Hydro One	Capgemini (If SCW is migrated to SNOW) Hydro One (If SCW remains a custom application
48	**SAP Solution Manager**	Maintenace ofthe SAP environment	Hydro One	Capgemini
49	**CA (ESP) Batch Management**	Maintenace of the Batch Schedule & Job within the Hydro One Environment	Hydro One	Capgemini
50	**Oracle RAC**	Database management	Hydro One	Capgemini

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 attachement and maintain a list of version numbers to be provided on request by the Client.

Index	Tool/Software Name	Tool/Software Description	Ownership	Tool/Software support
51	**SD - Odigo**	Cloud based Voice Solution utilized by the Service Desk	Capgemini	Capgemini
52	**SD - CHIP / VA**	Cloud Based Virtual Assistant utilized by the Service Desk	Capgemini	Capgemini
53	**SD - Password Reset**	Cloud based Password reset tool for users to be self suficient in reseting lost passwords	Capgemini	Capgemini
54	**SD - Virtual Assistance with IPSoft**	Remote Desktop	Capgemini	Capgemini
55	**ADDM Discovery**	Automated asset discovery	Capgemini	Capgemini
56	**SD – HappySignals**	Automated survey system	Capgemini	Capgemini

HYDRO ONE

ATTACHMENT M TO EXHIBIT 1

HOURS OF OPERATIONS

APPLICATION SERVICES (AS),

INFRASTRUCTURE SERVICES (IS) AND

PROJECT SERVICES (PS)

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 – INFRASTRUCTURE SERVICES (IS)

Ref	Services	Hours of Operation
1	Data Centre Services	Enhanced Infrastructure Support: • 7 x 24 x 365 Standard Infrastructure Support: Business Day, 07:30 – 17:30
2	Incident Management	Normal support: Business Days, 7:30 – 17:30
3	Service Desk	Normal support: Business Days, 06:30 to 18:00
4	Major Incident Management	7 x 24 x 365
5	All other services	Normal support: Business Days, 7:30 – 17:30

3.0 HOURS OF OPERATION – APPLICATION SERVICE (AS)

Ref	Services	Hours of Operation
1	AS	Standard Application Support: Business Days 30 Critical Application Support (includes monitoring and P1 & P2 Tickets): 24 x 7 x 365

4.0 HOURS OF OPERATION – PROJECT SERVICE (PS)

Ref	Services	Hours of Operation
1	PS	Standard Project Services Support: Business Days, 07:30 – 17:30, or as mutually agreed in a Project Order

HYDRO ONE

ATTACHMENT N TO EXHIBIT 1

TEST DEFECT SEVERITIY LEVEL CLASSIFICATION

PROJECT SERVICES (PS)

STATEMENT OF WORK

1.0 INTRODUCTION

This Attachment includes Hydro One's classification of testing defect severities.

2.0 TEST DEFECT SEVERITY LEVEL CLASSIFICATION

Severity Level	***Description***
P1	*The application ends or hangs repeatedly, or there is an unrecoverable data loss. An immediate fix is needed to restore operation/functionality.*
P2	*Functionality is severely restricted due to a defect encountered for which there is no acceptable circumvention/workaround. The application executes but wrong results are encountered, or problems are discovered which significantly affect product operation. A fix is required in order to restore proper functionality/operation.*
P3	*Application functionality is impacted, but able to proceed with established workaround. Affected functionality is not critically impactive to overall application functionality. There may be discrepancies between product operation and the product documentation. Additionally, any problem that is caused by extreme or unlikely circumstances, environments, or operator sequences, provided a straightforward workaround exists and there is no unrecoverable data loss.*
P4	*"Shortcoming." No immediate impact to application functionality. Discrepancies are found that are of an insignificant nature and do not affect satisfactory operation or usability of the product. Examples may include improper presentation of menus, messages, prompts or minor functional deviations that can be easily avoided. Fixes should take place after all severity 1, 2 and 3 problems have been resolved.*

HYDRO ONE

EXHIBIT 2

SERVICE LEVELS

APPLICATION SERVICES (AS),

INFRASTRUCTURE SERVICES (IS) AND

PROJECT SERVICES (PS)

STATEMENT OF WORK

Table of Contents

1.0 SERVICE LEVEL MATRIX 3

2.0 SERVICE LEVEL MATRIX 4

3.0 MEASUREMENT WINDOW 8

4.0 CROSS FUNCTIONAL REPOSITORY 9

4.1 Cross Functional CSL 9

4.2 Cross Functional KM 14

5.0 SERVICE DESK 19

5.1 Service Desk CSL 19

5.2 Service Desk KM 21

6.0 IS REPOSITORY 25

6.1 IS CSL 25

6.2 IS KM 28

7.0 AS REPOSITORY 29

7.1 AS CSL 29

7.2 AS KM 35

8.0 PS REPOSITORY 35

8.1 PS CSL 35

8.2 GPS KM 39

1.0 SERVICE LEVEL MATRIX

At Risk Amount	
AS-IS SOWs At-Risk Percentage	12% of monthly invoice
Pool Percentage (applied across AS-IS)	350% of At-Risk Amount
PS SOW At-Risk Percentage (per Project)	10% of total Project spend

All Project Services (PS) Critical Service Levels (CSLs) may apply for every Project. For avoidance of doubt, the maximum amount of Service Level Credit for each Project shall not exceed 10% of the total Project spend.

The Supplier shall perform at the current Service Levels as set forth below in "Current Expected Service Level" and "Current Minimum Service Level" columns during Transition period and during the Measurement Baseline period. During the Transition Period, there shall be no Service Level Defaults and no Service Level Credits shall apply. For avoidance of doubt, Service Level Defaults and Service Level Credits shall apply beginning on the Commencement Date as indicated for each Service in the Detailed Transition Plan.

If a Key Measurement is denoted as not promotable to a Critical Service Level in the description field in the Service Level repositories, such Key Measurement may not be promoted to a Critical Service Level by Client.

2.0 SERVICE LEVEL MATRIX

Service Level											Service Level Credit	
Section	**Reference**	**Name**	**Type**	**Expected Service Level**	**Minimum Service Level**	**Measurement Period**	**Subject to Continuous Improvement**	**Subject to Baseline**	**Commencement + Mos**	**Measurement Window**	**At-Risk-Pool Allocation**	**Percent of Invoice**
Cross Functional	**CSL 1.1**	**Incident Resolution - High Priority Incidents**	Critical Service Level	95.00%	90.00%	Monthly	Y	N	Commencement	A	30%	3.6%
Cross Functional	**CSL 1.2**	**Root Cause Analysis Reports**	Critical Service Level	100.00%	100.00%	Monthly	N	N	Commencement	B	15%	1.8%
Cross Functional	**CSL 1.3**	**Formal Change Control Implementation**	Critical Service Level	95.00%	90.00%	Monthly	Y	N	Commencement	A	50%	6.0%
Service Desk	**CSL 2.1**	**Service Desk - First Contact Resolution Rate**	Critical Service Level	90.00%	85.00%	Monthly	N	N	Commencement	C	25%	3.0%
Service Desk	**CSL 2.2**	**Authorized User Password Resets within thirty (30) Minutes**	Critical Service Level	98.00%	95.00%	Monthly	Y	N	Commencement + 2 months	C	40%	4.8%
Infrastructure	**CSL 3.1**	**Enhanced Server Availability by Category of Server**	Critical Service Level	99.80%	99.20%	Monthly	Y	Y	Commencement	A	20%	2.4%
Infrastructure	**CSL 3.2**	**Standard Server Availability by Category of Server**	Critical Service Level	Subject to baseline	Subject to baseline	Monthly	Y	Y	Commencement	B	15%	1.8%

Service Level											Service Level Credit	
Section	**Reference**	**Name**	**Type**	**Expected Service Level**	**Minimum Service Level**	**Measurement Period**	**Subject to Continuous Improvement**	**Subject to Baseline**	**Commencement + Mos**	**Measurement Window**	**At-Risk-Pool Allocation**	**Percent of Invoice**
Infrastructure	**CSL 3.3**	**Storage Availability**	Critical Service Level	Subject to baseline	Subject to baseline	Monthly	Y	Y	Commencement	A	10%	1.2%
Applications	**CSL 4.1**	**System Availability, Support Level 1A Applications**	Critical Service Level	99.80%	99.20%	Monthly	Y	N	Commencement	A	45%	5.4%
Applications	**CSL 4.2**	**System Availability, Support Level 1B Applications**	Critical Service Level	99.80%	99.20%	Monthly	Y	N	Commencement	A	45%	5.4%
Applications	**CSL 4.3**	**System Availability, Support Level 2 Applications**	Critical Service Level	99.80%	99.20%	Monthly	Y	N	Commencement	A	45%	5.4%
Applications	**CSL 4.4**	**Production Deployments with no Priority 1 Incidents**	Critical Service Level	Subject to baseline	Subject to baseline	Monthly	Y	Y	Commencement	A	10%	1.2%
Project Specific	**CSL 5.1**	**Project Implemented On Time**	Critical Service Level	Zero (0) Days	Zero (0) Days	Monthly	N	N	Commencement	B	N/A	10%

Service Level											Service Level Credit	
Section	**Reference**	**Name**	**Type**	**Expected Service Level**	**Minimum Service Level**	**Measurement Period**	**Subject to Continuous Improvement**	**Subject to Baseline**	**Commencement + Mos**	**Measurement Window**	**At-Risk-Pool Allocation**	**Percent of Invoice**
Project Specific	**CSL 5.2**	**Project Specific - Implemented Within Budget**	Critical Service Level	<= 10%	<= 10%	Monthly	N	N	Commencement	B	N/A	10%
Projects	**CSL 5.3**	**Defect Leakage to Production**	Critical Service Level	No Single Failure	No Single Failure	Monthly	N	N	Commencement	B	N/A	10%
Cross Functional	**KM 1.1**	**P1 P2 Incident Notification**	Key Measurement	90.00%	80.00%	Monthly	Y	N	Commencement	A	N/A	N/A
Cross Functional	**KM 1.2**	**Incident Resolution - Low Priority Incidents**	Key Measurement	95.00%	85.00%	Monthly	Y	N	Commencement	A	N/A	N/A
Cross Functional	**KM 1.3**	**Incident Ticket Reopen Rate**	Key Measurement	98.00%	96.00%	Monthly	Y	N	Commencement	B	N/A	N/A
Cross Functional	**KM 1.4**	**Completion of Service Requests on-time**	Key Measurement	95.00%	90.00%	Monthly	Y	N	Commencement + 3 months	C	N/A	N/A
Service Desk	**KM 2.1**	**Abandoned Service Desk Calls**	Key Measurement	4.00%	7.00%	Monthly	Y	N	Commencement	C	N/A	N/A

Service Level											Service Level Credit	
Section	**Reference**	**Name**	**Type**	**Expected Service Level**	**Minimum Service Level**	**Measurement Period**	**Subject to Continuous Improvement**	**Subject to Baseline**	**Commencement + Mos**	**Measurement Window**	**At-Risk-Pool Allocation**	**Percent of Invoice**
Service Desk	**KM 2.2**	**Service Desk Calls and Channels Answered within Thirty (30) Seconds**	Key Measurement	90.00%	85.00%	Monthly	Y	N	Commencement	C	N/A	N/A
Service Desk	**KM 2.3**	**End User Satisfaction**	Key Measurement	95.00%	90.00%	Monthly	Y	N	Commencement	C	N/A	N/A
Project Specific	**KM 5.1**	**UAT Defect Leakage to Production**	Key Measurement	4.00%	7.30%	Monthly	Y	N	Commencement	B	N/A	N/A
Projects	**KM 5.2**	**Estimation Responsiveness**	Key Measurement	90.00%	82.50%	Monthly	Y	N	Commencement	A	N/A	N/A

3.0 MEASUREMENT WINDOW

Measurement Window (the time frame a Service Level is to be recorded and measured)

Type	
A	Monday to Sunday, 00:00 a.m. to 11:59 p.m.
B	Monday to Friday, 7:30 – 17:30, excluding Holidays
C	Monday to Friday, 06:30 to 18:00 , excluding Holidays

4.0 CROSS FUNCTIONAL REPOSITORY

4.1 Cross Functional CSL

Service Level Attribute	Item Detail
Reference	**CSL 1.1**
Name	**Incident Resolution - High Priority Incidents**
Description	Purpose: The purpose of the SLA is to measure and provide the Client confidence incidents causing disruption to its operations are raised, managed and resolved within the agreed the resolution timeframes
Specification Limit	Priority 1: Four (4) Hours 7 x 24 x 365 Priority 2: Twenty-Four (24) Hours 7 x 24 x 365
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	95.00%
Minimum Service Level Target	90.00%
Algorithm	Equals A divided by B times 100, with the result rounded to two (2) decimal places, where: A = The number of Priority 1 and Priority 2 Incidents that are resolved by Provider within the applicable timeframe during the Measurement Period; and B = The number of Priority 1 and Priority 2 Incidents Resolved during the Measurement Period. Additionally, any such single occurrence of (i) a Priority 1 Incident that is Resolved in excess of eight (8) hours, or (ii) a Priority 2 Incident that is Resolved in excess of forty-eight (48) hours, shall constitute a Minimum Service Level Default. If there are fewer than ten (10) Priority 1 and Priority 2 Incidents Resolved within the Measurement Period, then there must be at least two (2) failures to resolve Incidents within the applicable timeframe for there to be a Minimum Service Level Default.
Measurement Tool	AS-IS-PS SOW-Exhibit 1- Attachment G - Application Portfolio Incident tickets Root Cause Analysis reports Project documentation
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report

Service Level Attribute	Item Detail
Exclusions	E1. Incidents impacting on non-commissioned environments such as development, QA and staging, and projects. E2. Incidents caused by a Known Error awaiting Client funding or approval to rectify E3. Incidents caused by a failure outside of the Supplier supported environment such as network or power failures E4. Incidents related to a project implementation of a new system or Application during it post-implementation support phase E5. Incidents caused by Configuration Items that are no longer supported by Vendor or maintenance supplier as defined within ADM-IM-PPD Exhibit 3 Attachment B-FRM E6. Tickets with a “Duplicate Of” relationship (subsequent tickets related to the same matter). To clarify, “Duplicate Of” (child) tickets are created and related to the “Master” (parent) ticket when multiple tickets are created for a known Service Request. E7. Tickets raised in error or for system testing purposes. These tickets will be recorded as Incident Status “Cancelled” or as Cause be “Invalid Call” E8. Time while pending due to client action or third party is not included in the elapsed time and the Provider clock will be stopped within ITSM as agreed by Client. E9. Application not defined as SL1 or SL2 within ADM-IM-PPD SOW-Exhibit 1-Attachment G-Application Portfolio E10. Downtimes associated to infrastructure supported at Standard Support level outside of the Normal Hours of Support.
Inclusions	
Definitions Required	L1. SLA reporting is based on a calendar month L2. For the numerator and denominator, Incident tickets will be included within the calculation when the Incident ticket Status is “Resolved” or "Closed” and the Last Resolved Date is in the Measurement Period. L3. Resolution time is calculated as the duration of time between the Reported Date/Time of an incident ticket and the Last Resolved Date/Time of an incident ticket, unless through Root Cause Analysis. L4. The SLA is calculated based on the Priority when the ticket is resolved. If the Priority is originally misclassified as the original scope was misunderstood, then the Priority in the ticket will be corrected with agreement with the Client.
Reference	**CSL 1.2**
Name	**Root Cause Analysis Reports**

Service Level Attribute	Item Detail
Description	Purpose: The purpose of the SLA is to measure and provide the Client Root Cause Analysis (RCA) reporting following a High Priority Incident within a known timescale. The Client has the ability to reject the report if it is not submitted on time, or template is not complete. Goals Direction: No failures to achieve required timeframe High priority incident = P1 (Critical) or P2 (High) incidents
Specification Limit	Priority 1: 10 Business Days Priority 2: 10 Business Days following request from the Client
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	B
Expected Service Level Target	100.00%
Minimum Service Level Target	100.00%
Algorithm	The number of Root Cause Analysis reports for Priority 1 and Priority 2 incidents that are delivered by Provider and accepted by the Client within the specified time during the Measurement Period.
Measurement Tool	ADM-IM-PPD SOW-Exhibit 1-Attachment G-Application Portfolio Incident tickets System and Application Event Logs Project documentation Other information sources as appropriate
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	RCA reports will not be produced for Priority 1 or Priority 2 incidents where the: E1. Incidents were impacting on non-production environments such as development, Projects, QA, and staging. E2. Incidents were caused by a Known Error awaiting Client funding or approval to rectify E3. Incidents were caused by a failure outside of the Provider supported environment such as network or power failures E4. Incidents were related to a project implementation of a new system or Application during it post-implementation support phase E5. Incidents were caused by Configuration Items that are no longer supported by Vendor or maintenance supplier as defined within ADM-IM-PPD Exhibit 3 Attachment B-FRM
Inclusions	

Service Level Attribute	Item Detail
Definitions Required	L1. SLA reporting is based on a calendar month L2. Time taken to receive confirmation from Client/End User will be excluded from the measure. (i.e., The clock stops whilst Provider seeks formal approval from Client. Client rejection will restart the clock from the point at which it had stopped). L3. RCA's will be produced for all Incidents logged as Priority 1 and Client requested Priority 2. L4. For the numerator, RCA reports will be included within the calculation when the RCA has been issued within in the Measurement Period and within the SLA timeframes. For the denominator, RCA reports will be included within the calculation when the RCA has been issued within in the Measurement Period. L5. Within 3 Business Days of RCA submission by Supplier, the Client may reject the submission of the RCA report if it is not of sufficient quality or accuracy. Client and Supplier will mutually agree on revised RCA date for resubmission. L6. It is expected that all RCA reports are reviewed with the Client within 10 Business Days of issue. As a result of the review, changes to the report may be made e.g. adding information to answer a question from the client. If the Client requests an RCA review, Supplier should be required to schedule within 5 Business Days which does not affect the submission time of the RCA. The re-issuing of the report does not impact on the SLA measure. L7. Quality of first RCA submission within ten (10) days must contain root cause of interruption and recommendations on avoiding future interruption of Service based on the applicable RCA Incident.
Reference	**CSL 1.3**
Name	**Formal Change Control Implementation**
Description	Purpose: The purpose of the SLA is to measure and provide the Client confidence that operational change controls are managed effectively to reduce risk. Goals Direction: Higher is better SLA Hours of Service: 24 x 7 x 365 SLA timeframes: As approved by the Change Advisory Board (CAB) and/or the Expedited Change Advisory Board (ECAB) for each change.
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	95.00%

Service Level Attribute	Item Detail
Minimum Service Level Target	90.00%
Algorithm	Equals A divided by B times 100, with the result rounded to two (2) decimal places, where: A = The number of approved Changes successfully implemented accurately without error by Provider within the timeframe specified by the CAB during the Measurement Period; and B = The number of approved Changes that are agreed to be implemented by the CAB during the Measurement Period. Any single occurrence of a Change to a production system that is implemented without an approved Change Record (i.e. Unauthorized Change) will be treated as a Minimum Service Level Default.
Measurement Tool	ADM-IM-PPD SOW-Exhibit 1-Application Portfolio Additional data used to validate calculation and change classification is sourced from: • Priority 1 or 2 Incident tickets • CAB minutes and reports • Approved change tickets, and • Emails or other evidence of approval or pertinent information
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Changes implementing on non-production systems . This is due to these environments being used for testing of change delivery and a more likely to fail than changes into the production environment E2. Changes implementing on non-commissioned systems or Applications or Applications not defined within ADM-IM-PPD SOW-Exhibit 1 - Attachment G - Application Portfolio E3. Enhancements and Projects managed by the Client or its Third Parties. E4. Changes to implement code/software/hardware supplied by a 3rd Party where the code/software/hardware is not in-scope of existing Services and/or testing of the change cannot be completed in an appropriate test environment E5. Emergency Changes if documented within 72 hours. Otherwise emergency change is considered unauthorized.
Inclusions	

Service Level Attribute	Item Detail
Definitions Required	L1. SLA reporting is based on a calendar month L2. Changes will be reported when the Change record has been closed as this will ensure they have been assessed for success aligned to process L3. Only changes to commissioned applications and systems within the commissioned environment are measured under this SLA L4. A Change is measured as one (1) approved Change Record irrespective of whether it involves multiple suppliers for its execution. L5. An approved Change that is backed out following the approved backout plan will not be treated as a failed Change and will be removed from the numerator and denominator. L6. An approved Change that is cancelled prior to implementation will not be treated as a failed change. Scenarios potentially causing a change to be cancelled may be a detection of system issue prior to starting the change that would result in an increased risk to the Client if the Supplier continues to implement the change or a change of business requirement/status such as a storm. L7. A Change to a Production System is not implemented successfully if the Change: - causing an Outage of a SL1 or SL2 Application by not following the approved Change - did not implement the defined deliverables (i.e. transports, patches, upgrades, etc.) of the Change ticket L8. If, during the implementation of an approved Change a process takes longer and an extension of the change window is required to complete the change, then the Change Owner may obtain approval from the Client to extend the time-period prior to implementing the backout plan. If approval is received and the change is implemented in the revised time-period, it is still considered a successful change. If approval was not received. The rationale behind this is that if the Client believes that continuing to implement the change does not materially impact production or customers then it may be more beneficial to proceed rather than backout. **Successful change:** Changes that are implemented in the system, according to the documented details within the change ticket and validated within the change window, as approved by the CAB. **Failed change:** Changes that are performed outside the approved change window, changes that are not implemented within the defined Change principles **Unauthorized change:** Changes that are performed without approval.

4.2 Cross Functional KM

Service Level Attribute	Item Detail
Reference	**KM 1.1**

Service Level Attribute	Item Detail
Name	**P1 P2 Incident Notification**
Description	The measurement of the percentage of Priority 1 and Priority 2 Incidents that are notified to the Client ISD representative within the specified timeframes during the Measurement Period. Notifications can take the form of a phone call, text message or email.
Specification Limit	Priority 1 : Thirty (30) Minutes Priority 2 : One (1) Hour
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	90.00%
Minimum Service Level Target	80.00%
Algorithm	The number of Priority 1 and Priority 2 Incidents that are notified to ISD via phone/text/email by Provider within the specified timeframess expressed as a percentage during the Measurement Period equals A divided by B times 100, with the result rounded to two (2) decimal places, where: A = The number of Priority 1 and Priority 2 Incidents that are notified to ISD via phone/text/email by Provider within the applicable timeframes during the Measurement Period; and B = The number of Priority 1 and Priority 2 Incidents opened during the Measurement Period. NOTE: Measurement will begin from the time the ticket is raised to a Priority 1 or 2 and not from the point the incident is received as an incident may increase in priority as it is being triaged.
Measurement Tool	ITSM as agreed by Client
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	
Inclusions	
Definitions Required	
Reference	**KM 1.2**
Name	**Incident Resolution - Low Priority Incidents**

Service Level Attribute	Item Detail
Description	The measurement of the percentage of low priority incidents (priority 3 and priority 4) Incidents within the specified timeframes during the Measurement Period.
Specification Limit	Priority 3: Five (5) Business Days Priority 4 : Ten (10) Business Days
Measurement Start Date	Commencement (End of Transition)
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	95.00%
Minimum Service Level Target	85.00%
Algorithm	The percentage of Priority 3 and Priority 4 Incidents that are Resolved by Provider within the specified timeframes during the Measurement Period equals A divided by B times 100, with the result rounded to two (2) decimal places, where: A = The number of Priority 3 and Priority 4 Incidents that are Resolved by Provider within the applicable timeframes during the Measurement Period; and B = The number of Priority 3 and Priority 4 Incidents Resolved during the Measurement Period.
Measurement Tool	ITSM as agreed by Client
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Any application or system that has not been commissioned into Sustainment through the approved process. E2. Time while pending due to client action or third party is not included in the elapsed time and the clock will be stopped within ITSM as agreed by Client.
Inclusions	I1. Applications and Infrastruture that is In Scope.
Definitions Required	
Reference	**KM 1.3**
Name	**Incident Ticket Reopen Rate**
Description	The measurement of the percentage of tickets that are Resolved correctly within the Measurement Period with no requirement to re-open the ticket.
Specification Limit	

Service Level Attribute	Item Detail
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	B
Expected Service Level Target	98.00%
Minimum Service Level Target	96.00%
Algorithm	The percentage of Incident tickets that are correctly Resolved during the Measurement Period equals (one (1) minus A divided by B) times 100, with the result rounded to two (2) decimal places, where: A = The number of Incident tickets re-opened during the Measurement Period that had been Resolved and B = The number of Incident tickets Resolved during the Measurement Period.
Measurement Tool	ITSM as agreed by Client
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Tickets resolved by Hydro One Telecoms or other 3rd Parties E2. Non-End User raised incidents/requests E3. Tickets resolved via the '3 Strike rule' (i.e. contact the user 3 times to request closure, if no response after 3 contacts, set incident to resolved)
Inclusions	
Definitions Required	
Reference	**KM 1.4**
Name	**Completion of Service Requests On-Time**
Description	Purpose: The purpose of the SLA is to measure and provide the Client confidence that Service Requests performed by the Provider are implemented within the targets agreed Goals Direction: Higher is better

Service Level Attribute	Item Detail
Specification Limit	• Service Desk Requests – 10 Business Days Service Requests to 2nd/3rd Line Support – 10 Business Days
Measurement Start Date	Commencement + 3 Months
Measurement Period	Monthly
Measurement Window	C
Expected Service Level Target	95.00%
Minimum Service Level Target	90.00%
Algorithm	Equals A divided by B times 100, with the result rounded to two (2) decimal places, where: A = The number of Service Requests which are handled via the Service Desk Services, which are fulfilled successfully and within the stated timeframe for each such specific request, as set forth within the relevant Service Catalogue, during the Measurement Period; and B = The number of Service Requests which are handled via the Service Desk Services fulfilled during the Measurement Period.
Measurement Tool	Service Request ticketsOther information sources as appropriate
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Service Requests related to non-commissioned systems or Applications E2. All Service Request tickets resolved by the following groups: • Client support teams or 3rd Parties • Non Supplier support teams. • Project-related (including Minor Enhancement) Service Requests. These requests are outside the scope of Services but may be logged for workload management purposes E3. Tickets with a “Duplicate Of” relationship (subsequent tickets related to the same matter). To clarify, “Duplicate Of” (child) tickets are created and related to the “Master” (parent) ticket when multiple tickets are created for a known Service Request. E4. Tickets raised in error or for system testing purposes. These tickets will be recorded as Incident Status “Cancelled” or as Cause be “Invalid Call” E5. Tickets recorded as Incident Status “Cancelled” or as Cause “Invalid Call”
Inclusions	I1. In Scope Services
Definitions Required	L1. SLA reporting is based on a calendar month L2. A Service Request is measured as one Service Request irrespective of whether it involves multiple Providers for its execution.

Service Level Attribute	Item Detail
	L3. SLA measure is an aggregate of all Service Requests fulfilled by the Provider within the Measurement Period. L4. For the numerator and denominator, Service Request tickets will be reported when the Service Request ticket Status is “Resolved” or “Closed” and the “Last Resolved Date” is in the Measurement Period. L5. Environments measured are Production, Development, Learning, Training, QA and Staging.

5.0 SERVICE DESK

5.1 Service Desk CSL

Service Level Attribute	Item Detail
Reference	**CSL 2.1**
Name	**First Contact Resolution Rate**
Description	The First Contact Resolution Rate Service Level will measure the percentage of Contacts resolved by the Service Desk on the first Contact. For purposes of clarification, a Contact will be “Actually Resolved” during the Authorized User’s first Contact to the Service Desk, if the Service Desk team resolves the Incident and/or Service request.
Specification Limit	First Contact (e.g., Calls, Chat)
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	C
Expected Service Level Target	90.00%
Minimum Service Level Target	85.00%
Algorithm	The First Contact Resolution Rate Service Level will be calculated as the number of Contacts during the Measurement Period that are successfully resolved on the first Contact by the Service Desk agent without escalation to Level 2, divided by the total number of Resolvable Contacts that are received by the Service Desk during the same Measurement Period, with the result expressed as a percentage rounded to two (2) decimal places.
Measurement Tool	ITSM as agreed by Client
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report

Service Level Attribute	Item Detail
Exclusions	E1. Non-resolvable first Contact. E2. Tickets related to known problems as identified in PKE E3. Child or duplicate of tickets E4. Contacts who bypass Service Desk support which includes request for assignment to another resolver group E5. Unlocking and resetting passwords for accounts Service Desk are not authorized or have access to perform (e.g. Privileged AD Accounts) E6. Chase contacts (user contacting Service Desk to inquire about an existing ticket) [Note: Examples of Contacts that are not resolvable on the First Contact include hardware malfunctions, coding problems, and so forth.]
Inclusions	The SLA scope needs to be Service Desk Resolvable Categories 1. Password Resets 2. Account Unlocks 3. Account terminations 4. Certified Software Installations, Re-installation and Uninstallation 5. AD Access Management including AD, EmpInfo and SAP account provisioning. In addition to the above, any work instructions provided by H1 or Supplier should be included as part of this SLA as agreed with Supplier. First Contact Resolution tickets shall be considered resolved by a Service Desk Agent during the Service Desk requestor's first call with the Service Desk if: - Ticket was resolved within the designated service desk queue - The agent did not assign the ticket to any other group outside the Service Desk: - Transfer between groups is zero (0) - Tickets can be transferred between service desk
Definitions Required	L1. Contact, Level 0, Level 1, Level 2
Reference	**CSL 2.2**
Name	**Authorized User Password Resets within Thirty (30) Minutes**
Description	The Authorized User Password Resets within thirty (30) Minutes Service Level will measure the percentage of Authorized User password resets completed within thirty (30) Minutes of Provider's receiving a Customer approved Service Request to reset an Authorized User password. Compliance with this Service Level will be measured as the elapsed time between the time the Authorized User contacts the Service Desk and selects the automated function for resetting passwords, or elects to speak to a Service Desk agent, and the ticket is set to resolved.
Specification Limit	Thirty (30) Minutes
Measurement Start Date	Commencement + 2 Months
Measurement Period	Monthly
Measurement Window	C

Service Level Attribute	Item Detail
Expected Service Level Target	98.00%
Minimum Service Level Target	95.00%
Algorithm	This Authorized User Password Resets within thirty (30) Minutes Service Level will be calculated as the number of password resets provided to Authorized User during the Measurement Period within [thirty (30) Minutes] of the Service Request, divided by the total number of password reset requests received by the Service Desk in the same Measurement Period, expressed as a percentage rounded to two (2) decimal places.
Measurement Tool	ITSM as agreed by Client
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Password reset for AD accounts not in scope of service desk support or access (e.g. Privileged Active Directory Accounts) E2. No password resets requested over email
Inclusions	I1. Calls directed to Service Desk agent. I2. Resets performed through automated tool. I3. Potential over chat (as approved by Client Security).
Definitions Required	

5.2 Service Desk KM

Service Level Attribute	Item Detail
Reference	**KM 2.1**
Name	**Abandoned Service Desk Calls**
Description	The percentage of abandoned Service Desk Calls during the Measurement Period.
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	C
Expected Service Level Target	4.00%
Minimum Service Level Target	7.00%

Service Level Attribute	Item Detail
Algorithm	The percentage of abandoned Service Desk Calls during the Measurement Period equals A divided by B times 100, with the result rounded to two (2) decimal places, where: A = The number of Service Desk Calls abandoned (i.e., a hang up by the caller) after selecting the option to speak to a Service Desk Agent during the Measurement Period. B = The number of Service Desk Calls where the caller elected to speak to a Service Desk Agent via ACD selection during the Measurement Period.
Measurement Tool	Provider Telephony System providing IVR/ACD
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Calls abandoned before 30 seconds after the chosen IVR option
Inclusions	
Definitions Required	
Reference	**KM 2.2**
Name	**Service Desk Calls and Channels Answered within Thirty (30) Seconds**
Description	Purpose: The purpose of the SLA is to measure and provide the Client confidence that when an End User contacts the Service Desk they receive a timeframe where Calls, Chats, and all channels which are deemed to be a direct syncronus contact are responded to. Goals Direction: Higher is better SLA Hours of Service: 07:00 - 18:30 SLA timeframes: All channels will be answered within 30 seconds. Chat response may be via Virtual Assistant. This KM is not promotable to a Critical Service Level
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	C
Expected Service Level Target	90.00%
Minimum Service Level Target	85.00%

Service Level Attribute	Item Detail
Algorithm	Equals A divided by B times 100, with the result rounded to two (2) decimal places, where: A = The number of requests (i.e. calls, chats) responded to within thirty (30) seconds during the Measurement Period; and B = The total number of requests initiated during the Measurement Period.
Measurement Tool	IVR system data Chat system data
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Abandoned Calls or Chats. Abandoned Calls or Chats are where the End User disconnects prior to a response being provided E2. Calls to the Service Desk during timeframes for fire drills/building evacuation. During this time the ACD is put into an Emergency Call Routing flow that plays an announcement indicating that calls cannot be answered at this time due to emergency evacuation and then disconnects the caller. These calls are never "offered" to the caller. E3. Emails and other form of contact channels that are not phone calls or chat
Inclusions	
Definitions Required	L1. SLA Reporting is based on calendar month. L2. A phone call is deemed offered after an End User chooses an ACD selection and is placed in queue to speak to a Service Desk representative. L3. A Chat may be responded to by a Virtual Agent or a Service Desk representative
Reference	**KM 2.3**
Name	**End User Satisfaction**
Description	The measurement of the percentage of End Users that express they are satisfied to an survey made available to 100% of all tickets resolved by the Providers within the measurement period. The Satisfaction Survey will be distributed upon ticket resolution (not closure). This KM is not promotable to a Critical Service Level
Specification Limit	
Measurement Start Date	Commencement

Service Level Attribute	Item Detail
Measurement Period	Monthly
Measurement Window	C
Expected Service Level Target	95.00%
Minimum Service Level Target	90.00%
Algorithm	Equals B minus A, divided by B times 100, with the result rounded to two (2) decimal places, where: A = The number of survey responses equal to 2 or lower during the Measurement Period; and B = the number of End User surveys issued during the Measurement Period. Note: This is an automated process performed by the Incident Management System. One hundred percent (100%) of all resolved tickets are made available for survey. Survey question shall be of the form "On a scale of 1 to 5, how would you rate the overallservice regarding this Incident/Request, where 1 equals very dissatisfied, 3 equals satisfied, and 5 equals extremely satisfied." Responses 3-5 are categorized as "Satisfied" Responses 1-2 are categorized as "Not Satisfied" Details to be provided with this SLA will include: - Number of Surveys issued; - Number responses received; and - Resultant response rate.
Measurement Tool	Survey Methods
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Tickets resolved by Hydro One Telecoms or other 3rd Parties E2. Non-End User raised incidents/requests E3. Tickets raised by Capgemini employees
Inclusions	
Definitions Required	L1. All non-responses will be recorded as “Satisfied” L2. Number of not responded.

6.0 IS REPOSITORY

6.1 IS CSL

Service Level Attribute	Item Detail
Reference	**CSL 3.1**
Name	**Enhanced Server Availability by Category of Server**
Description	The Server Availability by Category of Server Service Level measures the availability of Servers by Category of Servers during Scheduled Uptime within the Measurement Window. Each Category of Servers will be up and available to the intended Authorized Users and fully functioning as designed during Scheduled Uptime periods within the Measurement Window. This Service Level represents an average Availability for all platforms within each Category of Servers. "Available for Use" will mean that the Server—including the processor and associated storage devices, cabling, peripherals and other equipment—is running properly so as to enable the proper execution of transactions on those Applications that are scheduled to run on such Server and access to updated current data that is intended to be used in conjunction with such Applications. "System Scheduled Uptime" will mean the number of minutes within the applicable Measurement Window for the System as set forth in Attachment 3-A (Service Level Matrix). For the avoidance of doubt, System Scheduled Uptime will not include any scheduled outages. "System Downtime" will mean the total time within the Measurement Period out of the System Scheduled Uptime, as measured in minutes that the System for which availability is being computed, is not Available for Use.
Specification Limit	
Measurement Start Date	Commencement + 6 months
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	99.80%
Minimum Service Level Target	99.20%
Algorithm	The Server Availability by Category of Servers Service Level will be calculated, with respect to each Server category, as: Server Availability % = ((Actual Uptime) / ((Total Available Time) - (Scheduled Downtime)) x 100%
Measurement Tool	ITSM tool CMDB Other Infrastructure Tools
Reporting Period	Monthly

Service Level Attribute	Item Detail
Reporting Tools	Monthly SLA Report
Exclusions	E1. Client supported Application triggered outages, as documented in RCA E2: Server/Frame Hardware Failure, as documented in RCA E3: Any Project trigger prior to Post Go Live Support (PGLS) closure, as documented in RCA E4: Any non-Supplier network related outages, as documented in RCA E5: Any 3rd Party related outages, as documentd in RCA
Inclusions	I1. Only including Enhanced Server categories.
Definitions Required	
Reference	**CSL 3.2**
Name	**Standard Server Availability by Category of Server**
Description	The Server Availability by Category of Server Service Level measures the availability of Servers by Category of Servers during Scheduled Uptime within the Measurement Window. Each Category of Servers will be up and available to the intended Authorized Users and fully functioning as designed during Scheduled Uptime periods within the Measurement Window. This Service Level represents an average Availability for all platforms within each Category of Servers. “Available for Use” will mean that the Server—including the processor and associated storage devices, cabling, peripherals and other equipment—is running properly so as to enable the proper execution of transactions on those Applications that are scheduled to run on such Server and access to updated current data that is intended to be used in conjunction with such Applications. “System Scheduled Uptime” will mean the number of minutes within the applicable Measurement Window for the System as set forth in Attachment 3-A (Service Level Matrix). For the avoidance of doubt, System Scheduled Uptime will not include any scheduled outages. “System Downtime” will mean the total time within the Measurement Period out of the System Scheduled Uptime, as measured in minutes that the System for which availability is being computed, is not Available for Use.
Specification Limit	
Measurement Start Date	Commencement + 6 months
Measurement Period	Monthly
Measurement Window	B
Expected Service Level Target	Subject to baseline
Minimum Service Level Target	Subject to baseline
Algorithm	The Server Availability by Category of Servers Service Level will be calculated, with respect to each Server category, as:

Service Level Attribute	Item Detail
	Server Availability % = ((Actual Uptime) / ((Total Available Time) - (Scheduled Downtime)) x 100%
Measurement Tool	ITSM tool CMDB Other Infrastructure Tools
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Client supported Application triggered outages, as documented in RCA E2: Server/Frame Hardware Failure, as documented in RCA E3: Any Project trigger prior to Post Go Live Support (PGLS) closure, as documented in RCA E4: Any non-Supplier network related outages, as documented in RCA E5: Any 3rd Party related outages, as documented in RCA
Inclusions	I1. Only including Enhanced Server categories.
Definitions Required	
Reference	**CSL 3.3**
Name	**Storage Availability**
Description	This Service Level measures accessibility of Data Centre SAN/NAS storage infrastructure.
Specification Limit	
Measurement Start Date	Commencement + 6 months
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	Subject to baseline
Minimum Service Level Target	Subject to baseline

Service Level Attribute	Item Detail
Algorithm	The Service Level calculation for "Storage Availability"will be calculated as (a) the total number of Actual Uptime minutes for the entire storage environment during such Measurement Window divided by (b) the total number of Scheduled Uptime minutes for the entire storage environment during such Measurement Window with the result expressed as a percentage to two (2) decimal places. In addition, if any single Incident results in an outage of more than 24 (twenty-four) Ports for more than two (2) hours within a given month, then a Minimum Service Level Default will be deemed to have occurred in such month. Scheduled Uptime means that period of time (days of the week and hours per day) during which the storage environment is expected to be available during the Measurement Window. Downtime means the time that a particular storage environment is not available during the Measurement Window, excluding Scheduled Downtime. Scheduled Downtime means the time that a particular storage environment being measured for the Service Level is not available during the Measurement Window due to planned maintenance windows and/or other planned outages.
Measurement Tool	ITSM Other Infrastructure Tools
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Downtime will not include any period of Downtime that is the result of scheduled time required and actually used to perform system maintenance (for example, preventive maintenance, system upgrades, etc.), provided that such time has been mutually agreed between the Parties and is scheduled so as to minimize the impact to Customer's and Customer Customers' business E2: Hardware Failure, as documented in RCA E3: Any Project trigger prior to Post Go Live Support (PGLS) closure, as documented in RCA E4: Any non-Supplier network related outages, as documented in RCA E5: Any 3rd Party related outages, as documentd in RCA
Inclusions	I1. Scheduled hours of operations and maintenance windows for each storage environment will be maintained. I2. Availability is measured from the SAN/NAS infrastructure only.
Definitions Required	

6.2 IS KM

Not Applicable

7.0 AS REPOSITORY

7.1 AS CSL

Service Level Attribute	Item Detail
Reference	**CSL 4.1**
Name	**System Availability, Support Level 1A Applications**
Description	Goals Direction: Higher is better Purpose: The purpose of the SLA is to measure and provide the Client an acceptable level of application availability of its critical and high importance applications. The Provider shall ensure that SL1A for In-Scope Applications remain available for use during periods of scheduled maintenance and/or changes to the extent reasonably practicable. SLA Hours of Service: 24 x 7 x 365
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	99.80%
Minimum Service Level Target	99.20%
Algorithm	Application Availability % = ((Actual Uptime) / ((Total Available Time) - (Scheduled Downtime)) x 100% Service Availability % = ((Actual Uptime) / (Scheduled Uptime)) x 100% Actual Uptime = Scheduled Uptime – Unplanned Downtime in minutes. of each SL1A service during Measurement Period x Number of SL1A applications Scheduled Uptime = Number of calendar days in the Measurement Period x 24 (hours) x 60 (minutes) x Number of SL1A Applications Downtime of a SL1A Application shall not exceed four (4) cumulative hours during any Measurement Period. Any such Downtime of four (4) cumulative hours or greater during any Measurement Period shall constitute an Expected Service Level Default.

Service Level Attribute	Item Detail
Measurement Tool	AS-IS-PS SOW-Exhibit 1-Attachment G-Application Portfolio for SL1A classification Additional data used to validate System Availability is sourced from: • ITSM (as agreed by Client) tickets created by server or application monitoring tools, • approved change tickets, and • Server logs, • Application logs, • Tivoli logs
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Application not defined as SL1A within AS-IS-PS SOW-Exhibit 1-Attachment G-Application Portfolio E2. Non-production systems E3. Downtimes caused by the Client or Client 3rd party managed systems, as determined in RCA. Examples: • Non-Supplier network connectivity loss • Security scans • Local site power Downtimes (planned or unplanned) E4. Downtimes generated during an unplanned Disaster event. E5. Downtimes that occur due to lack of Preventative Maintenance work requested by the Provider but not approved by the Client as documented in the Change ticket. Preventative Maintenance includes upgrades, patches, high availability testing, disaster recovery testing, virus software updates, database maintenance, etc. E6. Downtimes associated to infrastructure supported at Standard Support level outside of the Normal Hours of Support. E7. Downtime due to technical architecture not being updated or within current standards in Support Levels and is the root cause of the outage E8. Any Project trigger prior to Post Go Live Support (PGLS) closure, as documented in RCA
Inclusions	I1. SL1A Applications 1A BA-100 SAP Process Integration (PI) 1A BA-105a-l SAP ECC (a-l included as one) 1A BA-106 SAP Enterprise Portal 1A BA-222 SAP CRM & BDEX

Service Level Attribute	Item Detail
Definitions Required	L1. SLA reporting is based on a calendar month. L2. Application Availability is determined as defined in Common Exhibit 1 – Definitions – See below for reference purposes only. L3. If a Downtime spans across the end of a Measurement Period, any Downtime time will be included in the Measurement Period where such downtime occurred. L4. The information used to determine Application Availability is sourced from ITSM (as agreed by Client) tickets created by Application and Infrastructure monitoring tools, approved change tickets and logs (application logs, server logs, network logs, where available).
Reference	**CSL 4.2**
Name	**System Availability, Support Level 1B Applications**
Description	Goals Direction: Higher is better Purpose: The purpose of the SLA is to measure and provide the Client an acceptable level of application availability of its critical and high importance applications. The Provider shall ensure that SL1B for In-Scope Applications remain available for use during periods of scheduled maintenance and/or changes to the extent reasonably practicable. SLA Hours of Service: 24 x 7 x 365
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	99.80%
Minimum Service Level Target	99.20%
Algorithm	Application Availability % = ((Actual Uptime) / ((Total Available Time) - (Scheduled Downtime)) x 100% Service Availability % = ((Actual Uptime) / (Scheduled Uptime)) x 100% Actual Uptime = Scheduled Uptime – Unplanned Downtime in minutes. of each SL1B service during Measurement Period x Number of SL1B applications Scheduled Uptime = Number of calendar days in the Measurement Period x 24 (hours) x 60 (minutes) x Number of SL1B Applications Downtime of a SL1B Application shall not exceed four (4) cumulative hours during any Measurement Period. Any such Downtime of four (4) cumulative hours or greater during any Measurement Period shall constitute an Expected Service Level Default.

Service Level Attribute	Item Detail
Measurement Tool	AS-IS-PS SOW-Exhibit 1-Attachment G-Application Portfolio for SL1B classification Additional data used to validate System Availability is sourced from: • ITSM (as agreed by Client) tickets created by server or application monitoring tools, • approved change tickets, and • Server logs, • Application logs, • Tivoli logs
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Application not defined as SL1Bwithin AS-IS-PS SOW-Exhibit 1-Attachment G-Application Portfolio E2. Non-production systems E3. Downtimes caused by the Client or Client 3rd party managed systems, as determined in RCA. Examples: • Non-Supplier network connectivity loss • Security scans • Local site power Downtimes (planned or unplanned) E4. Downtimes generated during an unplanned Disaster event. E5. Downtimes that occur due to lack of Preventative Maintenance work requested by the Provider but not approved by the Client as documented in the Change ticket. Preventative Maintenance includes upgrades, patches, high availability testing, disaster recovery testing, virus software updates, database maintenance, etc. E6. Downtimes associated to infrastructure supported at Standard Support level outside of the Normal Hours of Support. E7. Downtime due to technical architecture not being updated or within current standards in Support Levels and is the root cause of the outage E8. Any Project trigger prior to Post Go Live Support (PGLS) closure, as documented in RCA
Inclusions	I1. SL1B Applicaitons 1B BA-103 SAP BI/BW 1B BA-104 SAP BOBJ 1B BA-110 SAP TREX 1B BA-202 SAP BODS
Definitions Required	L1. SLA reporting is based on a calendar month. L2. Application Availability is determined as defined in Common Exhibit 1 – Definitions – See below for reference purposes only. L3. If a Downtime spans across the end of a Measurement Period, any Downtime time will be included in the Measurement Period where such downtime occurred. L4. The information used to determine Application Availability is sourced from ITSM (as agreed by Client) tickets created by Application and Infrastructure monitoring tools, approved change tickets and logs (application logs, server logs, network logs, where available).
Reference	**CSL 4.3**

Service Level Attribute	Item Detail
Name	**System Availability, Support Level 2 Applications**
Description	Goals Direction: Higher is better Purpose: The purpose of the SLA is to measure and provide the Client an acceptable level of application availability of its critical and high importance applications. The Provider shall ensure that SL2 for In-Scope Applications remain available for use during periods of scheduled maintenance and/or changes to the extent reasonably practicable. SLA Hours of Service: 24 x 7 x 365
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	A
Expected Service Level Target	99.80%
Minimum Service Level Target	99.20%
Algorithm	Application Availability % = ((Actual Uptime) / ((Total Available Time) - (Scheduled Downtime)) x 100% Service Availability % = ((Actual Uptime) / (Scheduled Uptime)) x 100% Actual Uptime = Scheduled Uptime – Unplanned Downtime in minutes. of each SL2 service during Measurement Period x Number of SL2 applications Scheduled Uptime = Number of calendar days in the Measurement Period x 24 (hours) x 60 (minutes) x Number of SL2 Applications
Measurement Tool	AS-IS-PS SOW-Exhibit 1-Attachment G-Application Portfolio for SL2 classification Additional data used to validate System Availability is sourced from: • ITSM (as agreed by Client) tickets created by server or application monitoring tools, • approved change tickets, and • Server logs, • Application logs, • Tivoli logs
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Application not defined as SL2 within AS-IS-PS SOW-Exhibit 1-Attachment G-Application Portfolio E2. Non-production systems E3. Downtimes caused by the Client or Client 3rd party managed systems, as determined in RCA.

Service Level Attribute	Item Detail
	Examples: • Non-Supplier network connectivity loss • Security scans • Local site power Downtimes (planned or unplanned) E4. Downtimes generated during an unplanned Disaster event. E5. Downtimes that occur due to lack of Preventative Maintenance work requested by the Provider but not approved by the Client as documented in the Change ticket. Preventative Maintenance includes upgrades, patches, high availability testing, disaster recovery testing, virus software updates, database maintenance, etc. E6. Downtimes associated to infrastructure supported at Standard Support level outside of the Normal Hours of Support. E7. Downtime due to technical architecture not being updated or within current standards in Support Levels and is the root cause of the outage E8. Any Project trigger prior to Post Go Live Support (PGLS) closure, as documented in RCA
Inclusions	I1. SL2 Applications 1 BA-102 RWDuPerform 2 BA-108 SAP Solution Manager 3 BA-114 Microsoft Sharepoint 4 BA-178 Microsoft CRM for Lab Reporting 5 BA-256 SAP SybaseIQ (NLS for BW data) 6 BA-259 SAP SMP & WM for Lines 7 BA-260 SAP SMP & WM for Forestry
Definitions Required	L1. SLA reporting is based on a calendar month. L2. Application Availability is determined as defined in Common Exhibit 1 – Definitions – See below for reference purposes only. L3. If a Downtime spans across the end of a Measurement Period, any Downtime time will be included in the Measurement Period where such downtime occurred. L4. The information used to determine Application Availability is sourced from ITSM (as agreed by Client) tickets created by Application and Infrastructure monitoring tools, approved change tickets and logs (application logs, server logs, network logs, where available).
Reference	**CSL 4.4**
Name	**Production Deployments with no Priority 1 Incidents**
Description	This Service Level is used to determine the quality and accuracy of the Production Deployments for non-Project Order work.
Specification Limit	
Measurement Start Date	Commencement + 6 months
Measurement Period	Monthly

Service Level Attribute	Item Detail
Measurement Window	A
Expected Service Level Target	Subject to baseline
Minimum Service Level Target	Subject to baseline
Algorithm	This Service Level is calculated as the number of Production Deployments completed without Priority 1 Incidents within the Measurement Period divided by the number of Production Deployments completed within the Measurement Period, with the results expressed as a percentage to two (2) decimal places. [Note: For the avoidance of doubt, if a Priority 1 Incident is identified in a subsequent Measurement Period, it shall be accounted for in the numerator and not in the denominator of the above algorithm.]
Measurement Tool	ITSM as agreed by Client
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Any Project Order changes. E2. Any IS changes.
Inclusions	I1. Priority 1 Incidents found within fourteen (14) days as a default, or as defined in the Change Ticket from Go-Live date.
Definitions Required	L1. Priority 1 and Incidents will be defined as any issue arrising as a result of the implemented change per the RCA. L2. For avoidance of doubt, the defect is counted in the month the defect occurs. L3. Production changes Only

7.2 AS KM

Not Applicable

8.0 PS REPOSITORY

8.1 PS CSL

The sum of a single Project's related Service Level Credits calculation not to exceed 10% of the total Project spend excluding travel Expenses and pass-through.

Service Level Attribute	Item Detail
Reference	**CSL 5.1**

Service Level Attribute	Item Detail
Name	**Project Implemented On Time**
Description	A Project milestone is delivered on-time if the milestone is delivered by Supplier and accepted by Client. Each Project may have a minimum of one (1) and a maximum of five (5) milestones, inclusive of the final milestone equalling the Project Go-Live. A Project is delivered on time if the Project is delivered by Supplier meeting all the milestones within two calendar weeks (14 days) of the approved go-live milestone date. Such milestones will be set forth in the Project Order. This CSL will apply to any Project where indicated in the Project Order.
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Per Project
Measurement Window	B
Expected Service Level Target	Zero (0) days for any milestone except for the Go-Live milestone which is <= 14 Days
Minimum Service Level Target	Zero (0) days for any milestone except for the Go-Live milestone which is <= 14 Days
Algorithm	<u>For milestones, except Go-Live milestone:</u> If the milestone is not met as set forth in Project Order then it is a Minimum Service Level Default subject to 50% Earnback on Go live Milestone Achievement <u>For go-live milestone:</u> Using date math, equals the integer result of the value of A minus B, where: A= The date that the Project is delivered by Supplier and accepted by Client B= The approved Go-Live milestone date for the Project If A-B <= 14, then the Project has been delivered on-time. If A-B > 14, then the Project has not been delivered on-time and will be considered a Minimum Service Level Default.
Measurement Tool	Change Ticket Project Order Approved Change Order
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. Events that cause delays, outside Supplier Scope (i.e. 3rd party vendor delays, OGGC delay, other Client approved delays)
Inclusions	I1. This CSL will apply to any Project where indicated in the Project Order.

Service Level Attribute	Item Detail
Definitions Required	L1. Non Event during months where there are no MilestonesL2. Service Credit will be calculated during each month of an achieved or missed Milestone and reported. The final determination of all earnback and total Service Credit will occur and be reported during Project closure month. L3. For Non-Go live milestones, the 10% service Credit is calculated as 10% of the approved Project budget, and will be applicable to the milestone that is missed. Any subsequent milestones are then unable to generate a service credit. The Go-live milestone is then the only date that is relevenet for a service level credit earnback. L4. Supplier will earn back 50% of the Service Credit for a missed milestone completion, if the supplier makes the Go-Live Milestone. L5. The Service Credit amount calculation excludes all travel Expenses, and pass-through charges.
Reference	**CSL 5.2**
Name	**Projects Implemented within Budget**
Description	A Project is delivered within budget when the actual effort expended against the Project is within 10% of the agrred baseline effort in the agreed Project Order, or any Client agreed change to the Project Order during the Measurement Period. This CSL will apply to any Project where indicated in the Project Order.
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Per Project
Measurement Window	B
Expected Service Level Target	<=10%
Minimum Service Level Target	<=10%
Algorithm	Equals the result of A minus B, which is then divided by B, and multipled by 100, with the result rounded to two (2) decimal places, where: A = The actual effort expended against the Project B= The agreed baseline effort in the approved Project Order If A<B; CSL is Passed

Service Level Attribute	Item Detail
	If ROUND(A-B)/B,2) > 10%, then the project has not been delivered on budget and will be considered a Minimum Service Level Default.
Measurement Tool	Approved Project Order Approved Change Order Project Closure Report
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	
Inclusions	I1. This CSL will apply to any Project where indicated in the Project Order.
Definitions Required	L1. Non Event Until Project Closure Month L2. The Service Credit amount calculation excludes all travel Expenses, and pass-through charges.
Reference	**CSL 5.3**
Name	**Defect Leakage to Production**
Description	This CSL measures the quality of delivered work from the Program and Projects Delivery SOW. The number of Defect Severity Level 1 that occur within the Post Go Live Support Period as documented in the Project Order is used as the indicator of delivered quality. This CSL will apply to any Project where indicated in the Project Order.
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Per Project
Measurement Window	B
Expected Service Level Target	No Single Failure
Minimum Service Level Target	No Single Failure
Algorithm	A single occurrence of a Defect Severity Level 1 within the Post Go Live Support Period will count as a Minimum Service Level Default
Measurement Tool	Project Order Approved Change Order HPALM (Defect Management Tool) or other Defect Management tool as approved by Client

Service Level Attribute	Item Detail
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	E1. A Root Cause Analysis (RCA) will be performed on all Defect Severity Levels 1. Any Defect Severity Levels whose root cause is determined not to be related to the Project will be excluded from the calculation (i.e, power supply failure, 3rd party services failure, code provided by a third party or software supplier). In addition, if the root cause is determined to be outside the scope of the client approved Project Test Plan, then the Defect Severity Levels 1 will be excluded from the calculation. E2. Defect Severity Levels 1 whose RCA documents that (1) causality from third-party supplied code, configuration or (2) causality that falls outside the scope of client approved project test plan. E3. A Root Cause Analysis (RCA) indicating that defects could not be tested in Staging/QA because of difference in environments from Production.
Inclusions	I1. This CSL will apply to any Project where indicated in the Project Order.
Definitions Required	L1. Non – Event until Go Live Month L2. The Service Credit amount calculation excludes all travel Expenses, and pass-through charges.

8.2 PS KM

Service Level Attribute	Item Detail
Reference	**KM 5.1**
Name	**Project Specific - UAT Defect Leakage Rate**
Description	This Service Level is used to assess the quality of the testing based on the identification of Defects during User Acceptance Testing within a Specific Project. Defects as defined in HPALM tool. This KM is not promotable to a Critical Service Level
Specification Limit	
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	B
Expected Service Level Target	4.00%
Minimum Service Level Target	7.30%

Service Level Attribute	Item Detail
Algorithm	This Service Level is calculated as the number of Defects found in User Acceptance Testing divided by the number of Defects found in Testing, with the results expressed as a percentage to two (2) decimal places. A = # of Defects found in UAT Testing Phase B = # of Defects found in Unit Testing, Regression Testing, Integration Testing and UAT Testing Combined UAT Defect Leakage Rate = A/B
Measurement Tool	HPALM or other defect tool as approved by Client Approved Project Order Approved Change Order
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report
Exclusions	
Inclusions	
Definitions Required	L1. Testing includes Unit, Regression, Integration, and UAT Testing L2. Non-Event until UAT Testing conclusion month
Reference	**KM 5.2**
Name	**Estimation Responsiveness**
Description	This Service Level is designed to measure the percent of Project estimations completed within the required timeframe. This KM is not promotable to a Critical Service Level
Specification Limit	EE is 8 Business Days TEE is 8 Business Days PRO is 14 Business Days
Measurement Start Date	Commencement
Measurement Period	Monthly
Measurement Window	B
Expected Service Level Target	90.00%
Minimum Service Level Target	82.50%
Algorithm	This Service Level is calculated as the number of Project estimates completed within the required timeframe during the Measurement Period divided by the number of Project estimations scheduled to be delivered during the Measurement Period, with the results expressed as a percentage to two (2) decimal places.
Measurement Tool	SharePoint or other such tool provided by Client
Reporting Period	Monthly
Reporting Tools	Monthly SLA Report

Service Level Attribute	Item Detail
Exclusions	E1. Upon Supplier accepted request
Inclusions	
Definitions Required	L1. Measurement time starts when request is accepted by Supplier with sufficient information.

HYDRO ONE

ATTACHMENT A TO EXHIBIT 2

CRITICAL DELIVERABLES

APPLICATION SERVICES (AS),

INFRASTRUCTURE SERVICES (IS)

AND PROJECT SERVICES (PS)

STATEMENT OF WORK

Critical Deliverables

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
CD - 1(a)	Transition Plan - Creation and Client Approval	100%	Effective Date + 45 days	$ 50,000	Per Month Late	The Supplier shall provide the Client a detailed Transition Plan complete with project plans, staffing levels, team roster, and all other information that would provide the Client a complete picture of the transition activities for Client approval which approval will not be unreasonably withheld. The Transition Plan shall include, but not be limited to, the following information: executive summary; overall transition approach; transition management; major transition phases, activities, and timing (milestones); roles and responsibilities resource plan; on-going projects security, service continuity, and; issues/risks; and risk mitigation plans.
CD - 2	Initial SLA Reporting	100%	Commencement Date + 1 Month	$ 10,000	Per Month Late	The Supplier shall deliver the first Service Level report in accordance with this Service Level Schedule. This Service Level report shall indicate Service Levels (Critical Service Levels, Critical Deliverables, and Key Measurements) attained for each service for which the Supplier is responsible.

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
CD - 3	Operating Procedures Manual - Creation and Client Approval (including Run Books, Knowledge repository, and all other materials delivered)	100%	Commencement Date + 2 Months	$ 50,000	Per Month Late	Having worked in advance with Client to understand the requirements for content and format for this document, the Supplier shall deliver to Client, on or before the required date indicated, the completed Operating Procedures Manual which will have the level of detail, substance, and format as described in the SOW and its Attachments for Client approval which approval will not be unreasonably withheld.
CD - 4	Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) - Creation and Client Approval	100%	Within one hundred and twenty (120) days after Approval of the Supplier Business Impact Assessment(s)	$ 10,000	Per Month Late	The Supplier shall provide both a documented Supplier Business Continuity Plan and documented Supplier Disaster Recovery Plan to Client for Client approval which approval will not be unreasonably withheld. This plan shall provide the capability to ensure all components identified as critical to Client's ability to conduct its business processes in the event of a loss of the Supplier's ability to provide the services can be restored to meet the requirements of the Client.

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
CD - 5	Initial and recurring Supplier Business Continuity and -Supplier Disaster Recovery tests.	100%	Within 12 months after Commencement Date for initial test, and each anniversary thereafter; report is due 45 days after the end of a test	$ 25,000	Per Month Late	Supplier will properly fulfill all Supplier obligations and responsibilities without Incident in accordance with the Supplier Business Continuity Plan and Supplier Disaster Recovery Plan. Supplier will conduct an initial Supplier Business Continuity test -and Supplier Disaster Recovery test within 12 months of the Service Commencement Date and annually thereafter. If an Incident occurs during the Supplier Business Continuity test and/or the Supplier Disaster Recovery test and the Incident is fully or partially caused by Supplier, the Critical Deliverable will be considered missed, with the applicable Critical Deliverable Credits due to Client. If an Incident occurs and the cause of the Incident was wholly beyond Supplier's control, the Incident will not be counted for purposes of measuring Supplier's performance of this Critical Deliverable. Supplier will provide a post-test report to Client.

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
CD - 6	Termination Transition Plan - Creation and Client Approval	100%	Commencement Date + 13 Mos	$ 50,000	Per Month Late	The Supplier shall provide Client a complete Termination Transition Plan for Client approval which approval will not be unreasonable withheld which is defined as acceptance by Client of all transition tasks, deliverables, and milestones that would enable Client to transition from the Supplier to a third party should the need arise.
CD - 7	Supplier Error Resulting in Restatement of Published Financial Statements	0%	Commencement Date + 1 Mos	$ 25,000	Per Incident	Any Supplier error that results in a restatement of published financial statements (i.e. Annual & Quarterly Financial Statements).
CD - 8	Security Plan - Creation and Client Approval	100%	Per deficiency, provide 'go to green' Security plan (30 days from finding date)	$ 25,000	Per Month Late	The Supplier shall provide the Client a Security Plan for Client approval which approval will not be unreasonable withheld that details the Supplier plan and approach to incorporate Client security requirements into the Supplier solution. Supplier shall review such plan with Client and demonstrate Supplier's compliance with Client security requirements.

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
CD - 9	Security Audit Deficiency Timely Remediation	100%	Per Audit	$ 10,000	Per Month Late	Security Audit deficiency findings will be resolved within 30 days of the audit report date unless otherwise mutually agreed & recorded within the Client approved remediation plan to correct such audit finding. If Supplier can demonstrate to Client within the 30 days, that the required time to resolve the finding may not be achievable due to technology or other non-controllable circumstances, then Supplier will provide a plan to Client within the 30 days for approval and where such approval will not be unreasonably withheld to correct such audit finding.
CD - 10	Existence of Repeat Control Weakness	0%	Commencement Date + 6 Mos	$ 10,000	Per Control Weakness/Finding	All audit control weaknesses / findings (e.g. SOC 1, SOC 2 findings will be resolved such that there are no repeat findings. For purpose of clarity, a repeat finding is any control weakness/finding that is repeated within a 12 month rolling period (if annual testing revise to rolling 24 month period).
CD - 11	Timely remediation of Control Weaknesses	100%	Commencement Date	$ 10,000	Per Control Weakness/Finding	All audit control weaknesses/findings (e.g. SOC 1, SOC 2 findings, internal audit findings, external audit findings, and/or other regulatory or audit findings) will be resolved within 60 days of the audit report date.

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
CD - 12	Supplier shall deliver to Client the following; Supplier Enterprise Continuity Plan (creation), Supplier Business Impact Assessments (creation and Client Approval), Supplier Business Continuity Plans (creation and Client approval)	100%	June 1, 2021	$ 100,000	Per Month Late	The Supplier shall provide to Client for Client's acceptance - which will not be unreasonably withheld - a detailed BCP plan including the following: Start with a corporate or enterprise perspective. This perspective would identify a labour risk strategy contingency plan for the enterprise. In addition the plan is required to address physical security services (protection of assets, escorting people, access control, etc.). At a business services level, Business Impact Assessments (BIAs) need to be conducted to identify which services or part of services have the highest risk, what options can be considered in the continued delivery of the services, where could they work from, what resources (computers, network access, office space, etc.) would be required, etc. A determination of what is required to prepare the sites, setup the network access, what equipment (printers, laptops, etc.) is required, and then to execute on setting up the contingency arrangements. A review and test to ensure the plans are executable and meet the requirements.

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
						Preparation of the Crisis Management and Response, documenting the activation, execution and shutdown procedures (the actual BCP) Continuity Plan. Training of personnel in preparation of a labour dispute; what to do, where to go, what services they will be providing, etc. Testing and retesting to ensure the plan can be successfully implemented.

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
CD - 13	Transition complete including Knowledge Transfer Complete - Client sign-off and approval to move to Steady State	100%	based on CD-1 above	$ 100,000	Per Month Late	No later than the date specified in **Schedule 3.1(b) – Transition Plan,** Supplier shall (i) successfully complete knowledge transfer in accordance with the Implementation Plan as defined in Common Exhibit 5, and as approved by Client (ii) complete operational Readiness Testing for each such application to ensure that Supplier is properly equipped and prepared to perform the Services for such application, and achieve operational Readiness Test scores that are at or above those approved by Client for the applicable application, and (iii) using the Supplier Personnel, commence providing all Services as set forth in the Transition Plan approved by Client Supplier shall deliver to Client a letter confirming that Supplier has completed the activities described in clauses (i) and (ii) and has commenced performing all Services.
CD – 14	Completion of System and Tool Implementation and Integration Activities	100%	based on CD-1 above	$ 25,000	Per Month Late	No later than the date specified in **the Transition Plan identified in CD1**, Supplier shall fully implement and integrate, and deliver to Client documentation confirming the completed implementation and integration of all Client approved systems and tools required to perform the Services as specified in the Transition Plan.

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
CD – 15	Service Desk Integration Complete	100%	Effective Date + 4 Mos	$ 25,000	Per Month Late	No later than the date specified in the Transition Plan, Supplier will complete the integration of the tools, processes, and procedures for the Service Desk solution as described in the Transition Plan/Transition Document
CD - 16	CMDB Accuracy/Completeness	98% accuracy /Completeness	Effective Date + 3 Mos	$ 50,000	Per Month Late	CMDB required attributes are set forth in CMDB Accuracy and Completeness – Critical Deliverables (CMDB Critical Deliverables). The Parties jointly will close the attached document during Transition.
CD -17	Data Center Lease Executed	100%	Effective Date + 1 Mos	$ 20,000	Per Week Late	No later than the specified date, Supplier shall execute the renewal of the current Data Center Lease agreement with the Third Party. Failure to meet such specified date will be a Critical Deliverable default. The lease is for the first Contract Year only.
CD - 18	Operational Alignment	100%	Effective Date + 3 Mos	$ 25,000	Per Month Late	No later than the specified date Supplier shall conduct Operational Process alignment workshops with Client related to these ITSM processes: Incident, Problem, Change, Release Management processes. Document all such processes and failure to submit the operational alignment documentation by the specified date shall be a Critical Deliverable default.
CD – 19	In-flight Projects	100%	Effective Date + 1 Month	$25,000	Per Month late	No later than the specified date Supplier shall submit a detailed and comprehensive

Ref #	Deliverable	Expected	Deliverable Period	Critical Deliverable Credit	When Credit Incurred	Definition
						status report on all In-flight projects Supplier is currently responsible to execute. Such report at a minimum shall include normal project status reporting elements which are currently being reported plus any repatriated resource requirements from Client during Transition and after the Commencement Date.
CD - 20	Transition Plan - Security Program for Hydro One Risk/Recommendations	100%	Effective Date + 3 months	$10,000	Per week late	Supplier to conduct assessment of SAP environment for Client PII and propose a solution and work schedule to remediate findings and/or concerns including the risks identified by Client.
CD - 21	Interim Security Measures for PII Access	100%	Effective Date + 20 calendar days	$25,000	Per week late	Supplier shall deliver a framework proposal based on joint workshops with Client on interim approvals for system users and recommend an approach to remove Supplier access to PII using named user accounts.
CD - 22	CMDB Add SIM Mapping for SL3 and SL4 Applications	98% accuracy /Completeness	End of Transition Services period	$0.00	N/A	Client and Supplier shall collaborate to collect the information necessary to complete SIM mapping for SL3 and SL4 applications during the Transition Services period.

HYDRO ONE

ATTACHMENT A.1

CMDB ACCURACY AND COMPLETENESS

TO EXHIBIT

SERVICE LEVELS

APPLICATION SERVICES (AS),

INFRASTRUCTURE SERVICES (IS)

AND PROJECT SERVICES (PS)

STATEMENT OF WORK

Table of Contents

1. Definition 3

2. Servers and Database - Critical Attributes 3

3. End User Devices - Critical Attributes 5

4. SIM Models Critical Attributes 7

1. DEFINITION

Name	Description
CMDB completness	Presents the measurement results of 'Deployed' assets with critical attributes defined in CMDB data model missing and correlates it with the total number of measured assets. The calculation is done for each asset type separately.
CMDB accuracy	Presents the measurement results of 'Deployed' assets in comparison with auto-scan completed in last 90 days The calculation is done for each asset type separately
SIM models accuracy	Shows the results of SIM models registered in ITSM tool. This is only for Business Applications in Production within Attachment G of the contract

- All Critical attributes for the CI Types are listed below

2. Servers and Database - Critical Attributes

CRITICAL ATTRIBUTES	Populated by			ASSET TYPE			
	ADDM	MANUAL	System	Server (Physical)	Server (Virtual)	Database	Comments
CI Name	x	x		x	x	x	
CI Description		x		x	x	x	
Status		x		x	x	x	
Site		x		x	x		
System Role		x		x	x		
Received Date		x		x	x		
Disposal Date		x		x	x		Limited to disposed assets

CRITICAL ATTRIBUTES	Populated by			ASSET TYPE			
	ADDM	MANUAL	System	Server (Physical)	Server (Virtual)	Database	Comments
Budget Code		x		x	x	x	
Accounting Code		x		x	x	x	
Product Categorization Tier 1	x			x	x	x	
Product Categorization Tier 2	x			x	x		
Product Categorization Tier 3	x			x	x		
Product Name	x			x	x	x	
Serial Number	x			x			
MANUFACTURER	x			x	x	x	
MODEL/VERSION	x			x	x	x	
Is Virtual	x			x	x		
Host Name	x			x	x		
IP Address	x			x	x		
MAC ADDRESS	x			x	x		
OS MAKE	x			x	x		
OS NAME	x			x	x		
OS	x			x	x		
OS Version	x			x	x		
CI Type			x	x	x		
Last Status Change date			x	x	x		

3. End User Devices - Critical Attributes

CRITICAL ATTRIBUTES	Populated by			ASSET TYPE					
	ADDM	MANUAL	System	Desktop	Laptop	VDI	Tablets	Printers	Comments
CI Type	x			x	x	x	x	x	Define if desktop, laptop, printer etc? Already Exists
CI Name	x	x		x	x	x	x	x	
CI Description		x		x	x		x		
BUILDING/FLOOR		x						x	
Part Number		x		x	x	x	x	x	Mainly same as Model - Copy and paste? Can be done
Status		x		x	x	x	x		
		x		x	x	x	x	x	How to populate the users' home site, that is, map to their N: Drive? Cannot be done at this time. Can be driven as Minor Enhancement in the future
Site Group		x		x	x		x		
Installation Date		x		x	x	x	x	x	No need to populated via SCCM, Already integrated with the Depot Deployment process
ROOM/AREA		x		x	x	x	x		Mostly blank as used for Shared devices (Update to reflect shared and pandemic and add N/A for others)
Received Date		x		x	x		x	x	
Full Name		x		x	x	x	x		Process integration needed with Depot for when the asset is

CRITICAL ATTRIBUTES	Populated by			ASSET TYPE					
	ADDM	MANUAL	System	Desktop	Laptop	VDI	Tablets	Printers	Comments
									deployed to users - SCCM Integration? Manual 'one time' update for deployed assets will be possible
Product Categorization Tier 3	x			x	x	x	x		
Product Name	x			x	x	x	x	x	
Serial Number	x			x	x	x	x	x	
MODEL/VERSION	x			x	x	x	x	x	
MAC ADDRESS	x			x	x	x	x	x	H1: use webjet admin HP tool can get Printer MAC Address. - Already being discovered by ADDM for Printers that are in Deployed status and are on the Network
Host Name	x			x	x	x	x		
OS Version	x			x	x	x	x		Enhancement to show minor version details – Need further discussion with Tools team to check if it can be provisioned in the CMDB
HDD Total GB	x			x	x	x	x		
Corporate ID	x			x	x	x	x		
Last Scan date			x	x	x	x	x	x	When was the last time ADD/SCCM pulled the data for the asset.
LAST MODIFIED DATE			x	x	x	x	x	x	

ACTION

DLT and VDI

Expand OS version - Example: OS build version (i.e., version 1809 (OS Build 17763.1697))

- Enhancement to show minor version details – Need further discussion with Tools team to check if it can be provisioned in the CMDB

Enhancements

These enhancements are out of scope of the critical deliverables and to be explored as an enhancement

- **Printers**

  Add fields to capture:

  - Firmware version
  - Site Contact Details

- Attribute **"Full Name" - ****SCCM Integration is currently out of scope but can be explored separately as an enhancement
- Attribute "**Site**" - Cannot be done at this time. Can be driven as Minor Enhancement in the future

4. SIM Models Critical Attributes

Critical Attributes	Application (Application Instance including Databases)	Generated via	Comments
CI Class ID	x	System - ITSM	
CI Class	x	System - ITSM	
CI Name	x	Automated ADDM /Manual	
CI Description	x	Automated ADDM /Manual	
CI Type	x	System - ITSM	
Model Version	x	Automated ADDM	
CI Status	x	System ITSM/Manual	
Product Categorization Tier 1	x	Automated ADDM /Manual	
Product Categorization Tier 2	x	Automated ADDM /Manual	
Product Categorization Tier 3	x	Automated ADDM /Manual	
Product Name	x	Automated ADDM /Manual	
Priority	x	System - ITSM	
Owner Name	x	Manual	Can LOB Details added instead?

Critical Attributes	Application (Application Instance including Databases)	Generated via	Comments
			HydroOne needs to provide the details
Owner Contact	x	Manual	Can LOB Details added instead? HydroOne needs to provide details
CI Relationship Name (Parent/Child)	x	Automated ADDM	
CI Relationship Type	x	Automated ADDM/System ITSM	
Host Name	x	Automated ADDM/Manual	

** **For avoidance of doubt SIM mapping of SL3 & SL4 apps is not in scope for CD # 16**

ACTION: Identify which attributes can populate **SME Details** – **Owner: Natalia**

Enhancements

These enhancements are out of scope of the critical deliverables and to be explored as an enhancement

- Configure SIM Models for **SL3 & SL4 Applications**

HYDRO ONE

EXHIBIT 3
PRICING

APPLICATION SERVICES (AS),
INFRASTRUCTURE SERVICES (AS),
AND PROJECT SERVICES (PS)
STATEMENTS OF WORK

Table of Contents

Contents

1.0 GENERAL 3

1.1 References 3

1.2 Definitions 3

1.3 Purpose 4

1.4 No Other Charges 4

2.0 ATTACHMENTS 4

3.0 SUPPLIER PRICING 5

3.1 Overall Pricing Methodology 5

3.2 Monthly Charges 5

3.3 Variable Charges 6

3.4 Resource Unit Volume Band 7

3.5 Adding and Removing an Application 7

3.6 Project Services Consumption 8

4.0 RE-BALANCING PROCESS 10

5.0 PROJECT CHARGES INCLUDING FOR PROJECTSERVICES 10

6.0 IN FLIGHT PROJECTS 10

7.0 TRANSITION ONE TIME CHARGES 11

8.0 UPFRONT CREDIT 11

9.0 REIMBURSABLE CHARGES 11

10.0 TOOLS COSTS 13

11.0 ECONOMIC CHANGE ADJUSTMENT (ECA) 13

12.0 POST COMMENCEMENT RESOURCE BASELINE TRUE-UP 13

13.0 TERMINATION 14

PRICING AND PAYMENT PROVISIONS

1.0 GENERAL

1.1 References

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

1.2 Definitions

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.

"ARC/RRC Rates" as defined in 3.3 (2) below.

"ITO Committed Amounts" are the charges for Application Services and Infrastructure Services as shown in Detailed Base Charges and AMS (by Application), respectively, in Exhibit 3 Attachment A (Pricing Forms).

"ITO Monthly Committed Amounts" are the ITO Committed Amounts divided for invoicing on a monthly basis.

"Upfront Credit" is a credit to be applied to monthly invoices as detailed in Exhibit 3 Attachment A (Pricing Forms). The credit is for the signature or execution of the new deal for Application and Infrastructure Services.

"PS Committed Amounts" are the charges for Project Services as shown in Project Services tab in Exhibit 3 Attachment A (Pricing Forms).

"AS/IS/PS Committed Amounts" is the sum of ITO Committed Amounts and PS Committed Amounts.

"Re-balancing Process" is the agreed process to adjust the ITO Committed Amounts and PS Committed Amounts.

"Resource Unit Volume Band" as defined in 3.4 below.

"Sustained Period" as defined in 3.4 (2) below.

"Variance to Base Adjustment" is the agreed adjustment to the Monthly AS Committed Amount resulting from the addition or deletion of an Application to Supplier scope.

"**Monthly ITO Fixed Charges**" means the Monthly AS/IS Fixed Charges as shown in Detailed Base Charges and AMS (by Application), respectively, in Exhibit 3 Attachment A (Pricing Forms).

"**Monthly PS Fixed Charges**" means the PS Fixed Charges divided equally on a monthly basis as shown on the Project Services tab in Exhibit 3 Attachment A (Pricing Forms) as described below and will be billed under a mutually agreed Project.

1.3 Purpose

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 Application Services SOW, Infrastructure Services SOW, and Project Services SOW and that no other charges, or expenses, costs or other amounts incurred by Supplier in performing the Services under the these SOWs and its other related obligations pursuant to this Agreement shall be additionally chargeable to Client with the exception of Reimbursable Expenses, Pass-Through Expenses and Tools Costs as identified in Exhibit 3 Attachment A (Pricing Forms).No Equipment, Software or other resource used to provide the Services under the these 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:

1. **Attachment A: Supplier Pricing Forms.** Includes each of the following subsections:
    a. **Summary Service Category Tab:** Calculation Tab (only) summarizing detailed base charges by Service Category.
    b. **Summary Tower Tab:** Calculation Tab (only) summarizing detailed base charges by Tower.
    c. **Detailed Base Charges Tab:** Documents detailed charges by month by Resource Unit and Category that will fully compensate Supplier for providing Infrastructure Services.
    d. **AMS (by Application) Tab:** Documents detailed charges by month by application for providing Application Maintenance Services to Hydro One including the Resource Baseline hours by Application and should fully compensate Supplier for providing Services
    e. **Project Services Fees:** Documents monthly committed fees associated with PS Committed Amounts during term.
    f. **Resource Baselines Tab:** (No input) Documents initial Resource Baseline volumes for Services.
    g. **Unit Rate (ARC & RRC) Rates Tab:** Documents Supplier costs for volume of services above or below initial baselines stated in Resource Baseline Tab.
    h. **Upfront Credit:** Documents structure of upfront credit associated with transaction
    i. **One-Time Transition Tab:** Documents Fees associated with Transition activities.
    j. **Re-Im Pass-Thru Tab:** Documents the Pass Through Expenses.

k. **Tools Costs:** Documents the Tools being provided by Supplier for use in providing Services.

l. **Inflation Sensitivity Tab:** Documents the inflation sensitivity for services to be used for ECA calculation during option years as applicable.

m. Rate Card Tab: Documents the Supplier rates for providing various resources by role and skill level with detail on on-shore vs. off-shore.

2. **Attachment B: Financial Responsibility Matrix (FRM):** Outlines the financial responsibilities between Client and Supplier.
3. **Attachment C: Resource Unit Definitions:** Outlines the definitions for the Resource Units associated with Services being delivered.
4. **Attachment D: Volume Metrics Descriptions:** Not applicable
5. **Attachment F: Personnel Projection Matrix**: Describes resource detail to support solution.

3.0 SUPPLIER PRICING

3.1 Overall Pricing Methodology

1. Monthly ITO Fixed Charges for the Application Services SOW and the Infrastructure Services SOW are reflected in the Detailed Base Charges sheet and the AMS (by Application) sheet, respectively, in AS-IS-GPS SOW Exhibit 3-Attachment A-Pricing Form.
2. Monthly PS Fixed Charges for the Project Services SOW are estimated in the Program_Project Delivery Fees sheet in AS-IS-PS SOW Exhibit 3-Attachment A-Pricing Form but will be billed under mutually agreed Project Orders.

3.2 Monthly Charges

1. The Monthly Charges, as adjusted in accordance with this Exhibit, fully compensate Supplier for the Services, except for:
    a. The Reimbursable Charges (both Managed Third-Party Charges (as hereinafter defined) and Pass-Through Charges and Non-Labour Supplier Charges) specified in Section 9.0;
    b. Tools Charges as specified in Section 10.0
    c. the One-Time Charges
    d. the Taxes as set forth and authorized in the final negotiated Agreement.
2. Other than with respect to the Cross-Functional Services, Supplier specifically confirms that there is no cross-subsidization.
3. Without limiting the generality of the foregoing, Supplier acknowledges and agrees that it is solely responsible for managing its resources (including any contracted resources) 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.

3.3 Variable Charges

1. Exhibit 3 Attachment A (Pricing Forms) sets forth the applicable Monthly Charges that compensate Supplier for the provision of the Services and the ARC/RRC Rates for the Variable Charges. Variable Charges will encompass those Additional Resource Charges and Reduced Resource Credits that result from the actual consumption of the Resource Units differing from the Resource Baselines set forth in Exhibit 3 Attachment A (Pricing Forms).
2. **"ARC/RRC Rates"** shall mean the amount payable for each Resource Unit consumed by Hydro One above or below the applicable Resource Baseline, where ARC Rates are equal to RRC Rates.
3. **Application of ARCs and RRCs.** ARCs and RRCs apply to all Resource Baselines for which an ARC/RRC Rate is specified in Exhibit 3 Attachment A (Pricing Forms).
4. **Calculation of ARCs.** If the Actual Resource Volume for a Resource Unit in a calendar month is greater than the applicable Resource Baseline for such Resource Unit, then Hydro One shall pay an ARC equal to the product of (i) the ARC/RRC Rate listed in Exhibit 3 Attachment A (Pricing Forms) multiplied by (ii) the difference between the Actual Resource Volume and the Resource Baseline for the Resource Unit for that month.
5. **Calculation of RRCs.** If the Actual Resource Volume for a Resource Unit in a calendar month is less than the applicable Resource Baseline for such Resource Unit, then Supplier shall credit Hydro One with a RRC equal to the product of (i) the ARC/RRC Rate listed in Exhibit 3 Attachment A (Pricing Forms) multiplied by (ii) the difference between the Actual Resource Volume and the Resource Baseline for the Resource Unit for that month.
6. **Payment or Credit for Calculated ARCs and RRCs.** The sum of the accumulated ARCs and RRCs for the previous three (3) month period will be reflected on the next invoice with the resulting adjustment to the Project Services commitment as described in the Re-balance process as described in Section 4.0 below.
7. **Deadband for ARC/RRC Calculation.** For purposes of calculating the monthly ARC or RRC for the Application Services, a deadband of 20% for the monthly Application Services hours by Application will apply. No ARC or RRC will be owed if the hours in a particular month are within that band. For clarity, no deadband is applicable for the Infrastructure Services Resource Units.
8. The Supplier shall substantiate to the satisfaction of Client any increase or decrease in the supported hours per Application equal to 50% (fifty percent) of the agreed Deadband for two (2) consecutive months against the established Baseline for such Application as set forth in Exhibit 3 Attachment A (Pricing Forms) AMS (by Application) tab.
9. The invoice detail will include sufficient detail to measure both the Base Charge for the applicable month as well as the calculation of associated ARCs and RRCs every three (3) months as detailed for each Resource Unit with monthly reporting of Resource Unit consumption as part of the contract governance using the ARC/RRC Detail Report or other agreed tracking and reporting mechanism.
10. The monthly detail associated with the calculated ARCs and RRCs and any adjustment to the Application Maintenance baseline described in Section 3.5 below will be documented and used to initiate the Re-balancing of charges between the ITO Committed Amounts and the PS Committed Amounts. This Re-balancing activity is further described in Section 4.0 below.

3.4 Resource Unit Volume Band

1. Beginning on the SOW Effective Date, the Charges, if any, for Actual Resource Volumes within plus or minus thirty (30%) ("Volume Band") of the applicable Resource Baseline will be calculated as set forth in this Section 3.4.
2. If the Actual Resource Volume for a Resources Unit as set forth in Exhibit 3 Attachment A (Pricing Forms) (Resource Baselines) is either greater than or less than the Volume Band for the Resource Baselines for the Resource Unit, and such volume is maintained for more than three (3) consecutive months, (the "Sustained Period"), the following Client options are available:
    a. If and only if there is an increase in the Resource Unit Baseline, the Client may pay the adjusted Monthly ITO Fixed Charges for the remainder of the Term at an amount equal to the new Resource Unit Baseline multiplied by the mutually agreed new Resource Unit Price, such adjustment shall be recorded through a Change Order.
    b. The Client may Rebalance Services under the PS SOW with Services under the AS SOW and IS SOW as described in the Rebalancing System
    c. The Client may add or remove volumes in other Resource Units to offset the change in the affected Resource Unit.
3. Client shall choose one of these three options and such option will be documented in a Change Order within 30 days following the end of the Sustained Period and such Change Order shall be mutually approved by Client and Supplier. The effective date of the Change will be first day of the month following the Sustained Period.
4. The existing ARC/RRC Rates will continue to apply to the actual Resource Unit consumption beyond the Volume Band until negotiations conclude or the affected Resource Baselines are terminated in accordance with the Agreement. After the Volume Band resolution, a retroactive adjustment, if any, will be applied to the volumes outside the Volume Band during the Sustained Period.
5. RRC to Zero. If the Actual Resource Volume of a Resource Unit is zero, there will be no ongoing Charges for that Resource Unit and will be adjusted based on the Re-balancing process further described in Section 4 below. To be clear, there will be no charges associated with the respective Resource Unit once RRC is zero.

3.5 Adding and Removing an Application

1. If Client designates an Application to be removed from the list set forth in Exhibit 3 Attachment A (Pricing Form), then once the Application is decommissioned the Application hours and Charges as stated in Exhibit 3 Attachment A (Pricing Form) for that application will be adjusted to zero for the remaining Term of the Agreement. The remaining charges associated with the decommissioned application shall be used by the Client to adjust the ITO Committed Amount and PS Committed Amount using the Rebalancing process in Section 4.
2. If Client designates an Application to be added to the list set forth in Exhibit 3 Attachment A (Pricing Form), a "new Application," any increase to the Monthly ITO Fixed Charges shall be mutually agreed by the Parties within a Change Order and such change order shall be effective as of the end of the baselining period for the new Application.
    a. In the event that a new Application is added to Supplier scope, the Variance to Base Adjustment will be determined through the execution of a baselining

period of 6 (six) consecutive months or another period mutually agreed between the Parties to perform Application Maintenance Services on the new Application. Supplier shall perform this baseline period on a Time and Materials basis, or at a mutually agreed initial fixed fee, subject to true-up at the end of baselining period. Upon completion of the baselining period, a Variance to Base Adjustment will be mutually agreed, using the factors of level of effort as demonstrated by documentation of activity, tickets and other documentation as well as any requirements on where support must be provided from and future on/off shore mix and other factors as agreed by the parties. The new Application shall be added AS-IS-PS SOW -Exhibit 1-Attachment G-Application Portfolio and to AS-IS-PS SOW Exhibit 3-Attachment A-Pricing Form with its agreed monthly hours Baseline and monthly charges for the remaining Term.

3. The Variance to Base Adjustement will be implemented as an adjustement to the ITO Committed Amount and PS Committed Amount via the Re-balancing process in Section 4.

3.6 Project Services Consumption

1. Consumption of PS Committed Amounts
    a. Project Services Fees will be invoiced and paid according to mutually agreed milestones or other payment terms mutually agreed in individual Project Orders, subject to Client fulfilling the PS Committed Amounts.
    b. Supplier shall deliver a quarterly true up based on the year to date Project actual and forecasted consumption for that period as compared to the Project Committed Amount same period as well as a forecast of projected Project consumption for the entire Contract Year. For avoidance of doubt, the true-up and tracking of project consumption will include all Project activity consumed or committed between Supplier and Client. At the end of the Contract Year, Supplier and Client will meet to review overall Project consumption against the Contract Year PS Committed Amounts and reconcile any shortfall via an invoice for the amount of committed and/or paid Projects as compared to the PS Committed Amounts subject to the Extraordinary Events and PS Committed Amount rollover language below. As an example:

Contract Year 1 PS Committed Amount	$18,750,000
Contract Year 1 Project Consumption (Paid or Committed)	$14,750,000
Projected PS Committed Shortfall	$4,000,000
Contract Year 1 Rollover (15%)	$2,812,500
Net Contract Year 1 PS Committed Amount Shortfall	$1,187,500

2. Extraordinary Events
    a. 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 PS Committed Amount in the Contract Year in which it was allocated, or a nonrecurring transaction which prevents the Client from being able to consume its PS Committed Amount commitment in the Contract Year in which it is allocated including merger, acquisition, amalgamation, sale, and divestiture. In the

course of any 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 up to 15% (fifteen percent) of the annual committed Global Project Delivery Commitment subject to a mutually agreed calculation. The carried over capacity must be consumed within the subsequent Contract Year. This carry over is not considered a rebaselining of the PS Committed Amount for the purposes of the Re-Balancing process. This Extraordinary Event provision does not apply for the final Contract Year.

3. Tiered Discount for Over Achievement of GPS Committed Amounts

   a. If the total actual invoice amounts for Infrastructure Services, Application Services, and Project Services within an Contract Year ("Total Yearly Spend" in the table below) exceeds the AS/IS/PS Committed Amounts for that Contract Year, Client shall receive a discount on the invoice amounts for that Contract Year that exceed the AS/IS/PS Committed Amounts. The discount shall be calculated as of the end of the Contract Year and applied within 45 days after the end of the ITO Contract Year.

   b. The "Discount Basis" for the volume discount calculation shall be based on the total actual invoice amounts for a Contract Year, excluding (1) taxes, (2) Managed Third Party Charges (3) Pass-Through Charges and (4) any other Non-Labour charges. The Discount Basis will be broken down by tier with each tier multiplied by the applicable discount percentage as set forth in the table below.

Total Services Revenue Discount (Price in CAD)					
Total Yearly Spend			Volume Discount %	Maximum Volume Discount Amount	Maximum Volume Cumulative Discount
Start	to	End			
$0		$45,000,000	0%	$0	$0
$45,000,001	-	$55,000,000	3%	$300,000	$300,000
$55,000,001	-	$65,000,000	5%	$500,000	$800,000
$65,000,001	-	$85,000,000	7%	$1,400,000	$2,200,000
$85,000,001	-	$105,000,000	9%	$1,800,000	$4,000,000
$105,000,001	-	TBD	10%	TBD	TBD

As an example, a Discount Basis amount of $70,000,000 generates a Volume Discount of $1,150,000 calculated as follows:

Discount Basis $70,000,000

Tier	Tier Start	Tier End	Discount Amount for Tier
Tier 1	$0	$45,000,000	0
Tier 2	$45,000,001	$55,000,000	$300,000
Tier 3	$55,000,001	$65,000,000	$500,000
Tier 4	$65,000,001	$70,000,000	$350,000
Total Discount			$1,150,000

4. Client will provide project requests to Supplier which will be used to satisfy the PS Committed Amounts on an annual Contract Year basis. Client is committed to meeting that commitment over the term of the Agreement but may have business reasons beyond an Extraordinary Event that do not allow Client to consume PS Committed Amounts annually. Supplier agrees that Client may roll-over up to 15% of the first Contract Year PS Committed Amounts to be used in the following Contract Year by providing at least 90 days notice of intent to utilize this roll-over provision. For avoidance of doubt, Client may not exercise both this roll-over provision and the Extraordinary Event roll-over provision in the same Contract Year.

4.0 RE-BALANCING PROCESS

1. Monthly, Supplier shall report the actual Resource Unit values as well as a comparison of the actual values to the then current Resource Unit Baseline for Infrastructure Services and Application Services. These reports along with any changes to the Application portfolio Adding and Removing an Application or changes driven by triggering the Volume Band and associated re-pricing will form the basis for the Re-Balancing process as described further below.
2. After each three (3) period, the Parties will meet to review the reports for the current three months along with any changes based on Volume Band and changes to the Application portfolio and determine if a Re-Balancing adjustment is required. The Re-Balancing Adjustment will be calculated as follows:
3. The sum of the calculated Re-balance amount for the Resource Baselines and associated ARC and RRC adjustments for actual volumes versus agreed baselines will be allocated between AS/IS and PS per mutual agreement and the resulting adjustment must be consumed within the current Contract Year.
4. Any Re-balance resulting from the addition or removal of an Application or adjustments resulting from Volume Band being exceeded will be agreed as adjustments between AS/IS and PS and the resulting adjustment will be reflected across the remaining Contract Years.
5. The Re-Balancing Process described above is meant to ensure that the initial AS/IS/PS Committed Amounts is maintained throughout the Term.

5.0 PROJECT CHARGES INCLUDING FOR PROJECT SERVICES

Projects requested by Hydro One will be charged as mutually agreed in a Project Order. Hydro One will have the right to determine the pricing mechanism requested for each Project Order as defined in Schedule 16.1 of the MSA.

6.0 IN FLIGHT PROJECTS

1. Parties will review in-flight projects and ascertain resource requirements as part of the Detailed Transition Plan (DTP).
2. Client shall review such documentation related to resource requirements and approve Supplier's recommendations.
3. If the Client resources will continue to support the Project, such Client resources cost shall be excluded from the Project spend/budget via Project Change Request

4. Any Capgemini resources continuing to support the Project shall be billed at agreed rates specified in Exhibit 3 Attachment A (Pricing Forms) beginning the SOW Effective Date via Project Order.
5. Supplier will endeavour to meet all Project commitments including milestones and deliverables.
6. All In Flight Projects with Supplier resources continuing post SOW Effective Date shall count against Project Services committed spend. For avoidance of doubt, only Supplier resources continuing to support In Flight Projects will be eligible to count against the PS Committed Amounts.

7.0 TRANSITION ONE TIME CHARGES

1. "One-Time Charges" are categorized as Transition Charges as set forth in this Exhibit 3 Attachment A (Pricing Forms), where:
    a. "Transition Charges" will mean the Charges payable by Hydro One for the Transition Services according to the Transition Plan.
        i. One-Time Charges may be assigned to Deliverables as set forth in Exhibit 3 Attachment A (Pricing Forms), and such Charges fully compensate Supplier for all Transition Services.
        ii. Following Hydro One Acceptance of each Deliverable, Supplier will invoice Hydro One for the amount associated with such Deliverable.
        iii. Any Transition Charges paid by Client during the month of February 2021 will be credited against the overall One-Time Charges in Attachment A to Exhibit 3.

8.0 UPFRONT CREDIT

Exhibit 3 Attachment A (Pricing Forms) includes an Upfront Credit that will be issued by Supplier and reflected on the invoice per the monthly schedule associated with the credit per Exhibit 3 Attachment A (Pricing Forms).

9.0 REIMBURSABLE CHARGES

1. All Reimbursable Charges are to be managed and processed as set forth without mark-up or Supplier fees; and will be invoiced in accordance with the invoicing provisions of this Agreement.
2. Reimbursable Charges are for Third Party Services managed by Supplier as a component of the overall delivery of Services ; however, Hydro One primarily controls the resource utilization and Supplier has little if any ability to leverage cost of the resource.
3. All Reimbursable Charges that Supplier may submit to Hydro One are specified on Exhibit 3 Attachment A (Pricing Forms), and are categorized as either Managed Third-Party Charges or Pass-Through Charges.
4. Managed Third-Party Charges
    a. "Managed Third-Party Charges" are those invoices that are managed, reviewed and approved for payment by Supplier, but the invoice is then sent to Hydro One for payment.

i. Supplier will deliver to Hydro One the original Third-Party invoice together with a statement that the Managed Third-Party Charges are proper and valid and should be paid by Hydro One.

b. Pass-Through Charges

i. "Pass-Through Charges" are those invoices that are managed, reviewed, approved, and paid by Supplier, but then reimbursed to Supplier by the Hydro One through inclusion in Supplier's invoice to the Hydro One.

ii. Supplier will review the Third-Party invoices to determine if the charges are proper and, before paying the invoice, will give Hydro One reasonable opportunity (at least 15 business days) to review the original Third-Party invoice and sufficient supporting documentation of the rendered services and the statement that the Third-Party charges are considered to be proper and valid by Supplier.

iii. For the Pass-Through Charges which have been paid by Supplier and pre-approved by the Hydro One as set forth above, Supplier will include in the next monthly invoice.

iv. For clarity, Pass-Through Charges do not include meals or local travel required by Supplier personnel.

10.0 TOOLS COSTS

Supplier has provided costs associated with various Tools being provided by Supplier for use as part of the Services in Exhibit 3 Attachment A (Pricing Forms) under the Tools Cost tab. Supplier shall invoice Client monthly for the total Tools Cost. Subject to ninety (90) days notification by Client, or as noted below in the detailed chart, any tool listed in Exhibit 3 Attachment A (Pricing Forms) can be cancelled and all future Charges for that cancelled tool shall cease from that point forward for the remaining Term of the Agreement.

Non Labor Component	Component detail	Commitment Period	Notice Period
Back-up	Back-up Services for Non Labor	**The non-labor backup service will continue until the end of Transition. At Hydro One's option, and with notice provided at least 30 days prior to the end of Transition, Hydro One may extend use of the non-labor backup service on a month to month basis through the end of Dec 2021 for $112,000/ month. Labor for backup support is done by Hydro One resources, and those resources will have access to the backup infrastructure during the period of use. In addition to Hydro One procuring their own backup solution, Hydro One will also purchase, on an as-is basis and without warranty Capgemini's DCW tape library Spectra Logic T200 and Dell EMC Avamar Grid (Hardware only) for a total of C$2.00. Any costs associated with the move of these purchased hardware items will be paid by Hydro One.**	Already Provided
Data Center(s) Lease	Data Center Lease Extension	10 Months	None
Bundle 1	ADDM	1 month	90 days
Bundle 1	ITSM-SNOW	1 month	90 days
Bundle 1	ITBM	1 month	90 days
		1 month	90 days
Bundle 2	Tivoli/MOM	1 month	90 days
Bundle 2	Nimsoft	1 month	90 days
Bundle 2	IBM Bigfix	1 month	90 days
Bundle 2	CyberARC	1 year commitment post Feb 28th 2021	90 days
Bundle 2	MKS	1 year commitment post Feb 28th 2021	90 days

11.0 ECONOMIC CHANGE ADJUSTMENT (ECA)

ECA is not applicable for Charges during the Initial Contract Term. Supplier assumes all risk associated with inflation or deflation on the cost of delivery of Services during InitialTerm. ECA will apply for any Renewal Terms.

12.0 POST COMMENCEMENT RESOURCE BASELINE TRUE-UP

To ensure that both Client and Supplier have confidence in the Resource Baselines, there will be a post commencement volume reconciliation that will occur as a one-time event and will include the following:

1. The Resource Baselines provided herein are based upon the Parties' expectation as of the Commencement Date of what the Actual Volume for each Resource Unit will be on and after the Commencement Date. The techniques used to measure or calculate the Actual Volume of Resource Units are intended by the Parties to yield the Resource Baseline volumes.
2. During the Resource Unit Post Commencement Volume Reconciliation process period, Provider will document and report to Customer, actual volume consumption in order that the appropriate information will be available for final reconciliation.

3. Provider will perform an inventory of the Resource Units within ninety (90) days of the Commencement Date and provide Customer with a copy of the accumulated raw and summarized results.
4. Within 30 additional days from the completion of the inventory, Supplier will update the Resource Baselines for ongoing tracking purposes. For avoidance of doubt, this process shall establish the adjusted Resource Baseline that shall be used for ongoing ARC/RRC calculations but will not adjust the monthly Base Charges for the AS and IS SOW's.

13.0 TERMINATION

1. Should Client terminate any or all AS/IS Services and/or PS Services for convenience, there shall be no termination fees, however, in any event the Client shall continue to pay to Supplier the AS/IS/PS Committed Amounts less amounts paid at the effective date of termination.
2. If the Client terminates the ITO and PS SOW Services for cause in accordance with Section 14.1 of the main body of the Agreement, then the ITO and PS Committed Amounts is reduced by the pro-rata amount of the affected Service.

14.0 SERVICE NOW LICENSING (SNOW)

1. License Allocation
    a. For the ITSM/SNOW fixed fee in Attachment A to Exhibit 3 a total of 350 licenses will be allocated to the parties thusly;
        i. Client shall be allocated up to 125 licenses (100 fulfiller, 25 approver)
        ii. Supplier shall be allocated up to 225 licenses (200 fulfiller, 25 fulfiller licenses for in-flight projects)
2. Increments / Decrements
    a. A joint process shall be used to track the total number of licenses used by both the Client and Supplier
    b. A baseline will be set for the license count to be 350 total licenses
        i. Regardless of actual usage by either the Client or Supplier, there will be no incremental or decremental cost as long as the total license count (Client and Supplier) remains at 350 licenses
    c. An ARC shall be charged to the Client for any Client or Supplier licenses used that exceeds the 350 licenses baseline
    d. A RRC shall be credited for any reduction in used licenses over and above the 350 total license baseline that is no longer used by either party.
        i. For the avoidance of doubt, no RRCs will be contemplated for license counts under 350
    e. Example:
        i. 100 additional licenses are required in month 3, for a total of 450. Those 100 licenses would have an ARC charge associated with them as per Attachment A.
        ii. In month 6 the number of licenses are then reduced to 400 (50 fewer licenses). Client would then RRC (i.e. not be charged) for 50 licenses at the agreed upon rates.

3. Additional Principles
    a. The joint process to track the total number of licenses by either party will report monthly on license allocation, utilization and frequency
        i. Any licenses above the baseline of 350 will identify whether a dedicated or shared resource is leveraging the license
    b. Any additional or reduced charges to the Client will be trued up on a quarterly basis
    c. Additional licenses required by Supplier that exceed 370 total licenses require Client written approval in advance

HYDRO ONE

ATTACHMENT A
PRICING FORM

TO EXHIBIT 3
PRICING
APPLICATION SERVICES (AS), INFRASTRUCTURE SERVICES (IS) and PROJECT SERVICES (PS)

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		1 Year 1	2 Year 2	3 Year 3	4 Year 4	4 Year 4	5 Year 5	6 Year 6	11 Total
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)									
2	Application Maintenance & Support Services (AMS)	$ 12,379,493	$ 13,830,882	$ 13,830,882	$ 2,305,147	$ 11,525,735	$ 13,830,882	$ 2,305,147	**$ 70,008,170**
	Program and Project Delivery Fees	$ 17,851,500	$ 22,169,117	$ 22,169,117	$ 3,694,853	$ 18,474,264	$ 22,169,117	$ 3,694,853	**$ 110,222,821**
	Server Services - Appliances	$ 119,107	$ 135,358	$ 135,358	$ 22,560	$ 112,798	$ 135,358	$ 22,560	**$ 683,099**
	Server Services - UNIX	$ 359,690	$ 408,765	$ 408,765	$ 68,128	$ 340,638	$ 408,765	$ 68,128	**$ 2,062,879**
	Server Services - Wintel	$ 911,617	$ 1,035,997	$ 1,035,997	$ 172,666	$ 863,331	$ 1,035,997	$ 172,666	**$ 5,228,271**
	Server Services - Linux	$ 633,089	$ 719,467	$ 719,467	$ 119,911	$ 599,556	$ 719,467	$ 119,911	**$ 3,630,867**
	DBA Services	$ 486,498	$ 552,876	$ 552,876	$ 92,146	$ 460,730	$ 552,876	$ 92,146	**$ 2,790,147**
	Middleware (to be validated)	$ 98,998	$ 112,505	$ 112,505	$ 18,751	$ 93,754	$ 112,505	$ 18,751	**$ 567,768**
	Batch Jobs	$ 773,946	$ 879,542	$ 879,542	$ 146,590	$ 732,952	$ 879,542	$ 146,590	**$ 4,438,704**
	Storage Services	$ 408,597	$ 464,345	$ 464,345	$ 77,391	$ 386,954	$ 464,345	$ 77,391	**$ 2,343,369**
	End User Services	$ 2,566,433	$ 3,090,209	$ 3,090,209	$ 515,035	$ 2,575,174	$ 3,090,209	$ 515,035	**$ 15,442,304**
	Service Management	$ 612,667	$ 713,144	$ 713,144	$ 118,857	$ 594,287	$ 713,144	$ 118,857	**$ 3,584,100**
	Security Management Services	$ 762,708	$ 887,793	$ 887,793	$ 147,965	$ 739,827	$ 887,793	$ 147,965	**$ 4,461,844**
TOTAL BASE CHARGES		**$ 37,964,344**	**$ 45,000,000**	**$ 45,000,000**	**$ 7,500,000**	**$ 37,500,000**	**$ 45,000,000**	**$ 7,500,000**	**$ 225,464,343**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)									
	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
	Back-up Services	$ 448,000	$ -	$ -	$ -		$ -	$ -	**$ 448,000**
	Data Center Lease Extension	$ 3,381,400	$ -	$ -	$ -		$ -	$ -	**$ 3,381,400**
TOTAL PASS-THROUGH CHARGES		**$ 3,829,400**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,829,400**

		1	2	3	4	5	6
		1	1	1	1	1	1
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)		***BASE CHARGES BY SERVICE CATEGORY (MONTHLY)***					
2	Application Maintenance & Support Services (AMS)	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949
	Program and Project Delivery Fees	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150
	Server Services - Appliances	$ 11,911	$ 11,911	$ 11,911	$ 11,911	$ 11,911	$ 11,911
	Server Services - UNIX	$ 35,969	$ 35,969	$ 35,969	$ 35,969	$ 35,969	$ 35,969
	Server Services - Wintel	$ 91,162	$ 91,162	$ 91,162	$ 91,162	$ 91,162	$ 91,162
	Server Services - Linux	$ 63,309	$ 63,309	$ 63,309	$ 63,309	$ 63,309	$ 63,309
	DBA Services	$ 48,650	$ 48,650	$ 48,650	$ 48,650	$ 48,650	$ 48,650
	Middleware (to be validated)	$ 9,900	$ 9,900	$ 9,900	$ 9,900	$ 9,900	$ 9,900
	Batch Jobs	$ 77,395	$ 77,395	$ 77,395	$ 77,395	$ 77,395	$ 77,395
	Storage Services	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 40,860
	End User Services	$ -	$ -	$ -	$ 366,633	$ 366,633	$ 366,633
	Service Management	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 61,267
	Security Management Services	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 76,271
TOTAL BASE CHARGES		**$ 3,539,791**	**$ 3,539,791**	**$ 3,539,791**	**$ 3,906,424**	**$ 3,906,424**	**$ 3,906,424**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)		***REIMBURSABLE CHARGES: PASS THROUGH CHARGES (MONTHLY BY SERVICE CATEGORY)***					
0		$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ 112,000	$ 112,000	$ 112,000	$ 112,000		
	Data Center Lease Extension	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140
TOTAL PASS-THROUGH CHARGES		**$ 450,140**	**$ 450,140**	**$ 450,140**	**$ 450,140**	**$ 338,140**	**$ 338,140**

		7 1	8 1	9 1	10 1	11 2	12 2
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)							
2	Application Maintenance & Support Services (AMS)	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,149	$ 1,847,426	$ 1,847,426
	Server Services - Appliances	$ 11,911	$ 11,911	$ 11,911	$ 11,911	$ 11,280	$ 11,280
	Server Services - UNIX	$ 35,969	$ 35,969	$ 35,969	$ 35,969	$ 34,064	$ 34,064
	Server Services - Wintel	$ 91,162	$ 91,162	$ 91,162	$ 91,162	$ 86,333	$ 86,333
	Server Services - Linux	$ 63,309	$ 63,309	$ 63,309	$ 63,309	$ 59,956	$ 59,956
	DBA Services	$ 48,650	$ 48,650	$ 48,650	$ 48,650	$ 46,073	$ 46,073
	Middleware (to be validated)	$ 9,900	$ 9,900	$ 9,900	$ 9,900	$ 9,375	$ 9,375
	Batch Jobs	$ 77,395	$ 77,395	$ 77,395	$ 77,395	$ 73,295	$ 73,295
	Storage Services	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 38,695	$ 38,695
	End User Services	$ 366,633	$ 366,633	$ 366,633	$ 366,633	$ 257,517	$ 257,517
	Service Management	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 59,429	$ 59,429
	Security Management Services	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,906,424**	**$ 3,906,424**	**$ 3,906,424**	**$ 3,906,423**	**$ 3,750,000**	**$ 3,750,000**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)							
	0	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services					$ -	$ -
	Data Center Lease Extension	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ 338,140**	**$ 338,140**	**$ 338,140**	**$ 338,140**	**$ -**	**$ -**

		13	14	15	16	17	18
		2	2	2	2	2	2
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)							
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
	Server Services - Appliances	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280
	Server Services - UNIX	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064
	Server Services - Wintel	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333
	Server Services - Linux	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956
	DBA Services	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073
	Middleware (to be validated)	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375
	Batch Jobs	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295
	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)							
	0	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

		19	20	21	22	23	24
		2	2	2	2	3	3
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)							
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
	Server Services - Appliances	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280
	Server Services - UNIX	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064
	Server Services - Wintel	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333
	Server Services - Linux	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956
	DBA Services	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073
	Middleware (to be validated)	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375
	Batch Jobs	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295
	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)							
	0	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

		25	26	27	28	29	30
		3	3	3	3	3	3
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)							
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
	Server Services - Appliances	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280
	Server Services - UNIX	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064
	Server Services - Wintel	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333
	Server Services - Linux	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956
	DBA Services	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073
	Middleware (to be validated)	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375
	Batch Jobs	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295
	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)							
	0	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

		31	32	33	34	35	36
		3	3	3	3	4	4
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)							
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
	Server Services - Appliances	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280
	Server Services - UNIX	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064
	Server Services - Wintel	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333
	Server Services - Linux	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956
	DBA Services	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073
	Middleware (to be validated)	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375
	Batch Jobs	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295
	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)							
	0	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

		37	38	39	40	41	42
		4	4	4	4	4	4
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)							
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
	Server Services - Appliances	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280
	Server Services - UNIX	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064
	Server Services - Wintel	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333
	Server Services - Linux	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956
	DBA Services	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073
	Middleware (to be validated)	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375
	Batch Jobs	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295
	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)							
	0	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

		43	44	45	46	47	48
		4	4	4	4	5	5
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)							
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
	Server Services - Appliances	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280
	Server Services - UNIX	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064
	Server Services - Wintel	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333
	Server Services - Linux	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956
	DBA Services	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073
	Middleware (to be validated)	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375
	Batch Jobs	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295
	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)							
	0	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

		49 5	50 5	51 5	52 5	53 5	54 5
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)							
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
	Server Services - Appliances	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280
	Server Services - UNIX	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064
	Server Services - Wintel	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333
	Server Services - Linux	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956
	DBA Services	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073
	Middleware (to be validated)	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375
	Batch Jobs	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295
	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)							
	0	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

		55	56	57	58	59	60	121
		5	5	5	5	6	6	Total
BASE CHARGES BY SERVICE CATEGORY (ANNUAL)								
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	**$ 70,008,170**
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	**$ 110,222,821**
	Server Services - Appliances	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	$ 11,280	**$ 683,099**
	Server Services - UNIX	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	$ 34,064	**$ 2,062,879**
	Server Services - Wintel	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	$ 86,333	**$ 5,228,271**
	Server Services - Linux	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	$ 59,956	**$ 3,630,867**
	DBA Services	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	$ 46,073	**$ 2,790,147**
	Middleware (to be validated)	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	$ 9,375	**$ 567,768**
	Batch Jobs	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	$ 73,295	**$ 4,438,704**
	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	**$ 2,343,369**
	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	**$ 15,442,304**
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	**$ 3,584,100**
	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	**$ 4,461,844**
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 225,464,343**

REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)								
	0	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -	**$ 448,000**
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,381,400**
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,829,400**

TOOLS COSTS									
	Tools Costs	$ 900,000	$ 1,080,000	$ 1,080,000	$ 180,000	$ 900,000	$ 1,080,000	$ 180,000	**$ 5,400,000**
TOTAL TOOLS COSTS		**$ 900,000**	**$ 1,080,000**	**$ 1,080,000**	**$ 180,000**	**$ 900,000**	**$ 1,080,000**	**$ 180,000**	**$ 5,400,000**

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)									
	Application Maintenance & Support Services (AMS)	$ 280,000	$ -	$ -	$ -		$ -	$ -	**$ 280,000**
	Server Services - Appliances	$ -	$ -	$ -	$ -		$ -	$ -	**$ -**
	Server Services - UNIX	$ 10,333	$ -	$ -	$ -		$ -	$ -	**$ 10,333**
	Server Services - Wintel	$ 10,333	$ -	$ -	$ -		$ -	$ -	**$ 10,333**
	Server Services - Linux	$ 10,333	$ -	$ -	$ -		$ -	$ -	**$ 10,333**
	DBA Services	$ 97,333	$ -	$ -	$ -		$ -	$ -	**$ 97,333**
	Storage Services	$ 108,000	$ -	$ -	$ -		$ -	$ -	**$ 108,000**
	End User Services	$ 387,323	$ -	$ -	$ -		$ -	$ -	**$ 387,323**
	Service Management	$ 132,000	$ -	$ -	$ -		$ -	$ -	**$ 132,000**
	Security Management Services	$ -	$ -	$ -	$ -		$ -	$ -	**$ -**
TOTAL ONE-TIME CHARGES		**$ 1,035,656**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	**$ 1,035,656**

ONE-TIME UPFRONT CREDIT									
	Upfront Credit	$ (1,500,000)	$ -	$ -	$ -		$ -	$ -	**$ (1,500,000)**
TOTAL UPFRONT CREDIT		**$ (1,500,000)**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	**$ (1,500,000)**

GRAND TOTAL Charges		**$ 42,229,400**	**$ 46,080,000**	**$ 46,080,000**	**$ 7,680,000**	**$ 38,400,000**	**$ 46,080,000**	**$ 7,680,000**	**$ 234,229,399**

TOOLS COSTS		TOOLS COSTS						
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	
TOTAL TOOLS COSTS								

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)		ONE-TIME CHARGES (MONTHLY BY SERVICE CATEGORY)						
	Application Maintenance & Support Services (AMS)	$ 93,333	$ 93,333	$ 93,333	$ -	$ -	$ -	
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -	
	Server Services - UNIX	$ 3,444	$ 3,444	$ 3,444	$ -	$ -	$ -	
	Server Services - Wintel	$ 3,444	$ 3,444	$ 3,444	$ -	$ -	$ -	
	Server Services - Linux	$ 3,444	$ 3,444	$ 3,444	$ -	$ -	$ -	
	DBA Services	$ 48,667	$ 48,667	$ -	$ -	$ -	$ -	
	Storage Services	$ 54,000	$ 54,000	$ -	$ -	$ -	$ -	
	End User Services	$ 96,726	$ 112,913	$ 177,683	$ -	$ -	$ -	
	Service Management	$ 44,000	$ 44,000	$ 44,000	$ -	$ -	$ -	
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -	
TOTAL ONE-TIME CHARGES		**$ 347,060**	**$ 363,247**	**$ 325,350**	**$ -**	**$ -**	**$ -**	

ONE-TIME UPFRONT CREDIT		ONE-TIME CHARGES (MONTHLY BY TOWER)						
	Upfront Credit	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	
TOTAL UPFRONT CREDIT		**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	

GRAND TOTAL Charges

TOOLS COSTS							
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS							

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)							
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ONE-TIME UPFRONT CREDIT							
	Upfront Credit	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ -	$ -
TOTAL UPFRONT CREDIT		**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ -**	**$ -**

GRAND TOTAL Charges

TOOLS COSTS							
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS							

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)							
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ONE-TIME UPFRONT CREDIT							
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

GRAND TOTAL Charges

TOOLS COSTS							
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS							

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)							
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ONE-TIME UPFRONT CREDIT							
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

GRAND TOTAL Charges

TOOLS COSTS							
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS							

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)							
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ONE-TIME UPFRONT CREDIT							
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

GRAND TOTAL Charges

TOOLS COSTS							
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS							

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)							
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ONE-TIME UPFRONT CREDIT							
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

GRAND TOTAL Charges

TOOLS COSTS							
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS							

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)							
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ONE-TIME UPFRONT CREDIT							
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

GRAND TOTAL Charges

TOOLS COSTS							
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS							

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)							
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ONE-TIME UPFRONT CREDIT							
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

GRAND TOTAL Charges

TOOLS COSTS							
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS							

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)							
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

ONE-TIME UPFRONT CREDIT							
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

GRAND TOTAL Charges

TOOLS COSTS								
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	**$ 5,400,000**
TOTAL TOOLS COSTS								

ONE-TIME CHARGES (ANNUAL BY SERVICE CATEGORY)								
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -	**$ 280,000**
	Server Services - Appliances	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
	Server Services - UNIX	$ -	$ -	$ -	$ -	$ -	$ -	**$ 10,333**
	Server Services - Wintel	$ -	$ -	$ -	$ -	$ -	$ -	**$ 10,333**
	Server Services - Linux	$ -	$ -	$ -	$ -	$ -	$ -	**$ 10,333**
	DBA Services	$ -	$ -	$ -	$ -	$ -	$ -	**$ 97,333**
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -	**$ 108,000**
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -	**$ 387,323**
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -	**$ 132,000**
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,035,656**

ONE-TIME UPFRONT CREDIT								
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -	**$ (1,500,000)**
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,500,000)**

GRAND TOTAL Charges

		Base Term				Optional Term			
		1	2	3	4	4	5	6	11
		Year 1	Year 2	Year 3	Year 4	Year 4	Year 5	Year 6	Total
BASE CHARGES BY TOWER (ANNUAL)									
2	Application Maintenance & Support Services (AMS)	$ 12,379,493	$ 13,830,882	$ 13,830,882	$ 2,305,147	$ 11,525,735	$ 13,830,882	$ 2,305,147	**$ 70,008,170**
	Program and Project Delivery Fees	$ 17,851,500	$ 22,169,117	$ 22,169,117	$ 3,694,853	$ 18,474,264	$ 22,169,117	$ 3,694,853	**$ 110,222,821**
5	Server Services	$ 3,382,945	$ 3,844,510	$ 3,844,510	$ 640,752	$ 3,203,758	$ 3,844,510	$ 640,752	**$ 19,401,736**
8	Storage Services	$ 408,597	$ 464,345	$ 464,345	$ 77,391	$ 386,954	$ 464,345	$ 77,391	**$ 2,343,369**
11	End User Services	$ 2,566,433	$ 3,090,209	$ 3,090,209	$ 515,035	$ 2,575,174	$ 3,090,209	$ 515,035	**$ 15,442,304**
	Service Management	$ 612,667	$ 713,144	$ 713,144	$ 118,857	$ 594,287	$ 713,144	$ 118,857	**$ 3,584,100**
12	Security Management Services	$ 762,708	$ 887,793	$ 887,793	$ 147,965	$ 739,827	$ 887,793	$ 147,965	**$ 4,461,844**
TOTAL BASE CHARGES		**$ 37,964,344**	**$ 45,000,000**	**$ 45,000,000**	**$ 7,500,000**	**$ 37,500,000**	**$ 45,000,000**	**$ 7,500,000**	**$ 225,464,343**
REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY CATEGORY)									
	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
	Back-up Services	$ 448,000	$ -	$ -	$ -		$ -	$ -	**$ 448,000**
	Data Center Lease Extension	$ 3,381,400	$ -	$ -	$ -		$ -	$ -	**$ 3,381,400**
TOTAL PASS-THROUGH CHARGES		**$ 3,829,400**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,829,400**
TOOLS COSTS									
	Tools Costs	$ 900,000	$ 1,080,000	$ 1,080,000	$ 180,000	$ 900,000	$ 1,080,000	$ 180,000	**$ 5,400,000**
TOTAL TOOLS COSTS		**$ 900,000**	**$ 1,080,000**	**$ 1,080,000**	**$ 180,000**	**$ 900,000**	**$ 1,080,000**	**$ 180,000**	**$ 5,400,000**
ONE-TIME CHARGES (ANNUAL BY TOWER)									
	Application Maintenance & Support Services (AMS)	$ 280,000	$ -	$ -	$ -		$ -	$ -	**$ 280,000**
	Server Services	$ 128,333	$ -	$ -	$ -		$ -	$ -	**$ 128,333**
	Storage Services	$ 108,000	$ -	$ -	$ -		$ -	$ -	**$ 108,000**
	End User Services	$ 387,323	$ -	$ -	$ -		$ -	$ -	**$ 387,323**
	Service Management	$ 132,000	$ -	$ -	$ -		$ -	$ -	**$ 132,000**
	Security Management Services	$ -	$ -	$ -	$ -		$ -	$ -	**$ -**
TOTAL ONE-TIME CHARGES		**$ 1,035,656**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	**$ 1,035,656**
ONE-TIME UPFRONT CREDIT									
	Upfront Credit	$ (1,500,000)	$ -	$ -	$ -		$ -	$ -	**$ (1,500,000)**
TOTAL UPFRONT CREDIT		**$ (1,500,000)**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	**$ (1,500,000)**
GRAND TOTAL CHARGES		**$ 42,229,400**	**$ 46,080,000**	**$ 46,080,000**	**$ 7,680,000**	**$ 38,400,000**	**$ 46,080,000**	**$ 7,680,000**	**$ 234,229,399**

		1	2	3	4	5	6	7	8	9	10	11	12
		1	1	1	1	1	1	1	1	1	1	2	2
BASE CHARGES BY TOWER (ANNUAL)	***BASE CHARGES BY TOWER (MONTHLY)***												
2	Application Maintenance & Support Services (AMS)	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,149	$ 1,847,426	$ 1,847,426
5	Server Services	$ 338,295	$ 338,295	$ 338,295	$ 338,295	$ 338,295	$ 338,295	$ 338,295	$ 338,295	$ 338,295	$ 338,295	$ 320,376	$ 320,376
8	Storage Services	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 40,860	$ 38,695	$ 38,695
11	End User Services	$ -	$ -	$ -	$ 366,633	$ 366,633	$ 366,633	$ 366,633	$ 366,633	$ 366,633	$ 366,633	$ 257,517	$ 257,517
	Service Management	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 61,267	$ 59,429	$ 59,429
12	Security Management Services	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 76,271	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,539,791**	**$ 3,539,791**	**$ 3,539,791**	**$ 3,906,424**	**$ 3,906,424**	**$ 3,906,424**	**$ 3,906,424**	**$ 3,906,424**	**$ 3,906,424**	**$ 3,906,423**	**$ 3,750,000**	**$ 3,750,000**
REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL B	***REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (MONTHLY BY TOWER)***												
	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ 112,000	$ 112,000	$ 112,000	$ 112,000							$ -	$ -
	Data Center Lease Extension	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ 450,140**	**$ 450,140**	**$ 450,140**	**$ 450,140**	**$ 338,140**	**$ 338,140**	**$ 338,140**	**$ 338,140**	**$ 338,140**	**$ 338,140**	**$ -**	**$ -**
TOOLS COSTS	***TOOLS COSTS***												
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS													
ONE-TIME CHARGES (ANNUAL BY TOWER)	***ONE-TIME CHARGES (MONTHLY BY TOWER)***												
	Application Maintenance & Support Services (AMS)	$ 93,333	$ 93,333	$ 93,333	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services	$ 59,000	$ 59,000	$ 10,333	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ 54,000	$ 54,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ 96,726	$ 112,913	$ 177,683	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ 44,000	$ 44,000	$ 44,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ 347,060**	**$ 363,247**	**$ 325,350**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
ONE-TIME UPFRONT CREDIT	***ONE-TIME CHARGES (MONTHLY BY TOWER)***												
	Upfront Credit	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ -	$ -
TOTAL UPFRONT CREDIT		**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ -**	**$ -**
GRAND TOTAL CHARGES													

		13	14	15	16	17	18	19	20	21	22	23	24
		2	2	2	2	2	2	2	2	2	2	3	3
BASE CHARGES BY TOWER (ANNUAL)													
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
5	Server Services	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376
8	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
11	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
12	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**
REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL B													
	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOOLS COSTS													
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS													
ONE-TIME CHARGES (ANNUAL BY TOWER)													
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
ONE-TIME UPFRONT CREDIT													
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
GRAND TOTAL CHARGES													

		25	26	27	28	29	30	31	32	33	34	35	36
		3	3	3	3	3	3	3	3	3	3	4	4
BASE CHARGES BY TOWER (ANNUAL)													
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
5	Server Services	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376
8	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
11	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
12	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**
REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL B													
	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOOLS COSTS													
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS													
ONE-TIME CHARGES (ANNUAL BY TOWER)													
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
ONE-TIME UPFRONT CREDIT													
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
GRAND TOTAL CHARGES													

		37	38	39	40	41	42	43	44	45	46	47	48
		4	4	4	4	4	4	4	4	4	4	5	5
BASE CHARGES BY TOWER (ANNUAL)													
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426
5	Server Services	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376
8	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695
11	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429
12	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**
REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL B													
	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOOLS COSTS													
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
TOTAL TOOLS COSTS													
ONE-TIME CHARGES (ANNUAL BY TOWER)													
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Server Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
ONE-TIME UPFRONT CREDIT													
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
GRAND TOTAL CHARGES													

		49	50	51	52	53	54	55	56	57	58	59	60	121
		5	5	5	5	5	5	5	5	5	5	6	6	Total
BASE CHARGES BY TOWER (ANNUAL)														
2	Application Maintenance & Support Services (AMS)	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	**$ 70,008,170**
	Program and Project Delivery Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	**$ 110,222,821**
5	Server Services	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	$ 320,376	**$ 19,401,736**
8	Storage Services	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	$ 38,695	**$ 2,343,369**
11	End User Services	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	$ 257,517	**$ 15,442,304**
	Service Management	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	$ 59,429	**$ 3,584,100**
12	Security Management Services	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	$ 73,983	**$ 4,461,844**
TOTAL BASE CHARGES		**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 3,750,000**	**$ 225,464,343**
REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL B														
	0	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
	Back-up Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 448,000**
	Data Center Lease Extension	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 3,381,400**
TOTAL PASS-THROUGH CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,829,400**
TOOLS COSTS														
	Tools Costs	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000	**$ 5,400,000**
TOTAL TOOLS COSTS														
ONE-TIME CHARGES (ANNUAL BY TOWER)														
	Application Maintenance & Support Services (AMS)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 280,000**
	Server Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 128,333**
	Storage Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 108,000**
	End User Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 387,323**
	Service Management	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 132,000**
	Security Management Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
TOTAL ONE-TIME CHARGES		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,035,656**
ONE-TIME UPFRONT CREDIT														
	Upfront Credit	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ (1,500,000)**
TOTAL UPFRONT CREDIT		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,500,000)**
GRAND TOTAL CHARGES														

Total Base Charges (Annual)

0	1	2	3	4	5	6	11
Description	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Total**
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 7,733,350**	**$ 9,000,000**	**$ 9,000,000**	**$ 9,000,000**	**$ 9,000,000**	**$ 3,727,756**	**$ 45,233,352**

Monthly Base Charges (Input)

0	[redacted]						
Description	1	2	3	4	5	6	7
	1	1	1	1	1	1	1
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 516,692**	**$ 516,692**	**$ 516,692**	**$ 883,325**	**$ 883,325**	**$ 883,325**	**$ 883,325**

Monthly Base Charges (Input)

[redacted]

0	8	9	10	11	12	13	14
Description	**1**	**1**	**1**	**2**	**2**	**2**	**2**
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 883,325**	**$ 883,325**	**$ 883,325**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**

Monthly Base Charges (Input)

0	[redacted]						
	15	16	17	18	19	20	21
Description	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**

Monthly Base Charges (Input)

0	[redacted]						
	22	23	24	25	26	27	28
Description	**2**	**3**	**3**	**3**	**3**	**3**	**3**
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**

Monthly Base Charges (Input)

0	29	30	31	32	33	34	35
Description	**3**	**3**	**3**	**3**	**3**	**3**	**4**
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**

Monthly Base Charges (Input)

0	36	37	38	39	40	41	42
Description	**4**	**4**	**4**	**4**	**4**	**4**	**4**
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**

Monthly Base Charges (Input)

0	43	44	45	46	47	48	49
Description	**4**	**4**	**4**	**4**	**5**	**5**	**5**
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**

Monthly Base Charges (Input)

0	[redacted]						
Description	50 5	51 5	52 5	53 5	54 5	55 5	56 5
Server Services - Appliances							
Appliance Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - UNIX							
Unix Server Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Wintel							
Windows Servers Services							
Standard Support							
Enhanced Support							
Total							
Server Services - Linux							
Linux Server Services							
Standard Support							
Enhanced Support							
Total							
DBA Services							
SQL Database Support							
DB2 Database Support							
Oracle Database Support							
Total							
Middleware							
Middleware Instance							
Total							
Batch Jobs							
Batch Jobs							
Total							
Storage Services							
SAN							
Total							
End User Services							
End User Services							
Service Desk Contacts							
Total							
Service Management							
Service Management							
Service Management							
Total							
Security							
Security Services							
Security Services							
Total							
Total	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**

Monthly Base Charges (Input)

0	57	58	59	60	121
Description	**5**	**5**	**6**	**6**	**Total**
Server Services - Appliances					
Appliance Server Services					
Standard Support					
Enhanced Support					
Total					
Server Services - UNIX					
Unix Server Services					
Standard Support					
Enhanced Support					
Total					
Server Services - Wintel					
Windows Servers Services					
Standard Support					
Enhanced Support					
Total					
Server Services - Linux					
Linux Server Services					
Standard Support					
Enhanced Support					
Total					
DBA Services					
SQL Database Support					
DB2 Database Support					
Oracle Database Support					
Total					
Middleware					
Middleware Instance					
Total					
Batch Jobs					
Batch Jobs					
Total					
Storage Services					
SAN					
Total					
End User Services					
End User Services					
Service Desk Contacts					
Total					
Service Management					
Service Management					
Service Management					
Total					
Security					
Security Services					
Security Services					
Total					
Total	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 750,000**	**$ 60,675,656**

Total Applications Maintenance & Support (AMS) Base Charges (by Applications)

	0	1	2	3	4	5	6	11
	Description	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Total**
	Application Maintenance & Support Services (AMS)							
Monthly Hours by Application	**Fixed Price**							
	Total AMS Base Charges	$ 12,379,493	$ 13,830,882	$ 13,830,882	$ 13,830,882	$ 13,830,882	$ 2,305,147	**$ 70,008,170**
	HR SuccessFactors (Integration only)							
	SAP TREX							
	SAP ECC / Waste Management							
	RWDuPerform							
	SAP-CIG / Cloud Integration Gateway (Integration Only)							
	SAP SybaseIQ (NLS for BW data)							
	SAP ECC / EHSM							
	SAP ECC / SCM (APO)							
	Microsoft CRM for Lab Reporting							
	SAP ECC / Pay							
	SAP SMP & WM for Forestry							
	SAP Enterprise Portal							
	Microsoft Sharepoint							
	SAP-ECC / SCM (MM)							
	SAP SMP & WM for Lines							
	SAP ECC / SCM (Plant Maint)							
	SAP Process Integration (PI)							
	SAP BOBJ							
	SAP ECC / FICA							
	SAP ECC / FICO							
	SAP BI/BW							
	SAP ECC / HR							
	SAP BODS							
	SAP ECC / Basis							
	SAP Solution Manager							
	SAP ECC / Device Mgmt							
	SAP ECC / Billing							
	SAP CRM & BDEX							
	SAP-GRC / Governance Risk Compliance							
	SAP-BPC / Business Process Consolidation							
	SAP-Information Steward							

Monthly Base Charges (Input)

0	1	2	3	4	5	6
Description	**1**	**1**	**1**	**1**	**1**	**1**
Application Maintenance & Support Services (AMS)						
Fixed Price						
Total AMS Base Charges	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949
HR SuccessFactors (Integration only)						
SAP TREX						
SAP ECC / Waste Management						
RWDuPerform						
SAP-CIG / Cloud Integration Gateway (Integration Only)						
SAP SybaseIQ (NLS for BW data)						
SAP ECC / EHSM						
SAP ECC / SCM (APO)						
Microsoft CRM for Lab Reporting						
SAP ECC / Pay						
SAP SMP & WM for Forestry						
SAP Enterprise Portal						
Microsoft Sharepoint						
SAP-ECC / SCM (MM)						
SAP SMP & WM for Lines						
SAP ECC / SCM (Plant Maint)						
SAP Process Integration (PI)						
SAP BOBJ						
SAP ECC / FICA						
SAP ECC / FICO						
SAP BI/BW						
SAP ECC / HR						
SAP BODS						
SAP ECC / Basis						
SAP Solution Manager						
SAP ECC / Device Mgmt						
SAP ECC / Billing						
SAP CRM & BDEX						
SAP-GRC / Governance Risk Compliance						
SAP-BPC / Business Process Consolidation						
SAP-Information Steward						

Monthly Base Charges (Input)

0	7	8	9	10	11	12	13
Description	**1**	**1**	**1**	**1**	**2**	**2**	**2**
Application Maintenance & Support Services (AMS)							
Fixed Price							
Total AMS Base Charges	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,237,949	$ 1,152,574	$ 1,152,574	$ 1,152,574
HR SuccessFactors (Integration only)							
SAP TREX							
SAP ECC / Waste Management							
RWDuPerform							
SAP-CIG / Cloud Integration Gateway (Integration Only)							
SAP SybaseIQ (NLS for BW data)							
SAP ECC / EHSM							
SAP ECC / SCM (APO)							
Microsoft CRM for Lab Reporting							
SAP ECC / Pay							
SAP SMP & WM for Forestry							
SAP Enterprise Portal							
Microsoft Sharepoint							
SAP-ECC / SCM (MM)							
SAP SMP & WM for Lines							
SAP ECC / SCM (Plant Maint)							
SAP Process Integration (PI)							
SAP BOBJ							
SAP ECC / FICA							
SAP ECC / FICO							
SAP BI/BW							
SAP ECC / HR							
SAP BODS							
SAP ECC / Basis							
SAP Solution Manager							
SAP ECC / Device Mgmt							
SAP ECC / Billing							
SAP CRM & BDEX							
SAP-GRC / Governance Risk Compliance							
SAP-BPC / Business Process Consolidation							
SAP-Information Steward							

Monthly Base Charges (Input)

0	14	15	16	17	18	19	20
Description	**2**	**2**	**2**	**2**	**2**	**2**	**2**
Application Maintenance & Support Services (AMS)							
Fixed Price							
Total AMS Base Charges	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
HR SuccessFactors (Integration only)							
SAP TREX							
SAP ECC / Waste Management							
RWDuPerform							
SAP-CIG / Cloud Integration Gateway (Integration Only)							
SAP SybaseIQ (NLS for BW data)							
SAP ECC / EHSM							
SAP ECC / SCM (APO)							
Microsoft CRM for Lab Reporting							
SAP ECC / Pay							
SAP SMP & WM for Forestry							
SAP Enterprise Portal							
Microsoft Sharepoint							
SAP-ECC / SCM (MM)							
SAP SMP & WM for Lines							
SAP ECC / SCM (Plant Maint)							
SAP Process Integration (PI)							
SAP BOBJ							
SAP ECC / FICA							
SAP ECC / FICO							
SAP BI/BW							
SAP ECC / HR							
SAP BODS							
SAP ECC / Basis							
SAP Solution Manager							
SAP ECC / Device Mgmt							
SAP ECC / Billing							
SAP CRM & BDEX							
SAP-GRC / Governance Risk Compliance							
SAP-BPC / Business Process Consolidation							
SAP-Information Steward							

Monthly Base Charges (Input)

0	21	22	23	24	25	26	27
Description	**2**	**2**	**3**	**3**	**3**	**3**	**3**
Application Maintenance & Support Services (AMS)							
Fixed Price							
Total AMS Base Charges	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
HR SuccessFactors (Integration only)							
SAP TREX							
SAP ECC / Waste Management							
RWDuPerform							
SAP-CIG / Cloud Integration Gateway (Integration Only)							
SAP SybaseIQ (NLS for BW data)							
SAP ECC / EHSM							
SAP ECC / SCM (APO)							
Microsoft CRM for Lab Reporting							
SAP ECC / Pay							
SAP SMP & WM for Forestry							
SAP Enterprise Portal							
Microsoft Sharepoint							
SAP-ECC / SCM (MM)							
SAP SMP & WM for Lines							
SAP ECC / SCM (Plant Maint)							
SAP Process Integration (PI)							
SAP BOBJ							
SAP ECC / FICA							
SAP ECC / FICO							
SAP BI/BW							
SAP ECC / HR							
SAP BODS							
SAP ECC / Basis							
SAP Solution Manager							
SAP ECC / Device Mgmt							
SAP ECC / Billing							
SAP CRM & BDEX							
SAP-GRC / Governance Risk Compliance							
SAP-BPC / Business Process Consolidation							
SAP-Information Steward							

Monthly Base Charges (Input)

0	28	29	30	31	32	33	34
Description	**3**	**3**	**3**	**3**	**3**	**3**	**3**
Application Maintenance & Support Services (AMS)							
Fixed Price							
Total AMS Base Charges	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
HR SuccessFactors (Integration only)							
SAP TREX							
SAP ECC / Waste Management							
RWDuPerform							
SAP-CIG / Cloud Integration Gateway (Integration Only)							
SAP SybaseIQ (NLS for BW data)							
SAP ECC / EHSM							
SAP ECC / SCM (APO)							
Microsoft CRM for Lab Reporting							
SAP ECC / Pay							
SAP SMP & WM for Forestry							
SAP Enterprise Portal							
Microsoft Sharepoint							
SAP-ECC / SCM (MM)							
SAP SMP & WM for Lines							
SAP ECC / SCM (Plant Maint)							
SAP Process Integration (PI)							
SAP BOBJ							
SAP ECC / FICA							
SAP ECC / FICO							
SAP BI/BW							
SAP ECC / HR							
SAP BODS							
SAP ECC / Basis							
SAP Solution Manager							
SAP ECC / Device Mgmt							
SAP ECC / Billing							
SAP CRM & BDEX							
SAP-GRC / Governance Risk Compliance							
SAP-BPC / Business Process Consolidation							
SAP-Information Steward							

Monthly Base Charges (Input)

0	35	36	37	38	39	40	41
Description	**4**	**4**	**4**	**4**	**4**	**4**	**4**
Application Maintenance & Support Services (AMS)							
Fixed Price							
Total AMS Base Charges	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
HR SuccessFactors (Integration only)							
SAP TREX							
SAP ECC / Waste Management							
RWDuPerform							
SAP-CIG / Cloud Integration Gateway (Integration Only)							
SAP SybaseIQ (NLS for BW data)							
SAP ECC / EHSM							
SAP ECC / SCM (APO)							
Microsoft CRM for Lab Reporting							
SAP ECC / Pay							
SAP SMP & WM for Forestry							
SAP Enterprise Portal							
Microsoft Sharepoint							
SAP-ECC / SCM (MM)							
SAP SMP & WM for Lines							
SAP ECC / SCM (Plant Maint)							
SAP Process Integration (PI)							
SAP BOBJ							
SAP ECC / FICA							
SAP ECC / FICO							
SAP BI/BW							
SAP ECC / HR							
SAP BODS							
SAP ECC / Basis							
SAP Solution Manager							
SAP ECC / Device Mgmt							
SAP ECC / Billing							
SAP CRM & BDEX							
SAP-GRC / Governance Risk Compliance							
SAP-BPC / Business Process Consolidation							
SAP-Information Steward							

Monthly Base Charges (Input)

0	42	43	44	45	46	47	48
Description	**4**	**4**	**4**	**4**	**4**	**5**	**5**
Application Maintenance & Support Services (AMS)							
Fixed Price							
Total AMS Base Charges	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
HR SuccessFactors (Integration only)							
SAP TREX							
SAP ECC / Waste Management							
RWDuPerform							
SAP-CIG / Cloud Integration Gateway (Integration Only)							
SAP SybaseIQ (NLS for BW data)							
SAP ECC / EHSM							
SAP ECC / SCM (APO)							
Microsoft CRM for Lab Reporting							
SAP ECC / Pay							
SAP SMP & WM for Forestry							
SAP Enterprise Portal							
Microsoft Sharepoint							
SAP-ECC / SCM (MM)							
SAP SMP & WM for Lines							
SAP ECC / SCM (Plant Maint)							
SAP Process Integration (PI)							
SAP BOBJ							
SAP ECC / FICA							
SAP ECC / FICO							
SAP BI/BW							
SAP ECC / HR							
SAP BODS							
SAP ECC / Basis							
SAP Solution Manager							
SAP ECC / Device Mgmt							
SAP ECC / Billing							
SAP CRM & BDEX							
SAP-GRC / Governance Risk Compliance							
SAP-BPC / Business Process Consolidation							
SAP-Information Steward							

Monthly Base Charges (Input)

0	49	50	51	52	53	54	55
Description	**5**	**5**	**5**	**5**	**5**	**5**	**5**
Application Maintenance & Support Services (AMS)							
Fixed Price							
Total AMS Base Charges	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574
HR SuccessFactors (Integration only)							
SAP TREX							
SAP ECC / Waste Management							
RWDuPerform							
SAP-CIG / Cloud Integration Gateway (Integration Only)							
SAP SybaseIQ (NLS for BW data)							
SAP ECC / EHSM							
SAP ECC / SCM (APO)							
Microsoft CRM for Lab Reporting							
SAP ECC / Pay							
SAP SMP & WM for Forestry							
SAP Enterprise Portal							
Microsoft Sharepoint							
SAP-ECC / SCM (MM)							
SAP SMP & WM for Lines							
SAP ECC / SCM (Plant Maint)							
SAP Process Integration (PI)							
SAP BOBJ							
SAP ECC / FICA							
SAP ECC / FICO							
SAP BI/BW							
SAP ECC / HR							
SAP BODS							
SAP ECC / Basis							
SAP Solution Manager							
SAP ECC / Device Mgmt							
SAP ECC / Billing							
SAP CRM & BDEX							
SAP-GRC / Governance Risk Compliance							
SAP-BPC / Business Process Consolidation							
SAP-Information Steward							

Monthly Base Charges (Input)

0	56	57	58	59	60	121
Description	**5**	**5**	**5**	**6**	**6**	**Total**
Application Maintenance & Support Services (AMS)						
Fixed Price						
Total AMS Base Charges	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	$ 1,152,574	**$ 70,008,170**
HR SuccessFactors (Integration only)						
SAP TREX						
SAP ECC / Waste Management						
RWDuPerform						
SAP-CIG / Cloud Integration Gateway (Integration Only)						
SAP SybaseIQ (NLS for BW data)						
SAP ECC / EHSM						
SAP ECC / SCM (APO)						
Microsoft CRM for Lab Reporting						
SAP ECC / Pay						
SAP SMP & WM for Forestry						
SAP Enterprise Portal						
Microsoft Sharepoint						
SAP-ECC / SCM (MM)						
SAP SMP & WM for Lines						
SAP ECC / SCM (Plant Maint)						
SAP Process Integration (PI)						
SAP BOBJ						
SAP ECC / FICA						
SAP ECC / FICO						
SAP BI/BW						
SAP ECC / HR						
SAP BODS						
SAP ECC / Basis						
SAP Solution Manager						
SAP ECC / Device Mgmt						
SAP ECC / Billing						
SAP CRM & BDEX						
SAP-GRC / Governance Risk Compliance						
SAP-BPC / Business Process Consolidation						
SAP-Information Steward						

Program and Project Delivery Fees

0	1	2	3	4	5	6
Description	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 17,851,500	$ 22,169,117	$ 22,169,117	$ 22,169,117	$ 22,169,117	$ 3,694,853

Monthly Base Charges (Input [redacted]

11	0	1	2	3	4	5
Total	**Description**	**1**	**1**	**1**	**1**	**1**
	Program and Project Delivery Fees					
	Fixed Price					
$ 110,222,821	Project Services Fees	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150

Monthly Base Charges (Input

0	6	7	8	9	10	11
Description	**1**	**1**	**1**	**1**	**1**	**2**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,150	$ 1,785,149	$ 1,847,426

Monthly Base Charges (Input

0	12	13	14	15	16	17
Description	**2**	**2**	**2**	**2**	**2**	**2**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426

Monthly Base Charges (Input [redacted]

0	18	19	20	21	22	23
Description	**2**	**2**	**2**	**2**	**2**	**3**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426

Monthly Base Charges (Input

0	24	25	26	27	28	29
Description	**3**	**3**	**3**	**3**	**3**	**3**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426

Monthly Base Charges (Input

0	30	31	32	33	34	35
Description	**3**	**3**	**3**	**3**	**3**	**4**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426

Monthly Base Charges (Input

0	36	37	38	39	40	41
Description	**4**	**4**	**4**	**4**	**4**	**4**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426

Monthly Base Charges (Input

0	42	43	44	45	46	47
Description	**4**	**4**	**4**	**4**	**4**	**5**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426

Monthly Base Charges (Input

0	48	49	50	51	52	53
Description	**5**	**5**	**5**	**5**	**5**	**5**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426

Monthly Base Charges (Input [redacted]

0	54	55	56	57	58	59
Description	**5**	**5**	**5**	**5**	**5**	**6**
Program and Project Delivery Fees						
Fixed Price						
Project Services Fees	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426	$ 1,847,426

Monthly Base Charges (Input [redacted]

0	60	121
Description	**6**	**Total**
Program and Project Delivery Fees		
Fixed Price		
Project Services Fees	$ 1,847,426	**$ 110,222,821**

Average Monthly Resource Unit Volumes

0	1	2	3	4	5	6
Description	**Base**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
	Server Services - Appliances					
Appliance Server Services						
Standard Support						
Enhanced Support						
Unix Server Services						
Standard Support						
Enhanced Support						
Windows Servers Services						
Standard Support						
Enhanced Support						
Linux Server Services						
Standard Support						
Enhanced Support						
SQL Database Support						
DB2 Database Support						
Oracle Database Support						
Middleware Instance						
Batch Jobs						
SAN						
End User Services						
Service Desk Contacts						
Service Management						
Service Management						
Security Services						
Security Services						

Annual Growth Factors:

1	2	3	4	5
Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**

Notes: Tools / Backup Baseline Data
Bundle 1 - ADDM Licenses - 2521 host licenses included
Bundle 1 - ITSM/SNOW Licenses - 250 SNOW Fulfiller and 50 approver licenses included
Bundle 1 - ITBM Licenses
Bundle 2 - Tivoli/MOM Licenses- 2422 OST licenses included
Bundle 2 - Nimsoft Licenses - 5 Robot node licenses included
Bundle 2 - IBM Big Fix Licenses - 1538 Node licenses included
Bundle 2 - CyberArk Licenses - 1 CPM license with 8 user licenses included
Bundle 2 - MKS Licenses - 45 Integrity Lifecycle Manager Source Registered Users , 15 Integrity Lifecycle Manager Source Concurrent User & 2 Integrity Lifecycle Manager Server licenses included

Backup - Data Domain backup

Average Monthly Resource Unit Volumes

0 Description	Mar-21 1	Apr-21 2	May-21 3	Jun-21 4	Jul-21 5	Aug-21 6	Sep-21 7	Oct-21 8	Nov-21 9	Dec-21 10	Jan-22 11	Feb-22 12	Mar-22 13	Apr-22 14
Appliance Server Services														
Standard Support	1	1	1	1	1	1	1	1	1	1	1	1	2	2
Enhanced Support														
Unix Server Services														
Standard Support														
Enhanced Support														
Windows Servers Services														
Standard Support														
Enhanced Support														
Linux Server Services														
Standard Support														
Enhanced Support														
SQL Database Support														
DB2 Database Support														
Oracle Database Support														
Middleware Instance														
Batch Jobs														
SAN														
End User Services														
Service Desk Contacts														
Service Management														
Service Management														
Security Services														
Security Services														

Notes: Tools / Backup Baseline Data

Bundle 1 - ADDM Licenses - 2521 host licenses included
Bundle 1 - ITSM/SNOW Licenses - 250 SNOW Fulfiller and 50
Bundle 1 - ITBM Licenses
Bundle 2 - Tivoli/MOM Licenses- 2422 OST licenses included
Bundle 2 - Nimsoft Licenses - 5 Robot node licenses included
Bundle 2 - IBM Big Fix Licenses - 1538 Node licenses included
Bundle 2 - CyberArk Licenses - 1 CPM license with 8 user license
Bundle 2 - MKS Licenses - 45 Integrity Lifecycle Manager Source

Backup - Data Domain backup capacity of

Average Monthly Resource Unit Volumes	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23
0	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Description	2	2	2	2	2	2	2	2	2	2	3	3	3	3	3
Appliance Server Services															
Standard Support															
Enhanced Support															
Unix Server Services															
Standard Support															
Enhanced Support															
Windows Servers Services															
Standard Support															
Enhanced Support															
Linux Server Services															
Standard Support															
Enhanced Support															
SQL Database Support															
DB2 Database Support															
Oracle Database Support															
Middleware Instance															
Batch Jobs															
SAN															
End User Services															
Service Desk Contacts															
Service Management															
Service Management															
Security Services															
Security Services															

Notes: Tools / Backup Baseline Data

Bundle 1 - ADDM Licenses - 2521 host licenses included
Bundle 1 - ITSM/SNOW Licenses - 250 SNOW Fulfiller and 50
Bundle 1 - ITBM Licenses
Bundle 2 - Tivoli/MOM Licenses- 2422 OST licenses included
Bundle 2 - Nimsoft Licenses - 5 Robot node licenses included
Bundle 2 - IBM Big Fix Licenses - 1538 Node licenses included
Bundle 2 - CyberArk Licenses - 1 CPM license with 8 user license
Bundle 2 - MKS Licenses - 45 Integrity Lifecycle Manager Source

Backup - Data Domain backup capacity of

Average Monthly Resource Unit Volumes	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
0	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
Description	3	3	3	3	3	3	3	4	4	4	4	4	4	4	4
Appliance Server Services															
Standard Support															
Enhanced Support															
Unix Server Services															
Standard Support															
Enhanced Support															
Windows Servers Services															
Standard Support															
Enhanced Support															
Linux Server Services															
Standard Support															
Enhanced Support															
SQL Database Support															
DB2 Database Support															
Oracle Database Support															
Middleware Instance															
Batch Jobs															
SAN															
End User Services															
Service Desk Contacts															
Service Management															
Service Management															
Security Services															
Security Services															

Notes: Tools / Backup Baseline Data

Bundle 1 - ADDM Licenses - 2521 host licenses included
Bundle 1 - ITSM/SNOW Licenses - 250 SNOW Fulfiller and 50
Bundle 1 - ITBM Licenses
Bundle 2 - Tivoli/MOM Licenses- 2422 OST licenses included
Bundle 2 - Nimsoft Licenses - 5 Robot node licenses included
Bundle 2 - IBM Big Fix Licenses - 1538 Node licenses included
Bundle 2 - CyberArk Licenses - 1 CPM license with 8 user license
Bundle 2 - MKS Licenses - 45 Integrity Lifecycle Manager Source

Backup - Data Domain backup capacity of

Average Monthly Resource Unit Volumes	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
0	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59
Description	4	4	4	4	5	5	5	5	5	5	5	5	5	5	5
Appliance Server Services															
Standard Support															
Enhanced Support															
Unix Server Services															
Standard Support															
Enhanced Support															
Windows Servers Services															
Standard Support															
Enhanced Support															
Linux Server Services															
Standard Support															
Enhanced Support															
SQL Database Support															
DB2 Database Support															
Oracle Database Support															
Middleware Instance															
Batch Jobs															
SAN															
End User Services															
Service Desk Contacts															
Service Management															
Service Management															
Security Services															
Security Services															

Notes: Tools / Backup Baseline Data

Bundle 1 - ADDM Licenses - 2521 host licenses included
Bundle 1 - ITSM/SNOW Licenses - 250 SNOW Fulfiller and 50
Bundle 1 - ITBM Licenses
Bundle 2 - Tivoli/MOM Licenses- 2422 OST licenses included
Bundle 2 - Nimsoft Licenses - 5 Robot node licenses included
Bundle 2 - IBM Big Fix Licenses - 1538 Node licenses included
Bundle 2 - CyberArk Licenses - 1 CPM license with 8 user license
Bundle 2 - MKS Licenses - 45 Integrity Lifecycle Manager Source

Backup - Data Domain backup capacity of

Average Monthly Resource Unit Volumes	Feb-26
0	60
Description	5
Appliance Server Services	
Standard Support	[redacted]
Enhanced Support	[redacted]
[redacted]	[redacted]
Unix Server Services	
Standard Support	[redacted]
Enhanced Support	[redacted]
[redacted]	[redacted]
Windows Servers Services	
Standard Support	[redacted]
Enhanced Support	[redacted]
[redacted]	[redacted]
Linux Server Services	
Standard Support	[redacted]
Enhanced Support	[redacted]
[redacted]	[redacted]
SQL Database Support	[redacted]
DB2 Database Support	[redacted]
Oracle Database Support	[redacted]
[redacted]	[redacted]
Middleware Instance	[redacted]
Batch Jobs	[redacted]
[redacted]	[redacted]
SAN	[redacted]
[redacted]	[redacted]
End User Services	
Service Desk Contacts	[redacted]
[redacted]	[redacted]
Service Management	
Service Management	[redacted]
Security Services	
Security Services	[redacted]
[redacted]	[redacted]

Notes: Tools / Backup Baseline Data

Bundle 1 - ADDM Licenses - 2521 host licenses included
Bundle 1 - ITSM/SNOW Licenses - 250 SNOW Fulfiller and 50
Bundle 1 - ITBM Licenses
Bundle 2 - Tivoli/MOM Licenses- 2422 OST licenses included
Bundle 2 - Nimsoft Licenses - 5 Robot node licenses included
Bundle 2 - IBM Big Fix Licenses - 1538 Node licenses included
Bundle 2 - CyberArk Licenses - 1 CPM license with 8 user license
Bundle 2 - MKS Licenses - 45 Integrity Lifecycle Manager Source

Backup - Data Domain backup capacity of [redacted]

Monthly ARC / RRC Rates per Resource Unit

0	1	2	3	4	5	6
Description	**Year 1 ARC / RRC**	**Year 2 ARC / RRC**	**Year 3 ARC / RRC**	**Year 4 ARC / RRC**	**Year 5 ARC / RRC**	**Year 6 ARC / RRC**
Server Services - Appliances						
Standard Support						
Enhanced Support						
Server Services - UNIX						
Unix Server Services						
Standard Support						
Enhanced Support						
Server Services - Wintel						
Windows Servers Services						
Standard Support						
Enhanced Support						
Server Services - Linux						
Linux Server Services						
Standard Support						
Enhanced Support						
DBA Services						
SQL Database Support						
DB2 Database Support						
Oracle Database Support						
Middleware						
Middleware Instance						
Batch Jobs						
Batch Jobs						
Storage Services						
SAN						
End User Services						
End User Services						
Service Desk Contacts						
Service Management						
Service Management						
Service Management						
Security						
Security Services						
Security Services						
Application Maintenance Services						
Application Maintenance Services						
Application Maintenance Services						

Monthly ARC / RRC Rates per Resource Unit	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
0	1	2	3	4	5	6	7	8	9	10	11
Description	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**2**
Server Services - Appliances											
Standard Support											
Enhanced Support											
Server Services - UNIX											
Unix Server Services											
Standard Support											
Enhanced Support											
Server Services - Wintel											
Windows Servers Services											
Standard Support											
Enhanced Support											
Server Services - Linux											
Linux Server Services											
Standard Support											
Enhanced Support											
DBA Services											
SQL Database Support											
DB2 Database Support											
Oracle Database Support											
Middleware											
Middleware Instance											
Batch Jobs											
Batch Jobs											
Storage Services											
SAN											
End User Services											
End User Services											
Service Desk Contacts											
Service Management											
Service Management											
Service Management											
Security											
Security Services											
Security Services											
Application Maintenance Services											
Application Maintenance Services											
Application Maintenance Services											

Monthly ARC / RRC Rates per Resource Unit	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
0	12	13	14	15	16	17	18	19	20	21	22
Description	2	2	2	2	2	2	2	2	2	2	2
Server Services - Appliances											
Standard Support											
Enhanced Support											
Server Services - UNIX											
Unix Server Services											
Standard Support											
Enhanced Support											
Server Services - Wintel											
Windows Servers Services											
Standard Support											
Enhanced Support											
Server Services - Linux											
Linux Server Services											
Standard Support											
Enhanced Support											
DBA Services											
SQL Database Support											
DB2 Database Support											
Oracle Database Support											
Middleware											
Middleware Instance											
Batch Jobs											
Batch Jobs											
Storage Services											
SAN											
End User Services											
End User Services											
Service Desk Contacts											
Service Management											
Service Management											
Service Management											
Security											
Security Services											
Security Services											
Application Maintenance Services											
Application Maintenance Services											
Application Maintenance Services											

Monthly ARC / RRC Rates per Resource Unit	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
0	23	24	25	26	27	28	29	30	31	32	33
Description	3	3	3	3	3	3	3	3	3	3	3
Server Services - Appliances											
Standard Support											
Enhanced Support											
Server Services - UNIX											
Unix Server Services											
Standard Support											
Enhanced Support											
Server Services - Wintel											
Windows Servers Services											
Standard Support											
Enhanced Support											
Server Services - Linux											
Linux Server Services											
Standard Support											
Enhanced Support											
DBA Services											
SQL Database Support											
DB2 Database Support											
Oracle Database Support											
Middleware											
Middleware Instance											
Batch Jobs											
Batch Jobs											
Storage Services											
SAN											
End User Services											
End User Services											
Service Desk Contacts											
Service Management											
Service Management											
Service Management											
Security											
Security Services											
Security Services											
Application Maintenance Services											
Application Maintenance Services											
Application Maintenance Services											

Monthly ARC / RRC Rates per Resource Unit	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
0	34	35	36	37	38	39	40	41	42	43	44
Description	3	4	4	4	4	4	4	4	4	4	4
Server Services - Appliances											
Standard Support											
Enhanced Support											
Server Services - UNIX											
Unix Server Services											
Standard Support											
Enhanced Support											
Server Services - Wintel											
Windows Servers Services											
Standard Support											
Enhanced Support											
Server Services - Linux											
Linux Server Services											
Standard Support											
Enhanced Support											
DBA Services											
SQL Database Support											
DB2 Database Support											
Oracle Database Support											
Middleware											
Middleware Instance											
Batch Jobs											
Batch Jobs											
Storage Services											
SAN											
End User Services											
End User Services											
Service Desk Contacts											
Service Management											
Service Management											
Service Management											
Security											
Security Services											
Security Services											
Application Maintenance Services											
Application Maintenance Services											
Application Maintenance Services											

Monthly ARC / RRC Rates per Resource Unit	Nov-24	Dec-24	Jan-25
0	45	46	47
Description	4	4	5
Server Services - Appliances			
Standard Support			
Enhanced Support			
Server Services - UNIX			
Unix Server Services			
Standard Support			
Enhanced Support			
Server Services - Wintel			
Windows Servers Services			
Standard Support			
Enhanced Support			
Server Services - Linux			
Linux Server Services			
Standard Support			
Enhanced Support			
DBA Services			
SQL Database Support			
DB2 Database Support			
Oracle Database Support			
Middleware			
Middleware Instance			
Batch Jobs			
Batch Jobs			
Storage Services			
SAN			
End User Services			
End User Services			
Service Desk Contacts			
Service Management			
Service Management			
Service Management			
Security			
Security Services			
Security Services			
Application Maintenance Services			
Application Maintenance Services			
Application Maintenance Services			

Monthly ARC / RRC Rates per Resource Unit	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
0	48	49	50	51	52	53	54	55	56	57	58
Description	5	5	5	5	5	5	5	5	5	5	5
Server Services - Appliances											
Standard Support											
Enhanced Support											
Server Services - UNIX											
Unix Server Services											
Standard Support											
Enhanced Support											
Server Services - Wintel											
Windows Servers Services											
Standard Support											
Enhanced Support											
Server Services - Linux											
Linux Server Services											
Standard Support											
Enhanced Support											
DBA Services											
SQL Database Support											
DB2 Database Support											
Oracle Database Support											
Middleware											
Middleware Instance											
Batch Jobs											
Batch Jobs											
Storage Services											
SAN											
End User Services											
End User Services											
Service Desk Contacts											
Service Management											
Service Management											
Service Management											
Security											
Security Services											
Security Services											
Application Maintenance Services											
Application Maintenance Services											
Application Maintenance Services											

Monthly ARC / RRC Rates per Resource Unit	Jan-26	Feb-26
0	59	60
Description	6	6
Server Services - Appliances		
Standard Support		
Enhanced Support		
Server Services - UNIX		
Unix Server Services		
Standard Support		
Enhanced Support		
Server Services - Wintel		
Windows Servers Services		
Standard Support		
Enhanced Support		
Server Services - Linux		
Linux Server Services		
Standard Support		
Enhanced Support		
DBA Services		
SQL Database Support		
DB2 Database Support		
Oracle Database Support		
Middleware		
Middleware Instance		
Batch Jobs		
Batch Jobs		
Storage Services		
SAN		
End User Services		
End User Services		
Service Desk Contacts		
Service Management		
Service Management		
Service Management		
Security		
Security Services		
Security Services		
Application Maintenance Services		
Application Maintenance Services		
Application Maintenance Services		

Monthly ARC / RRC Rates per Resource Unit

0

Description
Server Services - Appliances
Standard Support
Enhanced Support
Server Services - UNIX
Unix Server Services
Standard Support
Enhanced Support
Server Services - Wintel
Windows Servers Services
Standard Support
Enhanced Support
Server Services - Linux
Linux Server Services
Standard Support
Enhanced Support
DBA Services
SQL Database Support
DB2 Database Support
Oracle Database Support
Middleware
Middleware Instance
Batch Jobs
Batch Jobs
Storage Services
SAN
End User Services
End User Services
Service Desk Contacts
Service Management
Service Management
Service Management
Security
Security Services
Security Services
Application Maintenance Services
Application Maintenance Services
Application Maintenance Services

		1 **Year 1**	2 **Year 2**	3 **Year 3**	4 **Year 4**	5 **Year 5**	6 **Year 6**	**Total**
UPFRONT CREDIT								
	Upfront Credit	$ (1,500,000)	$ -	$ -	$ -	$ -	$ -	$ (1,500,000)
TOTAL UPFRONT CREDIT		$ (1,500,000)	$ -	$ -	$ -	$ -	$ -	$ (1,500,000)

***The $1.5M Upfront Credit shall be included in the Fees in the comparison to the Fair Market Value Range by the Benchmark Analyst.**

1	2	3	4	5	6	7	8	9	10
1	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
UPFRONT CREDIT									
$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)	$ (150,000)
$ (150,000)	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**	**$ (150,000)**

11	12	13	14	15	16	17	18	19	20
2	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
$ -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

21	22	23	24	25	26	27	28	29	30
2	**2**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
$ -	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

31	32	33	34	35	36	37	38	39	40
3	**3**	**3**	**3**	**4**	**4**	**4**	**4**	**4**	**4**
$ -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

41	42	43	44	45	46	47	48	49	50
4	**4**	**4**	**4**	**4**	**4**	**5**	**5**	**5**	**5**
$ -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

51	52	53	54	55	56	57	58	59	60
5	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**6**	**6**
$ -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

121 **Total**	
$	**(1,500,000)**
$	**(1,500,000)**

	1	2	3	4	5	6	7	8
	1	**1**	**1**	**1**	**1**	**1**	**1**	**1**
REIMBURSABLE	***REIMBURSABLE CHARGES: PASS-THROUGH CHARGES (ANNUAL BY SERVICE CATEGORY)***							
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Back-up	$ 112,000	$ 112,000	$ 112,000	$ 112,000	$ -	$ -	$ -	$ -
Data Center Lease	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140	$ 338,140
TOTAL PASS-THR	**$ 450,140**	**$ 450,140**	**$ 450,140**	**$ 450,140**	**$ 338,140**	**$ 338,140**	**$ 338,140**	**$ 338,140**

	9 **1**	10 **1**	11 **2**	12 **2**	13 **2**	14 **2**	15 **2**	16 **2**
REIMBURSABLE (								
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Back-up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Data Center Lease	$ 338,140	$ 338,140	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THR	**$ 338,140**	**$ 338,140**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

	17 **2**	18 **2**	19 **2**	20 **2**	21 **2**	22 **2**	23 **3**	24 **3**
REIMBURSABLE (								
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Back-up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Data Center Lease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THR	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

	25 **3**	26 **3**	27 **3**	28 **3**	29 **3**	30 **3**	31 **3**	32 **3**
REIMBURSABLE (								
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Back-up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Data Center Lease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THR	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

	33 **3**	34 **3**	35 **4**	36 **4**	37 **4**	38 **4**	39 **4**	40 **4**
REIMBURSABLE (								
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Back-up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Data Center Lease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THR	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

	41 **4**	42 **4**	43 **4**	44 **4**	45 **4**	46 **4**	47 **5**	48 **5**
REIMBURSABLE (								
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Back-up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Data Center Lease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THR	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

	49 5	50 5	51 5	52 5	53 5	54 5	55 5	56 5
REIMBURSABLE (								
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Back-up	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Data Center Lease	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL PASS-THR	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -	**$** -

	57 **5**	58 **5**	59 **6**	60 **6**	121 **Total**
REIMBURSABLE (					
	$ -	$ -	$ -	$ -	
Back-up	$ -	$ -	$ -	$ -	**$ 448,000**
Data Center Lease	$ -	$ -	$ -	$ -	**$ 3,381,400**
TOTAL PASS-THR	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,829,400**

		1 **Year 1**	2 **Year 2**	3 **Year 3**	4 **Year 4**	5 **Year 5**	6 **Year 6**	**Total**
TOOLS COSTS								
Bundle 1								
	ADDM	[redacted]						
	ITSM-SNOW							
	ITBM							
Bundle 2								
	Tivoli/MOM							
	Nimsoft							
	IBM Bigfix							
	CyberARC							
	MKS							
TOOLS COSTS		$ 900,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 1,080,000	$ 180,000	$ 5,400,000

1	2	3	4	5	6	7	8	9	10
1	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
TOOLS COSTS									
[redacted]									
$ 90,000	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**

11	12	13	14	15	16	17	18	19	20
2	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**
[redacted]									
$ 90,000	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**

21	22	23	24	25	26	27	28	29	30
2	**2**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
[redacted]									
$ 90,000	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**

31	32	33	34	35	36	37	38	39	40
3	**3**	**3**	**3**	**4**	**4**	**4**	**4**	**4**	**4**
[redacted]									
$ 90,000	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**

41	42	43	44	45	46	47	48	49	50
4	**4**	**4**	**4**	**4**	**4**	**5**	**5**	**5**	**5**
[redacted]									
$ 90,000	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**

51	52	53	54	55	56	57	58	59	60
5	**5**	**5**	**5**	**5**	**5**	**5**	**5**	**6**	**6**
[redacted]									
$ 90,000	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**	**$ 90,000**

121	
Total	
[redacted]	
$	**5,400,000**

One-Time TRANSITION Charges
($000)

See Expense Category definitions at bottom of table.

Mar-21

	Global Consolidated	Contract Year 1 1Q	2Q	3Q	4Q	Total Yr1	Contract Year 2 1Q	2Q	3Q	4Q	Total Yr2	Total	1
2	**Application Maintenance & Support Services (AMS)**												
	Labor	$ 280,000	$ -	$ -	$ -	$ 280,000	$ -	$ -	$ -	$ -	$ -	$ 280,000	$ 93,333
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Total	$ 280,000	$ -	$ -	$ -	$ 280,000	$ -	$ -	$ -	$ -	$ -	$ 280,000	$ 93,333
4	**Server Services - Appliances**												
	Labor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	**Server Services - UNIX**												
	Labor	$ 10,333	$ -	$ -	$ -	$ 10,333	$ -	$ -	$ -	$ -	$ -	$ 10,333	$ 3,444
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Total	$ 10,333	$ -	$ -	$ -	$ 10,333	$ -	$ -	$ -	$ -	$ -	$ 10,333	$ 3,444
6	**Server Services - Wintel**												
	Labor	$ 10,333	$ -	$ -	$ -	$ 10,333	$ -	$ -	$ -	$ -	$ -	$ 10,333	$ 3,444
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Total	$ 10,333	$ -	$ -	$ -	$ 10,333	$ -	$ -	$ -	$ -	$ -	$ 10,333	$ 3,444
7	**Server Services - Linux**												
	Labor	$ 10,333	$ -	$ -	$ -	$ 10,333	$ -	$ -	$ -	$ -	$ -	$ 10,333	$ 3,444
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

One-Time TRANSITION Charges
($000)

See Expense Category definitions at bottom of table.

	Global Consolidated	Contract Year 1 1Q	2Q	3Q	4Q	Total Yr1	Contract Year 2 1Q	2Q	3Q	4Q	Total Yr2	Total	Mar-21 1
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Total	$ 10,333	$ -	$ -	$ -	$ 10,333	$ -	$ -	$ -	$ -	$ -	$ 10,333	$ 3,444
9	**DBA Services**												
	Labor	$ 97,333	$ -	$ -	$ -	$ 97,333	$ -	$ -	$ -	$ -	$ -	$ 97,333	$ 48,667
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Total	$ 97,333	$ -	$ -	$ -	$ 97,333	$ -	$ -	$ -	$ -	$ -	$ 97,333	$ 48,667
#	**Storage Services**												
	Labor	$ 108,000	$ -	$ -	$ -	$ 108,000	$ -	$ -	$ -	$ -	$ -	$ 108,000	$ 54,000
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Total	$ 108,000	$ -	$ -	$ -	$ 108,000	$ -	$ -	$ -	$ -	$ -	$ 108,000	$ 54,000
#	**End User Services**												
	Labor	$ 217,500	$ -	$ -	$ -	$ 217,500	$ -	$ -	$ -	$ -	$ -	$ 217,500	$ 23,500
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ 113,800	$ -	$ -	$ -	$ 113,800	$ -	$ -	$ -	$ -	$ -	$ 113,800	$ 37,933
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Hires/M&Ls	$ 18,163	$ -	$ -	$ -	$ 18,163	$ -	$ -	$ -	$ -	$ -	$ 18,163	$ 18,163
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Communications	$ 19,430	$ -	$ -	$ -	$ 19,430	$ -	$ -	$ -	$ -	$ -	$ 19,430	$ 17,130
	Wall-to-Wall	$ 18,430	$ -	$ -	$ -	$ 18,430	$ -	$ -	$ -	$ -	$ -	$ 18,430	
	Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Total	$ 387,323	$ -	$ -	$ -	$ 387,323	$ -	$ -	$ -	$ -	$ -	$ 387,323	$ 96,726
	Service Management												
	Labor	$ 132,000	$ -	$ -	$ -	$ 132,000	$ -	$ -	$ -	$ -	$ -	$ 132,000	$ 44,000
	Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	

One-Time TRANSITION Charges
($000)

See Expense Category definitions at bottom of table.

Global Consolidated	Contract Year 1 1Q	2Q	3Q	4Q	Total Yr1	Contract Year 2 1Q	2Q	3Q	4Q	Total Yr2	Total	Mar-21 1
Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total	$ 132,000	$ -	$ -	$ -	$ 132,000	$ -	$ -	$ -	$ -	$ -	$ 132,000	$ 44,000
# **Security Services**												
Labor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total												
Labor	$ 865,833	$ -	$ -	$ -	$ 865,833	$ -	$ -	$ -	$ -	$ -	$ 865,833	$ 273,833
Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software	$ 113,800	$ -	$ -	$ -	$ 113,800	$ -	$ -	$ -	$ -	$ -	$ 113,800	$ 37,933
Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hires/M&Ls	$ 18,163	$ -	$ -	$ -	$ 18,163	$ -	$ -	$ -	$ -	$ -	$ 18,163	$ 18,163
Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Communications	$ 19,430	$ -	$ -	$ -	$ 19,430	$ -	$ -	$ -	$ -	$ -	$ 19,430	$ 17,130
Wall-to-Wall	$ 18,430	$ -	$ -	$ -	$ 18,430	$ -	$ -	$ -	$ -	$ -	$ 18,430	$ -
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total	#########	$ -	$ -	$ -	$1,035,656	$ -	$ -	$ -	$ -	$ -	$ 1,035,656	$ 347,060

Category	Definition
Labor	Labor costs of transition team not captured in categories below
Hardware	Bubble hardware including shipping
Software	Includes Access Fees for system software and data movement software
Software (Upgrade to n-1)	Cost to upgrade all software to a currency of at least "n-1"
Travel	Transition team travel included in the costs
Hires/M&Ls	Hiring expenses and Moving and Living for transitioned employees.
Consulting	Consolidation studies, Third party consultants (e.g., EMC Consultants), and transition planning
Communications	Transition bandwidth for data movement and cost to set-up communications
Wall-to-Wall	One-time wall-to-wall inventory of all in-scope equipment

See Expense Category definitions at bottom of table.

	Global Consolidated	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
		2	3	4	5	6	7	8	9	10	11
		1	1	1	1	1	1	1	1	1	2
2	**Application Maintenance & Support Services (AMS)**										
	Labor	$ 93,333	$ 93,333								
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel	$ -	$ -								
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ 93,333	$ 93,333	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	**Server Services - Appliances**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	**Server Services - UNIX**										
	Labor	$ 3,444	$ 3,444								
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ 3,444	$ 3,444	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	**Server Services - Wintel**										
	Labor	$ 3,444	$ 3,444								
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ 3,444	$ 3,444	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7	**Server Services - Linux**										
	Labor	$ 3,444	$ 3,444								
	Hardware										
	Software										

See Expense Category definitions at bottom of table.

	Global Consolidated	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
		2	3	4	5	6	7	8	9	10	11
		1	1	1	1	1	1	1	1	1	2
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ 3,444	$ 3,444	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	**DBA Services**										
	Labor	$ 48,667	$ -								
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ 48,667	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**Storage Services**										
	Labor	$ 54,000									
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ 54,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**End User Services**										
	Labor	$ 54,250	$ 139,750								
	Hardware										
	Software	$ 37,933	$ 37,933								
	Software (Upgrade to n-1)										
	Travel	$ -	$ -								
	Hires/M&Ls										
	Consulting										
	Communications	$ 2,300									
	Wall-to-Wall	$ 18,430									
	Other (Specify)										
	Total	$ 112,913	$ 177,683	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management										
	Labor	$ 44,000	$ 44,000								
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										

See Expense Category definitions at bottom of table.

Global Consolidated	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
	2	3	4	5	6	7	8	9	10	11
	1	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**2**
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ 44,000	$ 44,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Security Services										
Labor										
Hardware										
Software										
Software (Upgrade to n-1)										
Travel										
Hires/M&Ls										
Consulting										
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total										
Labor	$ 304,583	$ 287,417	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software	$ 37,933	$ 37,933	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Communications	$ 2,300	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wall-to-Wall	$ 18,430	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total	$ 363,247	$ 325,350	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Category
Labor
Hardware
Software
Software (Upgrade to n-1)
Travel
Hires/M&Ls
Consulting
Communications
Wall-to-Wall

See Expense Category definitions at bottom of table.

	Global Consolidated	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
		12	13	14	15	16	17	18	19	20	21
		2	2	2	2	2	2	2	2	2	2
2	**Application Maintenance & Support Services (AMS)**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	**Server Services - Appliances**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	**Server Services - UNIX**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	**Server Services - Wintel**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7	**Server Services - Linux**										
	Labor										
	Hardware										
	Software										

See Expense Category definitions at bottom of table.

	Global Consolidated	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
		12	13	14	15	16	17	18	19	20	21
		2	2	2	2	2	2	2	2	2	2
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	**DBA Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**Storage Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**End User Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										

See Expense Category definitions at bottom of table.

Global Consolidated	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
	12	13	14	15	16	17	18	19	20	21
	2	2	2	2	2	2	2	2	2	2
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Security Services										
Labor										
Hardware										
Software										
Software (Upgrade to n-1)										
Travel										
Hires/M&Ls										
Consulting										
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total										
Labor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Category
Labor
Hardware
Software
Software (Upgrade to n-1)
Travel
Hires/M&Ls
Consulting
Communications
Wall-to-Wall

See Expense Category definitions at bottom of table.

	Global Consolidated	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
		22	23	24	25	26	27	28	29	30	31
		2	3	3	3	3	3	3	3	3	3
2	**Application Maintenance & Support Services (AMS)**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	**Server Services - Appliances**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	**Server Services - UNIX**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	**Server Services - Wintel**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7	**Server Services - Linux**										
	Labor										
	Hardware										
	Software										

See Expense Category definitions at bottom of table.

	Global Consolidated	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
		22	23	24	25	26	27	28	29	30	31
		2	3	3	3	3	3	3	3	3	3
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	**DBA Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**Storage Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**End User Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										

See Expense Category definitions at bottom of table.

Global Consolidated	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23
	22	23	24	25	26	27	28	29	30	31
	2	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Security Services										
Labor										
Hardware										
Software										
Software (Upgrade to n-1)										
Travel										
Hires/M&Ls										
Consulting										
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total										
Labor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Category
Labor
Hardware
Software
Software (Upgrade to n-1)
Travel
Hires/M&Ls
Consulting
Communications
Wall-to-Wall

See Expense Category definitions at bottom of table.

	Global Consolidated	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
		32	33	34	35	36	37	38	39	40	41
		3	3	3	4	4	4	4	4	4	4
2	**Application Maintenance & Support Services (AMS)**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	**Server Services - Appliances**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	**Server Services - UNIX**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	**Server Services - Wintel**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7	**Server Services - Linux**										
	Labor										
	Hardware										
	Software										

See Expense Category definitions at bottom of table.

	Global Consolidated	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
		32	33	34	35	36	37	38	39	40	41
		3	3	3	4	4	4	4	4	4	4
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	**DBA Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**Storage Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**End User Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										

See Expense Category definitions at bottom of table.

Global Consolidated	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
	32	33	34	35	36	37	38	39	40	41
	3	**3**	**3**	**4**	**4**	**4**	**4**	**4**	**4**	**4**
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Security Services										
Labor										
Hardware										
Software										
Software (Upgrade to n-1)										
Travel										
Hires/M&Ls										
Consulting										
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total										
Labor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Category
Labor
Hardware
Software
Software (Upgrade to n-1)
Travel
Hires/M&Ls
Consulting
Communications
Wall-to-Wall

See Expense Category definitions at bottom of table.

	Global Consolidated	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
		42	43	44	45	46	47	48	49	50	51
		4	4	4	4	4	5	5	5	5	5
2	**Application Maintenance & Support Services (AMS)**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	**Server Services - Appliances**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
5	**Server Services - UNIX**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
6	**Server Services - Wintel**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
7	**Server Services - Linux**										
	Labor										
	Hardware										
	Software										

See Expense Category definitions at bottom of table.

	Global Consolidated	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
		42	43	44	45	46	47	48	49	50	51
		4	4	4	4	4	5	5	5	5	5
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9	**DBA Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**Storage Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
#	**End User Services**										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										
	Communications										
	Wall-to-Wall										
	Other (Specify)										
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Service Management										
	Labor										
	Hardware										
	Software										
	Software (Upgrade to n-1)										
	Travel										
	Hires/M&Ls										
	Consulting										

See Expense Category definitions at bottom of table.

Global Consolidated	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25
	42	43	44	45	46	47	48	49	50	51
	4	4	4	4	4	5	5	5	5	5
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Security Services										
Labor										
Hardware										
Software										
Software (Upgrade to n-1)										
Travel										
Hires/M&Ls										
Consulting										
Communications										
Wall-to-Wall										
Other (Specify)										
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total										
Labor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Category
Labor
Hardware
Software
Software (Upgrade to n-1)
Travel
Hires/M&Ls
Consulting
Communications
Wall-to-Wall

See Expense Category definitions at bottom of table.

	Global Consolidated	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	
		52	53	54	55	56	57	58	59	60	121
		5	**5**	**5**	**5**	**5**	**5**	**5**	**6**	**6**	**Total**
2	**Application Maintenance & Support Services (AMS)**										
	Labor										**$ 280,000**
	Hardware										**$ -**
	Software										**$ -**
	Software (Upgrade to n-1)										**$ -**
	Travel										**$ -**
	Hires/M&Ls										**$ -**
	Consulting										**$ -**
	Communications										**$ -**
	Wall-to-Wall										**$ -**
	Other (Specify)										**$ -**
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 280,000**
4	**Server Services - Appliances**										
	Labor										**$ -**
	Hardware										**$ -**
	Software										**$ -**
	Software (Upgrade to n-1)										**$ -**
	Travel										**$ -**
	Hires/M&Ls										**$ -**
	Consulting										**$ -**
	Communications										**$ -**
	Wall-to-Wall										**$ -**
	Other (Specify)										**$ -**
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
5	**Server Services - UNIX**										
	Labor										**$ 10,333**
	Hardware										**$ -**
	Software										**$ -**
	Software (Upgrade to n-1)										**$ -**
	Travel										**$ -**
	Hires/M&Ls										**$ -**
	Consulting										**$ -**
	Communications										**$ -**
	Wall-to-Wall										**$ -**
	Other (Specify)										**$ -**
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 10,333**
6	**Server Services - Wintel**										
	Labor										**$ 10,333**
	Hardware										**$ -**
	Software										**$ -**
	Software (Upgrade to n-1)										**$ -**
	Travel										**$ -**
	Hires/M&Ls										**$ -**
	Consulting										**$ -**
	Communications										**$ -**
	Wall-to-Wall										**$ -**
	Other (Specify)										**$ -**
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 10,333**
7	**Server Services - Linux**										
	Labor										**$ 10,333**
	Hardware										**$ -**
	Software										**$ -**

See Expense Category definitions at bottom of table.

	Global Consolidated	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	
		52	53	54	55	56	57	58	59	60	121
		5	**5**	**5**	**5**	**5**	**5**	**5**	**6**	**6**	**Total**
	Software (Upgrade to n-1)										$ -
	Travel										$ -
	Hires/M&Ls										$ -
	Consulting										$ -
	Communications										$ -
	Wall-to-Wall										$ -
	Other (Specify)										$ -
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 10,333**
9	**DBA Services**										
	Labor										**$ 97,333**
	Hardware										$ -
	Software										$ -
	Software (Upgrade to n-1)										$ -
	Travel										$ -
	Hires/M&Ls										$ -
	Consulting										$ -
	Communications										$ -
	Wall-to-Wall										$ -
	Other (Specify)										$ -
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 97,333**
#	**Storage Services**										
	Labor										**$ 108,000**
	Hardware										$ -
	Software										$ -
	Software (Upgrade to n-1)										$ -
	Travel										$ -
	Hires/M&Ls										$ -
	Consulting										$ -
	Communications										$ -
	Wall-to-Wall										$ -
	Other (Specify)										$ -
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 108,000**
#	**End User Services**										
	Labor										**$ 217,500**
	Hardware										$ -
	Software										**$ 113,800**
	Software (Upgrade to n-1)										$ -
	Travel										$ -
	Hires/M&Ls										**$ 18,163**
	Consulting										$ -
	Communications										**$ 19,430**
	Wall-to-Wall										**$ 18,430**
	Other (Specify)										$ -
	Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 387,323**
	Service Management										
	Labor										**$ 132,000**
	Hardware										$ -
	Software										$ -
	Software (Upgrade to n-1)										$ -
	Travel										$ -
	Hires/M&Ls										$ -
	Consulting										$ -

See Expense Category definitions at bottom of table.

	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	
Global Consolidated	52 **5**	53 **5**	54 **5**	55 **5**	56 **5**	57 **5**	58 **5**	59 **6**	60 **6**	121 **Total**
Communications										$ -
Wall-to-Wall										$ -
Other (Specify)										$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 132,000**
Security Services										
Labor										$ -
Hardware										$ -
Software										$ -
Software (Upgrade to n-1)										$ -
Travel										$ -
Hires/M&Ls										$ -
Consulting										$ -
Communications										$ -
Wall-to-Wall										$ -
Other (Specify)										$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total										
Labor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 865,833**
Hardware	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Software	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 113,800**
Software (Upgrade to n-1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hires/M&Ls	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 18,163**
Consulting	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Communications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 19,430**
Wall-to-Wall	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 18,430**
Other (Specify)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Grand Total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,035,656**

Category
Labor
Hardware
Software
Software (Upgrade to n-1)
Travel
Hires/M&Ls
Consulting
Communications
Wall-to-Wall

		1 Year 1	2 Year 2	3 Year 3	4 Year 4	5 Year 5
INFLATION SENSITIVITY						
	Application Maintenance & Support Services (AMS)	0%	0%	0%	97%	97%
	Program Project Delivery Fees	0%	0%	0%	98%	98%
	Appliance Server Services	0%	0%	0%	95%	95%
	Unix Server Services	0%	0%	0%	95%	95%
	Windows Server Services	0%	0%	0%	95%	95%
	Linux Server Services	0%	0%	0%	95%	95%
	Database Services	0%	0%	0%	95%	95%
	Middleware	0%	0%	0%	95%	95%
	Batch Jobs	0%	0%	0%	95%	95%
	End User Services	0%	0%	0%	96%	96%
	Service Management	0%	0%	0%	98%	98%
	Security	0%	0%	0%	98%	98%

Notes:

RATE CARD - HOURLY RATES

For Job Category descriptions, please see Exhibit X-X Skill Set Descriptions.

		Rate Card - Year 1		Rate Card - Year 2			Rate Card Year 3		
Rate Card **Project Rate Card - (CAD)**		HOURLY UNLESS OTHERWISED NOTED							
			Offshore Rate			Offshore Rate			Offshore Rate
Level	**Job Category**	[redacted]							
Tier I	Production Support Analyst								
Tier I	Tester								
Tier II	Developer								
Tier I	Data Centre Support								
Tier I	Facilities Support								
Tier II	Service Desk Analyst								
Invent / OCM Analyst	Invent / OCM Analyst								
Tier II	Senior Tester								
Tier III	Business Analyst								
Tier III	Analyst/Engineer								
Tier III	Senior Developer								
Tier IV	Test Lead								
Tier V	Architect								
Tier V	Functional Lead								
Tier V	Technical Lead								
Junior Project Manager	Junior Project Manager								
Project Control Officer "PCO"	Project Control Officer "PCO"								
Tier IX	Senior Funtional Lead								
Tier VII	Senior Technical Lead								
Tier V	Analyst								
Invent / OCM Consultant	Invent / OCM Consultant								
Tier VIII	Senior Architect								
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								
Functional SME	Functional SME								
Invent / OCM Lead	Invent / OCM Lead								
Tier III	Desktop Technician								
Tier IV	Server Administrator								
Tier VII	Support Engineer								
Tier V	Technical SME								
Tier VI	Senior Project Manager								
Tier VI	Process Consultant								
Tier VII	Delivery Manager								
Tier VIII	Program Director								
Tier III	Senior Service Desk Analyst								
Tier IV	Senior Desktop Lead								
Tier IV	Infrastrucuture Specialist								
Tier IX	Senior Network Engineer								
Tier VIII/	Business Continuity Specialist, Disaster Recovery Specialist								
Tier VIII	Cyber Security Specialist								
Invent / OCM Expert	Invent / OCM Expert								
	Enterprise Architect								
	Architect Lead								

RATE CARD - HOURLY RATES

For Job Category descriptions, please see Exhibit X-X Skill Set Descriptions.

			Rate Card - Year 1			Rate Card - Year 2			Rate Card Year 3		
Rate Card **Project Rate Card - (CAD)**		HOURLY UNLESS OTHERWISED NOTED									
				Offshore Rate	Offshore Rate		Offshore Rate	Offshore Rate		Offshore Rate	Offshore Rate
Level	**Job Category**	**Years of Experience**	**Onshore**	**Poland**	**India**	**Onshore**	**Poland**	**India**	**Onshore**	**Poland**	**India**
	Junior Developer										
	Junior Project Manager										
	Junior Program Manger										
	Program Manager										
	Junior Delivery Manger										
	Delivery Manger										
	Junior Architect										
	Portfolio Manager										
	Portfolio Manager										
	Portfolio Manager										
	Cyber Security Specialist										
	Cyber Security Specialist										
	Business Analyst										
	Network Engineer										
	DBA										
	DBA										
	Infrastrucuture Specialist										
	Cloud Architect Specialist										
	Cloud Architect Specialist										
	Cloud Architect Specialist										
	Cutover Manger										
	Cutover Manger										
	UI Path Robotic Consultant										
	UI Path Robotic Consultant										
	Automation Specialist										
	Mendex Consultant										
	Mendex Consultant										
	Sales Force Consultant										
	Sales Force Consultant										
	SAP S4 Hana Consultant										
	SAP S4 Hana Consultant										
	Sr Manager										
	Director										
	Principal										
	VP										

Hydro One

ATTACHMENT B

FINANCIAL RESPONSIBILITY MATRIX

TO EXHIBIT 3
PRICING

APPLICATION SERVICES (AS) AND
PROJECT SERVICES (PS)
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: AS and PS	**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	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base***/Variable
****Supplier Third-Party Contracts (labour-based)**	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base***/Variable
Projects:										
Supplier Personnel	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Rate Card for PS or other Approved Charging Mechanism
Supplier Third-Party Contracts (labour-based)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Rate Card for PS or other Approved Charging Mechanism
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	Acquisition						Support / Operational Expense					
	Ownership / License		Financial Responsibility				Operational Responsibility				Financial Responsibility	
Service Tower: AS and PS	**Current Assets**	**Future Assets**	**Upgrades / Enhancements**	**Growth**	**Technology Refresh**	**Charging Mechanism**	**Current Assets**	**Future Assets**	**Upgrades / Enhance-ments**	**Growth**	**Technology Refresh**	**Charging Mechanism**
Supplier Onshore Personnel - Assets as set forth in Exhibit 1 Attachement E of Agreement												
HONI Desktops, Laptops, Tablets, Print servers, fax servers, email servers, web / internet servers, application servers, database servers required to provide proposed services, VDI	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
HONI Office Equipment - printers, faxes and other equipment required to provide proposed	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
Supplier Onshore Personnel as set forth in Exhibit 1 Attachement E and Offshore Personnel												
Supplier 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	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Supplier Office Equipment - printers, faxes and other equipment required to provide proposed services	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Supplier Owned Equipment												
PBX - equipment, setup and maintenance	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
ACD - equipment, setup and maintenance	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
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	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
Basic CTI - equipment, setup and maintenance	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
Call Routing / Mapping / Queuing - within / between Supplier Centres	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
Agent Desktop Computers and standard software suite - equipment, setup and maintenance	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
LAN / WAN (Supplier Contact Centre / Facilities)	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
Internet / Intranet Access, Connectivity	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
Telephony equipment & voicemail	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier Retained
Client Owned Equipment												
PBX - equipment, setup and maintenance	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
ACD - equipment, setup and maintenance	Client	Client	Client	Client	Client	Client Retained	Client	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	Client Retained	Client	Client	Client	Client	Client	Client Retained
Basic CTI - equipment, setup and maintenance	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
Call Routing / Mapping / Queuing - within / between Client Centres	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
Agent Desktop Computers and standard software suite - equipment, setup and maintenance	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
LAN / WAN (Client Contact Centre / Facilities)	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
Internet / Intranet Access, Connectivity	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
Telephony equipment & voicemail	Client	Client	Client	Client	Client	Client Retained	Client	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 / 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?

Software	Acquisition						Support / Operational Expense					
	Ownership / License		Financial Responsibility				Operational Responsibility				Financial Responsibility	
Service Towers: AS and PS	**Current Assets(1)**	**Future Assets**	**Upgrades / Enhance-ments**	**Growth**	**Technology Refresh**	**Charging Mechanism**	**Current Assets**	**Future Assets**	**Upgrades / Enhance-ments**	**Growth**	**Technology Refresh**	**Charging Mechanism**
Application Maintenance												
Production / Pre-Production Software License (Note 2)	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
Client Development Tools (Note 2)	Client	Client	Client	Client	Client	Client Retained	Client	Client	Client	Client	Client	Client Retained
Supplier Development Tools	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Supplier Management Software (e.g. Clarity)	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Supplier Application MonADMring & Management Software	Responsibility is covered on Tools tab of IM Attachment B - FRM						Responsibility is covered on Tools tab of IM Attachment B - FRM					

Note 1: Designates financial responsibility for the license, maintenance, lease or rental cost of the underlying software assets
Note 2: Refer to Attachment L Exhibit 1 (Software Assets) for Client provided software

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?

Facilities					
Service Towers: AS and PS	**Current Assets**	**Refresh**	**Upgrades / Enhancements**	**Growth**	**Charging Mechanism**
Client Facilities					
Environmental (e.g., HVAC *(Defined in Ex 1-A)*, PDUs)	Client	Client	Client	Client	Client Retained
UPS *(Defined in Ex 1-A)*	Client	Client	Client	Client	Client Retained
Space Upgrades, Additions, Fit out	Client	Client	Client	Client	Client Retained
Furniture & Fixtures	Client	Client	Client	Client	Client Retained
					Client Retained
Wiring *(Defined in Ex 1)*	Client	Client	Client	Client	Client Retained
Building Depreciation / Lease	Client	Client	Client	Client	Client Retained
					Client Retained
Building Maintenance / Security	Client	Client	Client	Client	Client Retained
Utilities	Client	Client	Client	Client	Client Retained
Supplier Facilities					
Environmental (e.g., HVAC *(Defined in Ex 1-A)*, PDUs)	Supplier	Supplier	Supplier	Supplier	Base/Variable
UPS *(Defined in Ex 1-A)*	Supplier	Supplier	Supplier	Supplier	Base/Variable
Space Upgrades, Additions, Fit out	Supplier	Supplier	Supplier	Supplier	Base/Variable
Furniture & Fixtures	Supplier	Supplier	Supplier	Supplier	Base/Variable
Wiring *(Defined in Ex 1)*	Supplier	Supplier	Supplier	Supplier	Base/Variable
Building Depreciation / Lease	Supplier	Supplier	Supplier	Supplier	Base/Variable
Building Maintenance / Security	Supplier	Supplier	Supplier	Supplier	Base/Variable
Utilities	Supplier	Supplier	Supplier	Supplier	Base/Variable

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	
Service Towers: AS and PS	**Current Assets**	**Future Assets**	**Upgrades / Enhance-ments**	**Growth**	**Technology Refresh**	**Charging Mechanism**
Business Continuity Planning Supplier Facilities:						
Business Continuity Planning, Testing - as described in The Business Continuity Plan	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Business Continuity / Execution of Recovery Plan / Manual Processes (if required) - as described in The Business Continuity Plan	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Business Continuity / Execution of Recovery Plan / Manual Processes - as described in The Business Continuity Plan- Outbound Telco	Supplier	Supplier	Supplier	Supplier	Supplier	Base/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: AS and PS	**Shipping**	**Charging Mechanism**		**Disaster Recovery Services**	**Charging Mechanism**	
Application Maintenance	Supplier / Client (asset owner)	Base/Variable		Supplier	Base/Variable	

HYDRO ONE

ATTACHMENT B
FINANCIAL RESPONSIBILITY MATRIX

ATTACHMENT TO EXHIBIT 3
PRICING
INFRASTRUCTURE 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	Base/Variable
****Supplier Third-Party Contracts (labour-based)**	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
IS Support:										
***Supplier Personnel**	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
****Supplier Third-Party Contracts (labour-based)**	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/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	Base/Variable
****Supplier Third-Party Contracts (labour-based)**	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/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	
Service Towers:	**Current Assets**	**Refresh**	**Refresh Cycle**	**Upgrades / Enhancements**	**Growth**	**Sales / Value Added / Excise Tax**	**Charging Mechanism**	**Maintenance**	**Charging Mechanism**
Hardware/Operations:									
UNIX/Linux	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Wintel	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Disk Storage									
Internal Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Direct Attached Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Network Attached Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Enterprise Shared Storage	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Cables & Connectors	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained
Managed Network Services:									
WAN Equipment	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Firewalls	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Load Balancers	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
LAN Equipment	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Wireless LAN Equipment	Client	Client	4 yrs	Client	Client	Client	Retained	Client	Retained
VoIP Premise Equipment	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Standard Voice Premise Equipment	Client	Client	5 yrs	Client	Client	Client	Retained	Client	Retained
Voice and Videoconferencing Equipment	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained
Transport - Data									
between Client Sites and Network Cloud	Client	N/A	N/A	Client	Client	Client	Pass-Through	N/A	N/A
between Supplier Sites and Network Cloud*	Supplier	N/A	N/A	Supplier	Supplier	Supplier	N/A	N/A	N/A
between Supplier Sites	Supplier	N/A	N/A	Supplier	Supplier	Supplier	N/A	N/A	N/A
Transport - Voice									
between Client Sites and local Telco	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained
between Local Telco and Supplier Sites	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Base/Variable	Supplier	Base/Variable
between Supplier Sites	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Base/Variable	Supplier	Base/Variable

Equipment		Support / Operational Expenses									
Service Towers:		**Administrative Procurement**	**Hard IMAC**	**Hardware Refresh Labor**	**Invoice Verification**	**Monitor [3]**	**Operations & Support**	**Removal & Disposal**	**Disaster Recovery**	**Services / Value Added Tax**	**Charging Mechanism**
Hardware/Operations:											
UNIX/Linux		Client	Client	Client	Client	Supplier	Supplier	Client	Supplier	Supplier	Base/Variable
Wintel		Client	Client	Client	Client	Supplier	Supplier	Client	Supplier	Supplier	Base/Variable
Disk Storage			Client	Client				Client			Base/Variable
Internal Storage		Client	Client	Client	Client	Supplier	Supplier	Client	Supplier	Supplier	Base/Variable
Direct Attached Storage		Client	Client	Client	Client	Supplier	Supplier	Client	Supplier	Supplier	Base/Variable
Network Attached Storage		Client	Client	Client	Client	Supplier	Supplier	Client	Supplier	Supplier	Base/Variable
Enterprise Shared Storage		Client	Client	Client	Client	Supplier	Supplier	Client	Supplier	Supplier	Base/Variable
Cables & Connectors		Client	Client	Client	Client	Supplier	Supplier	Client	Supplier	Supplier	Base/Variable
Managed Network Services:											
WAN Equipment		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Firewalls		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Load Balancers		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
LAN Equipment		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Wireless LAN Equipment		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
VoIP Premise Equipment		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Standard Voice Premise Equipment		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
Voice and Videoconferencing Equipment		Client	Client	Supplier	Client	Supplier	Client	Client	Client	Client	Retained
Transport - Data											
between Client Sites and Network Cloud		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
between Supplier Sites and Network Cloud*		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
between Supplier Sites		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Transport - Voice											
between Client Sites and local Telco		Client	Client	Client	Client	Client	Client	Client	Client	Client	Retained
between Local Telco and Supplier Sites		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
between Supplier Sites		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable

End-User Computing:										
Desktops	Client	Client	3 yrs	Client	Client	Client	Retained		Client	Retained
Laptops	Client	Client	3 yrs	Client	Client	Client	Retained		Client	Retained
Handheld Devices/PDAs	Client	Client	1-3 yrs	Client	Client	Client	Retained		Client	Retained
Tablets	Client	Client	1-3 yrs	Client	Client	Client	Retained		Client	Retained
Terminals	Client	Client	3-5 Yrs	Client	Client	Client	Retained		Client	Retained
Workstations	Client	Client	N/A	Client	Client	Client	Retained		Client	Retained
Printers - Network	Client	Client	3 yrs	Client	Client	Client	Retained		Client	Retained
Printers - Standalone	Client	Client	5 yrs	Client	Client	Client	Retained		Client	Retained
Plotters	Client	Client	5 yrs	Client	Client	Client	Retained		Client	Retained
External Peripherals (2)	Client	Client	N/A	Client	Client	Client	Retained		Client	Retained
Media	Client	Client	N/A	Client	Client	Client	Retained		Client	Retained
VoIP Phones	Client	Client	N/A	Client	Client	Client	Retained		Client	Retained
Service Desk:										
Desktops/Laptops	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Base/Variable		Supplier	Base/Variable
Service Desk Equipment at Supplier Delivery Sites (e.g., IVR, ACD)	Supplier	Supplier	N/A	Supplier	Supplier	Supplier	Base/Variable		Supplier	Base/Variable
Cross Functional General:										
Desktops/Laptops Supplier Personnel	Supplier	Supplier	4 yrs	Supplier	Supplier	Supplier	Base/Variable		Supplier	Base/Variable
Cross Functional Equipment as Part of Service Provider Solution located on Client Premises	Supplier	Supplier	4 yrs	Supplier	Supplier	Supplier	Base/Variable		Supplier	Base/Variable
Cross Functional Equipment as Part of Service Provider Solution not located on Client Premises	Supplier	Supplier	4 yrs	Supplier	Supplier	Supplier	Base/Variable		Supplier	Base/Variable
***Contract Year 1 is the period of responsibility.**										

End-User Computing:			**Soft/Hard IMAC**								
Desktops		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Laptops		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Handheld Devices/PDAs		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Tablets		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Terminals		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Workstations		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Printers - Network		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Printers - Standalone		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Plotters		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
External Peripherals (2)		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
Media		Client	Client	Client	Client	N/A	Client	Client	Client	Client	Retained
VoIP Phones		Client	Client	Supplier	Client	N/A	Client	Client	Client	Client	Retained
Service Desk:											
Desktops/Laptops		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Service Desk Equipment at Supplier Delivery Sites (e.g., IVR, ACD)		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Cross Functional General:											
Desktops/Laptops											
Supplier Personnel		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Cross Functional Equipment as Part of Service Provider Solution located on Client Premises		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Cross Functional Equipment as Part of Service Provider Solution not located on Client Premises		Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
***Contract Year 1 is the period of responsibility.**											

	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 ref
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 rec
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
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.

Asset Allocation Capital / Lease Cost	
Current Assets	
Refresh	
Refresh Cycle	
Upgrades / Enhancements	
Growth	
All Taxes (Sales / Services/ Value Added / Excise Tax)	er to taxes on Charges, which is covered in Section 16.8 of the MSA
Charging Mechanism	
Maintenance Contract Expenses	
Maintenance	
Charging Mechanism	
Support / Operational Expenses	
Administrative Procurement	
IMAC	
Invoice Verification	
Monitoring	
Operations & Support	
Removal & Disposal	eives any benefit after disposal for all other Supplier-owned Equipment.
Disaster Recovery	
Services / Value Added Tax	d Value Added Tax on Charges to Customer are NOT addressed in this column.
Charging Mechanism	

Note 1: Designates financial responsibility for the purchase a										
Note 2: External Peripherals include external memory device										
Note 3: In general, all Equipment capable of being monitored Equipment										
Note 4: Supplier will be responsible for desktops and laptops										

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
Servers:																
Operating System Software	Client	Client	n / n-1	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
Compilers	Client	Client	n / n-1	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for
Scheduling Software	Client	Client	n / n-1	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
Host Intrusion Detection Software	Client	Client	n	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
Anti-Virus Software	Client	Client	n	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
Enterprise Storage Backup Software	Client	Client	n	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
Other System Software	Client	Client	n / n-1	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
Database Management Software	Client	Client	n / n-1	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
Network Software	Client	Client	n / n-1	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
E-Mail Software	Client	Client	n / n-1	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
Applications Software	Client	Client	n / n-1	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
License Access / Transfer Fees	Client	Client	N/A	Client	Client	Client	Client Retained	Client	Client Retained	Client	Client	Client	Supplier	Supplier	Client	Base/Variable for Operations and Support/DR
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	Client	Client	Client	Client	Client	Retained
Remote Monitoring & Management Software	Client	Client	n / n-1	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Compilers	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Database Management Software	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Anti Virus(3)	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Firewall(3)	Client	Client	n	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Commercial Office Suite Software	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Application Software	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
E-Mail / Collaborative Software	Client	Client	N/A	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	N/A	N/A	Client	Client	Client	Client	Client	Client	Retained
Supplier End User Computing Software	Client	Client	N/A	Client	Client	Client	Retained	Client	Retained	Client	Client	Client	Client	Client	Client	Retained
Service Desk:																
Help Desk / Problem Tracking Software ODIGO / Chatbot / PwdReset	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Base/Variable	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Cross Functional																

Meaning of Headings	
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	Who has financial responsibility for support and operational expenses relating to the underlying Software?
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 assets
Note 2: Supplier to provide Dashboard Software which will run on Client Energy provided Instances
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								
Service Towers:	**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**
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	Client	Client	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	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
UPS	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Space Upgrades, Additions, Fitout	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Server Racks & Enclosures	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Furniture & Fixtures	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Wiring & Cabling	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Building Deprec / Lease	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Office Equipment	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Building Maintenance / Security	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Property Taxes	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Utilities	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Other Space Charges	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable

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

***** Data centre transferred to Client management

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	Base/Variable
between Supplier network cloud and public network cloud	Supplier	Supplier	Base/Variable
between Supplier Sites	Supplier	Supplier	Base/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	Base/Variable
Local usage from Supplier sites	Supplier	Supplier	Base/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	Base/Variable
Toll free calls into Client Sites	Client	Client	Retained
Toll free access to Supplier Service Desk(s)	Client	Client	Retained

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	Base/Variable
Utility Servers	Client	Supplier	Supplier	Supplier	Supplier	Client	Base/Variable
Managed Network Services	Client	Supplier	Supplier	Supplier	Supplier	Client	Base/Variable
End-User Services	Client	Supplier	Supplier	Supplier	Supplier	Client	Base/Variable
Service Desk	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Base/Variable
Projects	Client	Supplier	Supplier	Supplier	Supplier	Client	Project Charges
Cross-Functional General	Client	Supplier	Supplier	Supplier	Supplier	Client	Base/Variable
Disaster Planning	Supplier is wholely responsible for all costs (ex. Services and Capital) related to Services provided from Supplier locations. For Services provided from Client locations, Supplier has reponsibility for Services, Client will have financial responsibilty 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.

Tools / Reimburable Expenses	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
Tools - Bundle 1 & 2																
Bundle 1																
ADDM	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Tools Costs	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Tools Costs
ITSM - SNOW	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Tools Costs	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Tools Costs
ITBM	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Tools Costs	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Tools Costs
Bundle 2																
Tivoli / MOM	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Tools Costs	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Tools Costs
NIMSOFT	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Tools Costs	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Tools Costs
IBM Bigfix	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Tools Costs	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Tools Costs
Cyber ARC	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Tools Costs	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Tools Costs
MKS	Supplier	Supplier	n / n-1	Supplier	Supplier	Supplier	Tools Costs	Supplier	Base/Variable	Supplier	Supplier	Supplier	Supplier	Supplier	Supplier	Tools Costs

Meaning of Headings	
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
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Support / Operational Expenses	Who has financial responsibility for support and operational expenses relating to the underlying Software?
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 assets
Note 2: Supplier to provide Dashboard Software which will run on Client Energy provided Instances
Note 3: Supplier to be financially and operationally responsible for Anti Virus and Firewall software that will run on its Infrastructure.

HYDRO ONE NETWORKS INC.

ATTACHMENT C TO EXHIBIT 3

RESOURCE UNIT DEFINITIONS

PRICING

APPLICATION SERVICES (AS) AND

INFRASTRUCTURE SERVICES (IS)

STATEMENT OF WORK

TABLE OF CONTENTS

1.0 DATA CENTRE SERVICES 3
1.1 Application and Database Servers 3
1.2 Appliance – Support Services 5
1.3 Storage Services 5
1.4 DBA Services 6
1.5 Batch Jobs 6
1.6 Middleware Support 6
2.0 END USER SERVICES 7
2.1 Service Desk Contacts 7

1.0 DATA CENTRE SERVICES

1.1 Application and Database Servers

1.1.1 Wintel – Enhanced Support Instances (Active)

A Wintel Enhanced Support Operating System Instance shall equal one (1) running, 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). The Wintel Enhanced Support Instance as identified in the CMDB typically support critical appliations and are designed and built to be highly available with failover and redundancy and supported 24x7x365. 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. Labour for the BAU installation, deployment, unit test, and de-installation of Wintel Virtual is included in the Instance charge; The Wintel Enhanced Support Instance Base Charge includes all services to support the environment. Hardware and Software purchases and licensing shall be the responsibility of the Client except as otherwise noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

1.1.2 LINUX – Enhanced Support Instances (Active)

A LINUX Enhanced Support Operating System Instance shall equal one (1) running, 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). The Linux Enhanced Support Instance as identified in the CMDB typically support critical applications and are designed and built to be highly available with failover and redundancy and supported 24x7x365. 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. Labour for the BAU installation, deployment, unit test, and de-installation of LINUX Virtual is included in the Instance charge. The Linux Enhanced Support Instance Base Charge includes all services to support the environment. Hardware and Software purchases and licensing shall be the responsibility of the Client except as otherwise noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

1.1.3 Wintel – Standard Support Instances (Active)

A Wintel Standard Support Operating System Instance shall equal one (1) running, Operating System kernel process that manages the following: All 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). The Wintel Standard Support Instance as identified in the CMDB typically support standard applications. 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. Labour for the BAU installation, deployment, unit test, and de-installation of Wintel Virtual Operating System Instances is included in the Instance charge. The Wintel Standard Support Instance Base Charge includes all services to support the environment. Hardware and Software purchases and licensing shall be the responsibility of the Client except as otherwise noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

1.1.4 LINUX – Standard Support Instances (Active)

A LINUX Standard Support Operating System Instance shall equal one (1) running, Operating System kernel process that manages the following: All 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). The Linux Standard Support Instance as identified in the CMDB typically support standard applications. 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. Labour for the BAU installation, deployment, unit test, and de-installation of LINUX Virtual Operating System Instances is included in the Instance charge. The Linux Standard Support Instance Base Charge includes all services to support the environment. Hardware and Software purchases and licensing shall be the responsibility of the Client except as otherwise noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

1.1.5 UNIX – Enhanced Support Instances (Active)

A UNIX Enhanced Support Instance shall equal one (1) running, 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). The Unix Enhanced Support Instance as identified in the CMDB typically support critical applications and are designed and built to be highly available with failover and redundancy and supported 24x7x365. 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. Labour for the BAU installation, deployment, unit test, and de-installation of UNIX Virtual Operating System Instances is included in the Instance charge. The Unix Enhanced Support Instance Base Charge includes all services to support the environment. Hardware and Software purchases and licensing shall be the responsibility of the Client except as otherwise noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

1.1.6 UNIX – Standard Support Instances (Active)

A UNIX Standard Support Instance shall equal one (1) running, Operating System kernel process that manages the following: All 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). The Unix Standard Support Instance as identified in the CMDB typically support standard applications. 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. Labour for the installation, deployment, unit test, and de-installation of Unix Virtual Operating System Instances is included in the Instance charge. The Unix Standard Support Instance Base Charge includes all services to support the environment. Hardware and Software purchases and licensing shall be the responsibility of the Client except as otherwise noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

1.2 Appliance – Support Services

1.2.1 **Appliance -** Standard Support Instances (Active

An Appliance means a separate and discrete Equipment device with integrated Software (firmware), specifically designed to provide a specific Application function. The Equipment and Software are pre-integrated and pre-configured before delivery to customer, to provide a "turn-key" solution to a particular problem. Examples of such devices include include DHCP Appliance, Bluecoat Proxy, Tripwire Device Profiler, etc. The Appliance Standard Support Instance as identified in the CMDB typically support applications with Standard Application Support with same day recovery. The Appliance Standard Support Instance Base Charge includes all services to support the environment. Hardware and Software purchases and licensing shall be the responsibility of the Client except as otherwise noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

1.2.2 Appliance – Enhanced Support Instances (Active)

An Appliance means a separate and discrete Equipment device with integrated Software (firmware), specifically designed to provide a specific Application function. The Equipment and Software are pre-integrated and pre-configured before delivery to customer, to provide a "turn-key" solution to a particular problem. Examples of such devices include DHCP Appliance, Bluecoat Proxy, Tripwire Device Profiler, etc. The Appliance Enhanced Support Instance as identified in the CMDB typically support critical applications and are supported 24x7x365. The Appliance Standard Support Instance Base Charge includes all services to support the environment. Hardware and Software purchases and licensing shall be the responsibility of the Client except as otherwise noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

1.3 Storage Services

1.3.1 Enterprise Storage

Enterprise Storage includes (i) the equipment, software, and support services required to deliver storage used in connection with In-Service Application Operating Instances. and/or (ii) the storage used in connection with E-Mail Services or File and Print Services. Client shall only be charged for the usable portion of Enterprise Storage. The usable portion refers to the GBs of usable space available and approved by Client. For clarity, 1,000 GB's = 1 TB of storage. Enterprise Storage excludes (i) internal Server or Workstation storage and (ii) storage on direct attached storage devices at Client Sites.

1.3.1.1 SAN Storage

Shall mean the storage area network devices, equipment and software using fibre channel / FICON / iSCSI network infrastructure (e.g. switches, directors, routers, etc.) used to interconnect storage devices and Servers.

Resource Unit Measurement – Number of average available Terabyte's (TB) of SAN storage monthly.

1.4 DBA Services

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. The Resource Unit Categories to be measured with corresponding Base Charges are production Database or non-production Database.

Resource usage shall be measured as the aggregate number of Databases for each Resource Unit Category at the end of each month. Exclusions are system database instances which require no ongoing support and are generated by the installation of a COTS product. There are three types of databases:

1.4.1 Database Instances – SQL Database Support

One Resource Unit shall be defined as one (1) commissioned database running the Microsoft SQL code.

1.4.2 Database Instances –Oracle Database Support

One Resource Unit shall be defined as one (1) commissioned database running the Oracle database code.

1.4.3 Database Instances –DB2 Database Support

One Resource Unit shall be defined as one (1) commissioned database running the IBM DB2 database code.

1.5 Batch Jobs

1.5.1 Batch Jobs

The Batch Job pricing is based on Resource Baseline information in Exhibit 3 Attachment A (Provider Pricing Forms).

One Resource Unit shall be equal to one (1) unique batch jobs running in CA ESP and used by the Supplier.

1.6 Middleware Support

1.6.1 Middleware Support

The Middleware Services pricing is based on the Resource Baselines information in Exhibit 3 Attachment A (Provider Pricing Forms).

The Middleware Services Base Charges fully compensate Supplier for its performance of providing all Middleware Services. Hardware and Software will be the responsibility of Customer or Provider as noted in Exhibit 3 Attachment B (Financial Responsibility Matrix).

The Middleware Services billable Resource Units are defined as follows:

"Middleware Instance" will be a Resource Unit. One Resource Unit for this will equal one (1) Instance of the Middleware running on a Server.

2.0 END USER SERVICES

2.1 Service Desk Contacts

"Service Desk Contacts" will be a Resource Unit measured as the volume of contacts via call, email, chat or other channel source by an Authorized user shall be a Resource Unit. One Resource Unit for this shall equal one (1) Service Desk Contact. Service Desk Contact billable Resource Units shall be measured on the last Business Day of the calendar month.

For clarity, the following will apply to the measurement of Service Desk Contact Resource Units:

1. Duplicate tickets for the same event and same Authorized / Entitled User, created for whatever reason, will not be counted as billable Resource Units.
2. For "parent" Tickets, only one Ticket will be chargeable regardless of how many actions, tasks or "child' tickets have been documented or attached to the "parent" Ticket.
3. Tickets created to resolve Supplier Personnel issus shall be excluded from the Ticket count.
4. Tickets created by automated means, such as a monitoring tools or a self-help tools, and not routed through the Services Desk for action, shall be excluded from the Ticket count.

Hydro One

ATTACHMENT F
PERSONNEL PROJECTION MATRIX

TO EXHIBIT 3
PRICING APPLICATION SERVICES (AS), INFRASTRUCTURE SERVICES (IS) and PROJECT SERVICES (PS)

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	Totals								
	Location				FTE Information			Process / Subprocess	
Reference #	Site Name	City	Country	Site Type	FTE Type - Client / Supplier / Transition to Supplier	Employee / Contractor / Managed Service / Represented Labor	Work Function	Functional Tower	Sub-process
1	Onsite	Toronto	Canada	SP site	SP	Employee	Cross-Functional	Acct Mgmt	Acct Gov
2	Onshore	Toronto	Canada	SP site	SP	Employee	Service Delivery	AMS	AM Del
3	Offshore	Various	India	SP site	SP	Employee	Service Delivery	AMS	AM Del
4	Onshore	Toronto	Canada	SP site	SP	Employee	Transition	AMS	Transition
5	Offshore	Various	India	SP site	SP	Employee	Transition	AMS	Transition
6	Onshore	Toronto	Canada	SP site	SP	Employee	Service Delivery	Server Svs	Server Suppo
7	Offshore	Various	India	SP site	SP	Employee	Service Delivery	Server Svs	Server Suppo
8	Onshore	Toronto	Canada	SP site	SP	Employee	Cross-Functional	Acct Mgmt	Infra Gov
9	Offshore	Various	India	SP site	SP	Employee	Cross-Functional	Acct Mgmt	Infra Gov
10	offshore	Poland	Poland	SP site	SP	Employee	Service Delivery	Cross-Functional	EUC Serv D
11	Onshore	Toronto	Canada	SP site	SP	Employee	Cross-Functional	Security	Security
12	Offshore	Various	India	SP site	SP	Employee	Cross-Functional	Security	Security
13	Onshore	Toronto	Canada	SP site	SP	Employee	Cross-Functional	Cross-Functional	Svc Mgt
14	Offshore	Various	India	SP site	SP	Employee	Cross-Functional	Cross-Functional	Svc Mgt
15	Offshore	Various	Poland	SP site	SP	Employee	Cross-Functional	Cross-Functional	Svc Mgt
16	Offshore	Various	India	SP site	SP	Employee	Transition	Transition	Data Center T
17	Offshore	Various	Poland	SP site	SP	Employee	Transition	Transition	Svc Desk Tra
18	Offshore	Various	India	SP site	SP	Employee	Transition	Transition	Svc Mgt
19	Offshore	Various	Poland	SP site	SP	Employee	Transition	Transition	Svc mgt
20	Onshore	Toronto	Canada	SP site	SP	Employee	Transition	Transition	Svc Mgt
21	Onshore	Toronto	Canada	SP site	SP	Employee	Transition PMO	Transition	Transition go
22	Offshore	Various	India	SP site	SP	Employee	Transition PMO	Transition	Transition go
23	Offshore	Various	India	SP site	SP	Employee	Cross-Functional	Acct Mgmt	India Acct Di

							137.2	180.3	208.9	242.2	227.7
Reference #	Onsite Space Requirements					Current Client Head count	Year 1, Day 1	Mar-21	Apr-21	May-21	Jun-21
	Onsite Space 2021	Onsite Space 2022	Onsite Space 2023	Onsite Space 2024	Onsite Space 2025						
1							3.0	3.0	3.0	3.0	3.0
2							42.0	42.0	42.0	42.0	42.0
3							65.0	75.0	75.0	75.0	75.0
4	-	-	-	-	-		-	3.5	3.0	3.0	-
5							-	3.0	3.0	3.0	-
6	rt						1.5	3.0	6.0	8.0	8.0
7	rt						17.5	35.0	52.0	50.0	50.0
8							2.5	2.5	2.5	2.5	2.5
9							1.0	1.0	1.0	1.0	1.0
10	-	-	-	-	-		-	-	6.5	31.0	31.0
11							1.2	1.2	1.2	1.2	1.2
12							3.5	3.5	3.5	3.5	3.5
13							-	-	-	-	1.0
14							-	-	-	-	2.0
15											6.3
16	Transition						-	1.0	1.0	1.0	
17	nsition						-	2.1	3.2	3.2	0.5
18							-	-	1.0	2.0	
19							-	0.5	1.0	7.3	0.3
20	-	-	-				-	-	-	1.0	
21	v	-					-	2.0	2.0	2.0	
22	v						-	2.0	2.0	2.0	
23	r							-	-	0.5	0.5

	227.0	227.0	220.8	220.8	220.8	217.8	213.8	213.8	213.8
Reference #	Contract Year 1								
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
2	42.0	42.0	42.0	42.0	42.0	42.0	37.0	37.0	37.0
3	75.0	75.0	75.0	75.0	75.0	75.0	76.0	76.0	76.0
4	-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-	-
6	8.0	8.0	8.0	8.0	8.0	6.0	6.0	6.0	6.0
7	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
8	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
10	31.0	31.0	24.8	24.8	24.8	23.8	23.8	23.8	23.8
11	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
12	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
13	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
14	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
15	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3
16									
17									
18									
19									
20									
21									
22									
23	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5

	210.3	210.0	210.0	210.0	210.0	210.0	210.0	210.0	210.0
Reference #	Contract Year 2								
	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
2	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0
3	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0	76.0
4	-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-	-
6	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
7	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
8	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
10	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3
11	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
12	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
13	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
14	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
15	6.3	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
16									
17									
18									
19									
20									
21									
22									
23	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5

	207.0	202.6	202.6	202.6	202.6				253.9	213.8	207.0	202.6
Reference #	Contract Year 3				Contract Year 4			Intentionally Left Blank				
	FY 2023 Q1	FY 2023 Q2	FY 2023 Q3	FY 2023 Q4	FY 2024 Months 1-2				Year 1 MAX	Year 2 MAX	Year 3 MAX	Year 4 MAX
1	3.0	3.0	3.0	3.0	3.0	-	-		3.0	3.0	3.0	3.0
2	30.0	30.0	30.0	30.0	30.0	-	-		42.0	37.0	30.0	30.0
3	80.0	80.0	80.0	80.0	80.0	-	-		75.0	76.0	80.0	80.0
4	-	-	-	-	-	-	-		3.5	-	-	-
5	-	-	-	-	-	-	-		3.0	-	-	-
6	6.0	6.0	6.0	6.0	6.0	-	-		8.0	6.0	6.0	6.0
7	50.0	48.0	48.0	48.0	48.0	-	-		52.0	50.0	50.0	48.0
8	2.5	2.5	2.5	2.5	2.5	-	-		2.5	2.5	2.5	2.5
9	1.0	1.0	1.0	1.0	1.0	-	-		1.0	1.0	1.0	1.0
10	20.3	18.1	18.1	18.1	18.1	-	-		31.0	23.8	20.3	18.1
11	1.2	1.2	1.2	1.2	1.2	-	-		1.2	1.2	1.2	1.2
12	3.5	3.5	3.5	3.5	3.5	-	-		3.5	3.5	3.5	3.5
13	1.0	1.0	1.0	1.0	1.0	-	-		1.0	1.0	1.0	1.0
14	2.0	2.0	2.0	2.0	2.0	-	-		2.0	2.0	2.0	2.0
15	6.0	5.8	5.8	5.8	5.8				6.3	6.3	6.0	5.8
16									1.0	-	-	-
17									3.2	-	-	-
18									2.0	-	-	-
19									7.3	-	-	-
20									1.0	-	-	-
21									2.0	-	-	-
22									2.0	-	-	-
23	0.5	0.5	0.5	0.5	0.5				0.5	0.5	0.5	0.5

HYDRO ONE

EXHIBIT 4

SERVICE REPORTS

APPLICATION SERVICES (AS),

INFRASTRUCTURE SERVICES (IS) AND

PROJECT SERVICES (PS)

STATEMENTS OF WORK

TABLE OF CONTENTS

1.0 INTRODUCTION 3

2.0 CONTROL REPORTS 4

3.0 IMPROVEMENT REPORTS 6

4.0 QUALITY REPORTS 8

5.0 FINANCIAL REPORTS 12

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 or otherwise requested by Client.

Some reports are tagged as "Target for Service Now". This means that if these reports are replaced by Service Now dashboards, an official notice will be issued indicating as such.

2.0 CONTROL REPORTS

1.	Project Closure Report	Project closure reports; - Per Project	Project end date + 45 Days
2.	Project Status Report	Project status/issues reports - Per Project Report on the status of all open Projects include actuals vs. planned for schedule, Deliverables and cost; include issues, risks, and Changes in scope	Weekly
3.	BIA Report	Business impact analysis reports	Annual
4.	Unregistered Configuration items	Volume of unregistered Cis *The Parties will mutually agree during Transition if this report is required based on the determination of scope.*	Quarterly
5.	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). (2) Mapping of changes to applications and underlying databases and servers as well as mapping to LOB/processes supported. ***Target for Service Now*** *The Parties will mutually agree during Transition if this report is required based on the determination of scope.*	Monthly
6.	Service Level Management	Refer to Section [4] of Schedule 5.1 (Service Level Methodology)	Monthly

7.	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) - Outstanding Requests for Change	Monthly
8.	Non-Compliance Report	(1) Lists of items or events Non-compliant items or events including: - Unauthorized Changes - Changes with inappropriate documentation - Knowledgebase errors	Weekly
9.	Supplier Personnel with Client Accounts	Current listing of Supplier Personnel with accounts to access Client Systems and Client Data (across all platforms and environments) Plus a list of all deletes, adds and changes for the current month ***Target for Service Now***	Monthly
10.	AS 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
11.	Security – Semi-Annual CxO Certificate	Semi-annual officer's (CxO level) certificate stating Supplier's compliance with Client's Information Security and Privacy Policies as well as Regulatory Requirements.	Every six months (effective February 1, 2022)
12.	Security – Monthly Access Monitoring Report	Provide report on Supplier staff's access to Client systems and identify any incidence of non-compliances or unauthorized/overprovisioned access with action plan to remedy such non-compliances.	Monthly
13.	Security – Non-Compliance Reporting	Report non-compliances with Client's Information Security and Privacy Policies on Supplier systems used to deliver Services in the scope of this Agreement and supported Client Systems.	As required per Event

14.	Security – Background Verification and Awareness Training Compliance Report	Report, for all Supplier staff with access to Client systems and information/Data, current status, start and end dates of security awareness training and background verification as per Client workforce screening requirements.	Monthly

3.0 IMPROVEMENT REPORTS

1.	Application technology rationalization report for Applications listed in Exhibit 1 – Attachment G	Management report summarizing the following; - opportunities to sunset applications - opportunities to take advantage of additional application capabilities - COTs packages, based on release level implemented, at risk of falling off vendor maintenance - Mitigation plans for moving COTs packages to vendor supportable release level	Semi-Annually
2.	Continuous Improvement (CIP) Tracker Report	Report to track continuous improvement items to ensure they are being worked on and completed	Monthly
3.	Automated End User Support Report	Ticket reporting by service desk interaction method (call, chatbot, email) for end user services queue. KPIs including: - Percent of Incidents resolved without manual, desk-side intervention or depot maintenance ***Target for Service Now***	Monthly

4.	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) ***Target for Service Now***	Quarterly
5.	Problem Management KPIs	(1) Trend reports (2) Histogram KPIs including: - Number of Problems by Business Group (example: Corp, Customer, WAM, ISD), type, open vs. closed, etc. The implementation of Business Group classification will require a small project to configure. ***Target for Service Now***	Monthly
6.	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
7.	Capacity Management KPIs	(1) Trend reports (2) List of exceptional items KPIs including: - Percent of Incidents triggered by automated alerts ***Target for Service Now***	Monthly
8.	Innovation KPIs	(1) Trend reports (2) Status reports (3) List of significant items KPIs including: - Service improvement programs (dollar savings and program status) - Supplier value-add offerings delivered to Client	Semi-Annually

9.	Client Satisfaction Measurement KPIs	(1) Trend report (2) Status report KPIs including: - Percent improvement in Service Desk trailer surveys ***Target for Service Now***	Monthly
10.	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.	AS Management Operations Report	Management report summarizing operational data concerning Incidents, Service Requests, and Changes, plus management issues for the reporting period ***Target for Service Now***	Monthly
2.	Capacity and Trending Reports	IS Capacity and trending reports - Database - Storage (including utilization) - Servers ***Target for Service Now***	Monthly

3.	Demand Management Report (AS)	(1) Trend report (Actual / Forecast) KPIs including: - Ad Hoc Service Requests and Information Requests - Change Requests by status (e.g., received, rejected, pending, in progress, etc.) - Standard Service Requests ***Target for Service Now***	Monthly
4.	Demand Management Report (DCS)	(1) Trend report KPIs including: - Ad Hoc Service Requests and Information Requests - Change Requests by status (e.g., received, estimated, rejected, pending, in progress, etc.) - Standard Service Requests - Technology refresh plans ***Target for Service Now***	Monthly
5.	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 Service Now***	Monthly
6.	Service Desk Volume Report	Service Desk Ticket Volume by Reported Source ***Target for Service Now***	Weekly
7.	Top 10 Caller Report	Top 10 (ten) callers with incidents categorized ***Target for Service Now***	Weekly
8.	Daily Health check Status Report	Dashboard of Previous Business Day activities; Batch Processing Status App Availability Server Availability	Daily

		Outages ***Target for Service Now***	
9.	Escalated Service Delivery Issue Log	Report on escalated service delivery/operation issue with action items.	Weekly
10.	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 - Incident Counts by Domain by Priority Level - Incidents open pending Change by Domain by Priority Level - Percent of Incidents by Domain resolved using Knowledge Base entries ***Target for Service Now***	Bi-weekly
11.	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 Service Now***	Monthly

12.	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 Service Now***	Monthly
13.	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. - Forward-looking view of Changes scheduled by Domain by Criticality ***Target for Service Now***	Biweekly, Monthly
14.	Ticket Assignment Report	Will Report the number of times a ticket is assigned between different resolver groups.	Monthly
15.	Tickets Escalated to Level 2	Will Report the number of tickets that are assigned from a Service Desk Agent to a Level 2 Support Group.	Monthly
16.	Level 2 Escalation Time	Will Report the time duration upon ticket creation from a Service Desk Agent to the ticket assignment to Level 2 support Group	Monthly

5.0 FINANCIAL REPORTS

1.	Project Variance Report	Estimation variance report - Per Project ***Target for Service Now***	Per Project on a Weekly Basis
2.	Non-Warranty Parts Bucket Usage Report	Report to identify usage of non - warranty parts (items, when used) to provide trending/tracking, including total spend to date ***Target for Service Now***	Quarterly
3.	Invoice	Refer to Section [4] of Exhibit 3 (Pricing)	Monthly
4.	Invoice Supporting Detail	Refer to Section [4] of Exhibit 3 (Pricing) Detailed billing information on-line for Client access in a database that lends itself to searching and ad hoc reporting (including Resource Unit volumes quantities of any PxQ Charges)	Monthly
5.	Pass-Through Expenses Supporting Detail	Refer to Section [4] of Exhibit 3 (Pricing)	Monthly
6.	Financial Summary	Refer to Section [4] of Exhibit 3 (Pricing) (1) Trend report (2) Histogram (3) Current month summary KPIs including: - 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.	Quarterly
7.	Project Financial Summary	Report of all project commitment and spend, including backup billing detail files, at project level and summarized by Client requesting the work; Including project request, initiation and work completion dates	Monthly

		Includes Monthly and YTD consumption against committed spend and running estimate based on actuals and forecast for end of contract year	
8.	Late Invoices and Past Due Invoices	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	Weekly
9.	Productivity KPI	(1) Trend report (2) Summary explanation (3) Corrective action plan, if required KPIs including: - Productivity variance to baseline plan ***Target for Service Now***	Semi-Annually
10.	AS ARC/RRC Report	Report by Application the number of Hours per month Reports detailing each FTP's work efforts with sufficient detail to identify the hours and activities directly associated with Client work efforts. ***Target for Service Now***	Monthly
11.	Rolling Cost Forecast	A 12-month rolling forecast of expected Charges (including Pass-Through) to Client on a quarterly basis	Quarterly
12.	Annual Opportunity Analysis	On an annual basis in advance of Client's business planning cycle, identifying, analyzing, and recommending areas of opportunity for Client in terms of efficiencies and cost savings based on Client's historical and project spends	Annual
13.	Transition and Transformation Milestone Payment Status	Status (e.g., future, in progress, completed, accepted, closed) of each Transition and Transformation Milestone within the Agreement	Monthly until all such milestone acceptance criteria have been accepted by Client
14.	Service Level Credit Status	Status of each Service Level Credit generated until Earnback is finally determined and closed	Monthly

15.	Holdback Report	Identifies the holdback amounts payable for each applicable Project and expected payment date based on the Holdback Period	Monthly
16.	Project Monthly Backing Report	This is a monthly summary sheet that will accompany the monthly invoice that describes by Project what amount is being invoiced. This report will be attached to the invoice.	Monthly
17.	Project Monthly Backing Detail Report	This is a monthly detailed report that will provide a detailed analysis by Project, showing the hours by role/ rate worked on a particular Project. This report will be attached to the invoice.	Monthly
18.	Monthly Projects Program Director Report	This is a monthly recap of time charged to Projects by the Projects Program Director, by Project, with a summary of the value-added contribution made to each Project charged.	Monthly

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.

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**" for each of the Services is set forth in AS-IS-PS SOW Exhibit 2 – Service Levels.

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: Availability % = ((Actual Uptime)/(Scheduled Uptime)) x 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) "**DNS**" means Domain Name System.

73) "**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.

74) "**DR**" means disaster recovery.

75) "**DRP**" means disaster recovery plan.

76) "**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.

77) "**Earnback**" means the ability of Supplier to recover a Service Credit as described in Section 7 of Schedule 5.1.

78) **"ECA"** means Economic Change Adjustment, and relates to the fluctuation in CPI year over year.

79) "**EDI**" means electronic data interchange.

80) "**European Institute for Computer Antivirus Research (EICAR)**" means an organization aiming to further antivirus research and improving development of antivirus software.

81) "**Environment**" means the air, water, noise, chemical balance and other physical elements in the locations of the Sites.

82) "**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.

83) "**Emergency Service Personnel**" means police, fire and ambulance personnel.

84) "**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.

85) "**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.

86) "**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.

87) "**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.

88) "**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.

89) "**Expiration Date**" means the ending date of the Initial Term or Renewal Term.

90) "**Facilities**" means the buildings and grounds, whether leased or owned, that are used by the Client.

91) "**Facilities Management"** means the function responsible for managing all aspects of the physical Environment, such as power and cooling, and building Access Management.

92) "**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.

93) **"Fees"** or Charges has the meaning ascribed in Section 16.1(a) of the Agreement.

94) "**FERC**" means Federal Energy Regulatory Commission.

95) **"Fixed Fee** "means a defined fee for a scope of work that cannot be incremented or decremented without both parties approval.

96) "**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.

97) "**FTP (Full-Time Person)**" means a Full-Time person at [redacted] hrs per month and who is not allowed to bill over [redacted] hrs within a given month without Client approval.

98) "**Governance Library**" shall have the meaning ascribed in Schedule 9.1 (Governance).

99) "**GUI**" means graphical user interface.

100) "**Hardware**" refer to equipment.

101) "**Hours of Operation**" means 07:30 to 18:00 during Business Days unless specified otherwise in a Statement of Work or Project Order.

102) "**MAC(s)**" means installations, moves, adds, changes, de-installations, and related services at Client Sites.

103) "**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.

104) "**Impact**" means a measure of the effect of an Incident, problem, or Change on business processes.

105) "**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.

106) "**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.

107) "**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.

108) "**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.

109) "**INET**" means internet Services.

110) **"Inflation Sensitivity Index"** means how sensitive a specific resource and all of its components are to increases or decreases in inflation.

111) "**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.

112) "**Information Security Policy**" means the policy that governs Client's approach to Information Security Management.

113) "**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.

114) **"International Organization for Standardization"** (ISO) is the world's largest developer of voluntary international standards.

115) "**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.

116) "**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.

117) "**Innovation Center**" shall have the meaning ascribed in Schedule 9.1 (Governance).

118) "**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.

119) "**Integrity**" means the completeness and correctness of data.

120) "**ISSO**" means Information Services Security Officer.

121) **"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.

122) "**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.

123) "**ITO SOWs**" means Application Services (AS), Infrastructure Services (IS), and Projects Services (PS).

124) "**ITSCP**" means an IT Service Continuity Plan.

125) "**IVR**" means interactive voice response.

126) "**Java**" means a programing language.

127) "**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).

128) "**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.

129) **"Known Error"** means a Problem for which the Root Cause is known and a temporary workaround or permanent alternative has been identified.

130) "**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).

131) "**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.

132) "**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.

133) "**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.).

134) "**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.

135) "**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.

136) "**LOB**" means Hydro One lines of business.

137) **"Local Currency"** means Canadian Dollars.

138) "**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).

139) "**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.

140) **"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.

141) "**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.

142) **"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.

143) **"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.

144) "**Measurement Methodology**" means the tools, processes, procedures and documentation thereof required to measure, validate, and report performance relative to Service Levels.

145) "**Microsoft Windows**" means a series of graphical interface operating systems developed, marketed, and sold by Microsoft Corporation.

146) "**Midrange Environment**" means are a facility which supports a class of computer systems which fall in between mainframe computers and microcomputers.

147) "**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.

148) "**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.

149) "**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.

150) **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

151) "**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.

152) "**Monitoring**" means repeated observation of a Service or process to detect Events and to ensure that the current status is known.

153) **"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.

154) "**Monthly Invoice Amount**" means the total of all Charges payable by Client for the Services for a particular month, excluding Taxes, Pass-Through Expenses.

155) **"Monthly Resource Baseline Volume"** means the quantity of Resource Units corresponding to such Resource Baseline, which is included in the Monthly Base Charge.

156) "**Municipalities**" means a political unit, such as a city, town, or village, incorporated for local self-government.

157) "**MV90**" means a data management solution that makes energy usage data gathered available to an expanded group of users.

158) **"Network"** means collectively, Client's WAN, LAN, and voice Network.

159) **"Non-Chargeable"** means items not billable to the client.

160) "**OLA**" means operational level agreement.

161) "**One-Time Charges**" means any Supplier-specified fees that are non-recurring and are typically associated with start-up and implementation costs.

162) "**OGCC**" means Hydro One's Ontario Control Centre which is their central facility for monitoring, managing, and troubleshooting the provincial hydro network (distribution grid).

163) "**OPM"** means Procedures Manual.

164) **"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.

165) "**Operations Management**" means the function within a service provider that performs the daily activities needed to manage services and the supporting Infrastructure.

166) **"Out-Of-Pocket Expenses"** means direct outlays of cash which may or may not be later reimbursed.

167) **"Overhead Functions"** means non-chargeable functions that are provided by Supplier as part of Supplier's overall project management and contract management.

168) "**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.

169) "**PIM**" means personal information management.

170) "**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.

171) "**Pool Percentage**" means three hundred fifty percent (350%) of the At Risk Amount.

172) "**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.

173) "**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.

174) "**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.

175) **"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.

176) "**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).

177) "**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.

178) **"Project Services"** means the Deliverables and tasks described in the Project Order.

179) "**Project to Sustainment Process**" means the Hydro One process defined for accepting project work into the environment.

180) "**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.

181) "**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.

182) "**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.

183) "**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.

184) **"Rate Card"** means approach for capturing the types, costs, and credentials required of individuals performing Billable hours for the Client.

185) "**R&DM**" means Release & Development Management.

186) "**Refresh**" means the upgrading or replacing of Equipment and Software during the Term.

187) "**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.

188) "**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.

189) "**Request Fulfillment**" means the process responsible for managing the Lifecycle of all Service Requests.

190) **"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 Resource Unit.

191) "**Resolution Times**" means the defined time to resolve an Incident as described in Attachment J to Exhibit 1 Priority Levels to the applicable SOW.

192) "**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.

193) "**Resource Baseline(s)**" means the estimated volume of Resource Units that will be required and utilized by Client during the Term.

194) "**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.

195) "**Resource Unit Grouping**" means a logical grouping of Resource Units and is utilized as a volume measure for pricing purposes.

196) "**Retained Expense(s)**" means the expense types or amounts retained by Client as set out in Exhibit 3 to the SOW.

197) **"Retired Services**" services no longer in commission.

198) "**Requirements Definition**" means the Client specific form that may be used to define the requirements for a Project Request.

199) "**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).

200) "**Root Cause**" means the underlying or original cause of an Incident or Problem.

201) "**Root-Cause Analysis (RCA)**" means an activity that identifies the Root Cause of an Incident or Problem.

202) "**SAP**" means SAP America, Inc., and its affiliates as well as SAP Software provided by SAP America, Inc., and its affiliates.

203) "**SAP AG'S OSS**" means a SAP product.

204) "**SAP GRC/CUP**" means SAP GRC Compliant User Provisioning (CUP) for Password Self Service.

205) "**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.

206) "**Second-Level**" refer to Level 2 support.

207) "**Security**" means ensuring that Services are used in an appropriate way by the appropriate people.

208) "**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.

209) **"Service Catalogue"** means the listing of all of the services which are available to Authorized Users, including Components, features, and charges.

210) "**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.

211) "**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).

212) "**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.

213) "**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.

214) "**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.

215) **"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.

216) "**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.

217) **"Service Pipeline"** means the variety of services that currently under development in the Service Portfolio.

218) "**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.

219) "**Service Rehearsals**" means a process where the Supplier, in conjunction with the Client plans for successful and unsuccessful implementations of an Approved Release.

220) "**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.

221) "**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.

222) "**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.

223) "**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.

224) **"Skill-Level"** means the types of skills an individual has.

225) "**SKMS**" means Service Knowledge Management System.

226) "**SNMP**" means Simple Network Management Protocol.

227) "**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.

228) "**Supplier"** has the meaning set forth in the Agreement.

229) "**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.

230) "**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.

231) "**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.

232) "**T5**" means return on investment tax form.

233) "**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.

234) "**Technology Innovation**" means better products and services through the unique application of new and/or improved technology.

235) **"Test Environment"** means a controlled Environment used to test Configuration Items, items from the Build Environment, IT services, processes, and so forth.

236) **"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.

237) "**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.

238) "**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.

239) "**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."

240) "**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.

241) **"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.

242) "**TLA Percent**" means transformer loss adjustment percentage.

243) "**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.

244) "**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;

245) "**Transition Charges**" means the Charges for Transition as may be set out in Exhibit 3;

246) "**Transition Deliverable**" has the meaning given to it in Schedule 3.1(b);

247) "**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.

248) "**Unrelieved Service Level Credits**" means those Service Level Credits that are not eliminated via Earnback.

249) "**URL**" means uniform resource locator.

250) "**UPS**" means Uninterruptible Power Supply.

251) "**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.

252) "**USofA**" means Uniform System of Accounts.

253) "**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.

254) "**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.

255) **"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.

256) **"VPN"** means virtual private network.

257) "**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.

HYDRO ONE

COMMON EXHIBIT 2.0

CROSS-FUNCTIONAL SERVICES (GENERAL)

STATEMENT OF WORK

Table of Contents

1.0 INTRODUCTION 11
1.1 ATTACHMENTS 11
1.2 DOCUMENT CONVENTIONS 11
2.0 OBJECTIVES AND GENERAL REQUIREMENTS 12
3.0 INTEGRATION COMMON SERVICES 12
3.1 OBJECTIVES 12
3.2 PROCESSES 12
3.3 TOOLS 14
3.4 DATA 14
3.5 PEOPLE 15
3.6 COMMUNICATION 15
4.0 SERVICE STRATEGY 15
4.1 STRATEGY MANAGEMENT 15
4.1.1 Definition 15
4.1.2 Scope 16
4.1.3 Strategic assessment 16
4.1.4 Strategy generation 16
4.1.5 Measurement and evaluation 17
4.2 PROJECT PORTFOLIO MANAGEMENT 17
4.2.1 Definition 17
4.2.2 Scope 17
4.2.3 General Considerations 17
5.0 CONTINUAL SERVICE IMPROVEMENT 18
5.1 DEFINITION 18
5.2 SCOPE 18
5.3 GENERAL CONSIDERATIONS 18
5.3.1 Process Set-Up and Maintenance 18
5.4 SERVICE PORTFOLIO MANAGEMENT 18
5.4.1 Definition 18
5.4.2 Scope 18
5.4.3 General Considerations 19
5.4.4 Define (Inventory) Service Portfolio 19
5.4.5 Analyse and Review Service Portfolio 19

5.4.6 Approve new or Changed Services 20
5.4.7 Charter Service Portfolio 20
5.4.8 Refresh Service Portfolio on an on-going basis and manage the Service Lifecycle 20
5.5 DEMAND MANAGEMENT 21
5.5.1 Definition 21
5.5.2 Scope 21
5.5.3 General Considerations 21
5.5.4 Identify sources of demand forecasting 22
5.5.5 Establish and maintain a Demand Management Forecast Plan 22
5.5.6 Determine and manage Patterns of business activity 22
5.5.7 Determine and manage User profiles 23
5.5.8 Activity-based demand management 23
5.5.9 Develop differentiated offerings 23
5.5.10 Manage operational demand 23
6.0 SERVICE DESIGN 24
6.1 DESIGN COORDINATION 24
6.1.1 Definition 24
6.1.2 Scope 24
6.1.3 General Considerations 25
6.1.4 Define and maintain policies and methods 25
6.1.5 Plan design resources and capabilities 25
6.1.6 Coordinate design activities 25
6.1.7 Manage design risks and issues 26
6.1.8 Improve service design 26
6.1.9 Coordinate individual designs 26
6.1.10 Monitor individual designs 26
6.1.11 Review designs and ensure handover of Service Design Package 27
6.2 SERVICE CATALOG MANAGEMENT 27
6.2.1 Service Catalog 27
6.2.2 Business Service Catalog Management 27
6.2.3 Component Service Catalog Management 27
6.2.4 Scope 28
6.2.5 General Considerations 28
6.2.6 Maintain and Update Service Catalog 30

6.3 SERVICE LEVEL MANAGEMENT 31
6.3.1 Definition 31
6.3.2 Scope 31
6.3.3 General Considerations 31
6.3.4 Collect and collate Service Level data and reports 32
6.3.5 Analyse Service Level performance 32
6.3.6 Improve Service Level performance is there a defined methodology for SL performance, or continuous improvement? 33
6.3.7 Determining, documenting and agreeing requirements for new services and producing Service Level Requirements (SLRs) 33
6.3.8 Change Service Level (periodically) 33
6.3.9 Reset Service Level and earn back (annually) 33
6.4 CAPACITY MANAGEMENT 33
6.4.1 Definition 33
6.4.2 Scope 33
6.4.3 General Considerations 34
6.4.4 Business Capacity Management 35
6.4.5 Service Capacity Management 36
6.4.6 Component Capacity Management 37
6.4.7 Capacity Planning 37
6.5 AVAILABILITY MANAGEMENT 38
6.5.1 Definition 38
6.5.2 Scope 38
6.5.3 General Considerations 38
6.5.4 Planning and designing new or changed services 39
6.5.5 Risk assessment and management 40
6.5.6 Implementing cost-justifiable counter-measures 40
6.5.7 Reviewing all new and changed services and testing all availability and resilience mechanisms 40
6.5.8 Investigate unavailability and remedial actions 40
6.5.9 Projected service outage (PSO) document. 41
6.6 BUSINESS CONTINUITY MANAGEMENT SERVICES 42
6.6.1 Business Continuity 42
6.6.2 IT Service Continuity Testing 42
6.6.3 Activities During a Disaster 43
6.6.4 Other IT Service Continuity Activities 44

6.7 ARCHITECTURE & STANDARDS MANAGEMENT 44
6.7.1 Definition 44
6.7.2 Scope 44
6.7.3 General Considerations 44
6.7.4 Identify obligations of parties in the Agreement 45
6.7.5 Identify and document affected areas 45
6.7.6 Determination and notice of changes to A & S 45
6.7.7 Identify and implement validation strategies 45
6.7.8 Periodic review of compliance to A & S 45
6.7.9 Review compliance for purchasing 46
6.7.10 Review compliance for New Work or Projects 46
6.7.11 Review of exception requests to A & S 46
7.0 SERVICE TRANSITION 46
7.1 SERVICE TRANSITION PLANNING AND SUPPORT 46
7.1.1 Definition 46
7.1.2 Scope 46
7.1.3 General Considerations 47
7.1.4 Define Transition strategy 47
7.1.5 Define Service transition lifecycle stages 47
7.1.6 Prepare for service transition 48
7.1.7 Plan and coordinate service transition 48
7.1.8 Provide transition process support 49
7.2 CHANGE MANAGEMENT 49
7.2.1 Definition 49
7.2.2 Scope 49
7.2.3 General Considerations 50
7.2.4 Create and record the Request for Change (RFC) 52
7.2.5 Review the RFC 53
7.2.6 Assess and evaluate the change 53
7.2.7 Authorize change deployment 54
7.2.8 Plan Changes 54
7.2.9 Coordinate change implementation 54
7.2.10 Change Escalation 55
7.2.11 Change Closure 55
7.2.12 Emergency Change 55

7.3 SERVICE ASSET & CONFIGURATION MANAGEMENT (SACM) 55
7.3.1 Definition 55
7.4 RELEASE AND DEPLOYMENT MANAGEMENT 56
7.4.1 Definition 56
7.4.2 Scope 56
7.4.3 General Considerations 56
7.4.4 Release and deployment planning 57
7.4.5 Build and Test 58
7.4.6 Release Deployment 58
7.4.7 Early Life Support 58
7.4.8 Release Review and close 59
7.5 SERVICE VALIDATION & TEST 60
7.5.1 Definition 60
7.5.2 Scope 60
7.5.3 General Considerations 60
7.5.4 Plan and design tests 61
7.5.5 Verify test plans and test design 61
7.5.6 Prepare test environment 61
7.5.7 Perform Tests 61
7.5.8 Evaluate exit criteria and report 63
7.5.9 Test clean up and closure 63
7.6 CHANGE EVALUATION 63
7.6.1 Definition 63
7.6.2 Scope 63
7.6.3 General Considerations 63
7.6.4 Plan the Evaluation 64
7.6.5 Evaluate Predicted Performance 64
7.6.6 Evaluate Actual Performance 64
7.6.7 Risk Management 64
7.6.8 Evaluation Report 65
7.7 KNOWLEDGE MANAGEMENT 65
7.7.1 Definition 65
7.7.2 Scope 65
7.7.3 General Considerations 65
7.7.4 Knowledge management strategy 66

7.7.5 Conduct knowledge transfer 67
7.7.6 Manage data, information and knowledge 67
8.0 SERVICE OPERATIONS 67
8.1 EVENT MANAGEMENT 68
8.1.1 Definition 68
8.1.2 Scope 68
8.1.3 General Considerations 68
8.1.4 Event Occurs 70
8.1.5 Event Notification 70
8.1.6 Event Detection 70
8.1.7 Event Logged 70
8.1.8 First-Level Event Correlation and Filtering 71
8.1.9 Significance of Events 71
8.1.10 Second-Level Event Correlation 71
8.1.11 Further Actions 71
8.1.12 Response Selection 71
8.1.13 Review Actions 72
8.1.14 Close Event 72
8.2 INCIDENT MANAGEMENT 72
8.2.1 Definition 72
8.2.2 Scope 72
8.2.3 General Considerations 72
8.2.4 Incident Identification (First Level Support) 75
8.3 PROBLEM MANAGEMENT 77
8.3.1 Definition 77
8.3.2 Scope 77
8.3.3 General Considerations 78
8.3.4 Problem Identification 80
8.3.5 Problem Logging 81
8.3.6 Problem categorization 81
8.3.7 Problem prioritization 81
8.3.8 Problem investigation and diagnosis 81
8.3.9 Raising a known error record 82
8.3.10 Problem escalation 82
8.3.11 Problem resolution 82

8.3.12 Problem closure 82
8.3.13 Major problem review 82
8.4 REQUEST FULFILLMENT 83
8.4.1 Definition 83
8.4.2 Scope 83
8.4.3 General Considerations 83
8.4.4 Request Review 84
8.4.5 Request Model Execution 85
8.4.6 Request Escalation 85
8.4.7 Request Closure 85
8.5 ACCESS MANAGEMENT 86
8.5.1 Definition 86
8.5.2 Scope 86
8.5.3 General Considerations 86
8.5.4 Requesting Access 87
8.5.5 Verification of Access Request 87
8.5.6 Providing Access Rights 87
8.5.7 Monitoring Identity Status 88
8.5.8 Logging and Tracking Access 88
8.5.9 Removing or Restricting Rights 89
8.5.10 Maintenance of User Roles & Access Profiles 89
8.5.11 Request escalation 89
8.5.12 Access Request Closure 89
8.6 SERVICE DESK SUPPORT 89
8.6.1 Definition 89
8.6.2 Scope 89
8.6.3 General Considerations 90
8.6.4 Self Service 90
9.0 CONTINUAL SERVICE IMPROVEMENT 90
9.1 DEFINITION 90
9.2 SCOPE 90
9.3 GENERAL CONSIDERATIONS 90
9.3.1 Process Set-Up and Maintenance 90
9.4 IDENTIFY AND MANAGE CONTINUAL SERVICE IMPROVEMENT OPPORTUNITIES 91

9.5 MONITORING IMPROVEMENT OPPORTUNITIES 91
9.6 INNOVATION 91
9.7 REFRESH AND TECHNICAL CURRENCY 93
10.0 SUPPORT SERVICES 93
10.1 RISK AND COMPLIANCE MANAGEMENT 93
10.1.1 Definition 93
10.1.2 Scope 93
10.1.3 General Considerations 93
10.2 QUALITY ASSURANCE 95
10.2.1 Definition 95
10.2.2 Scope 95
10.2.3 General Considerations 95
10.3 CLIENT SATISFACTION 96
10.3.1 Definition 96
10.3.2 Scope 96
10.3.3 General Considerations 96
10.4 BENCHMARKING 97
10.4.1 Definition 97
10.4.2 Scope 97
10.4.3 General Considerations 97
10.5 PERFORMANCE ANALYSIS 97
10.5.1 Definition 97
10.5.2 Scope 97
10.5.3 General Considerations 97
10.6 FINANCIAL MANAGEMENT 98
10.6.1 Definition 98
10.6.2 Scope 98
10.6.3 General Considerations 98
11.0 BUSINESS PROCESS SUPPORT 98
12.0 OPERATIONAL IMPACT OF PROJECT OR REQUEST FOR SERVICE IMPLEMENTATION 99
13.0 USER ACCEPTANCE TESTING (UAT) 100
14.0 CURRENT AND ONGOING INITIATIVES 100
15.0 QUALITY ASSURANCE 100
16.0 TRAINING 101

17.0 SUCCESSION PLANNING 102
18.0 INTERNAL AND EXTERNAL AUDIT SUPPORT 102
19.0 REPORTING AND RECORDS RETENTION 103
19.1 REPORTING 103
19.2 RECORDS RETENTION 103
20.0 MONITORING IMPROVEMENT OPPORTUNITIES 103
21.0 ONGOING BUSINESS DIVESTITURES AND ACQUISITIONS 103
22.0 BUSINESS CONTINUITY MANAGEMENT 104
23.0 INFORMATION SECURITY MANAGEMENT 107
23.1 ACCESS CONTROL / MANAGEMENT 108
23.1.1 Definition 108
23.1.2 Scope 108
23.1.3 General Requirements 108
23.1.4 Requesting Access 110
23.1.5 Verification of Access Request 110
23.1.6 Providing Access Rights 110
23.1.7 Logging and Tracking Access 111
23.1.8 Maintenance of User Roles & Access Profiles 111
23.1.9 Request escalation 112
23.1.10 Access Request Closure 112
23.2 AUDIT AND ACCOUNTABILITY 112
23.3 CONFIGURATION MANAGEMENT 113
23.4 INCIDENT RESPONSE 113
23.5 MAINTENANCE 114
23.6 MEDIA PROTECTION 115
23.7 PHYSICAL AND ENVIRONMENTAL PROTECTION 115
23.8 PROGRAM MANAGEMENT 115
23.9 PERSONNEL SECURITY 116
23.10 PII PROCESSING AND TRANSPARENCY 117
23.11 RISK ASSESSMENT 117
23.12 SYSTEM AND COMMUNICATIONS PROTECTION 118

1.0 INTRODUCTION

This Common Exhibit sets forth the Cross-Functional Services that the Supplier will provide and describes its obligations to work with the other Suppliers and the Client to deliver Cross- Functional Services to the Client as of the Commencement Date unless otherwise specified in other Exhibits, for all Services that affect it and other Suppliers.

1.1 ATTACHMENTS

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

- Attachment A - Asset Inventory Data Elements Requirements
- Attachment B - Disaster Recovery Plan Description
- Attachment C – Business Impact Assessment
- Attachment D – Business Continuity Plan

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 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 …".

2.0 OBJECTIVES AND GENERAL REQUIREMENTS

The Client or Client may appoint (additional) Supplier(s) in the future to perform Cross-Provider Services on its behalf. The Supplier shall assume throughout this document that, in the absence of such an appointment, the role of Client as referenced throughout this Agreement shall be performed by the Client with any support it may procure from its Suppliers to assist and augment its performance of this role.

The Supplier confirms that unless otherwise specifically stated, it will provide a solution that supports all of the Applicable Cross-Provider Processes described in this Agreement and its Attachments, and that all Services and BAU activities, unless otherwise specifically stated, are included within Schedule 16.1 (Fee Methodology). Accordingly, the Supplier also confirms that the Client or Client shall not incur any other charges in relation to the services described in this Statement of Work.

The Supplier shall be responsive to the current and future requirements of Client and Client, by proactively anticipating needs, and adjusting Services accordingly within the < Note: Reference to be adjusted: Ongoing Charges described in Schedule 16.1 (Fee Methodology).

The Client or Client shall, at its sole option, use multiple Suppliers to deliver Services and the Supplier shall co-operate with other Suppliers and the Client to deliver Services within this multi-Supplier environment in the best interests of the Client.

3.0 INTEGRATION COMMON SERVICES

3.1 OBJECTIVES

The Supplier shall in accordance with the requirements defined by the Client, coordinate all necessary aspects of delivering Services in a multi-domain, multi-supplier environment. The Supplier will work with the other suppliers and Client to establish and maintain Service Management Processes, Governance, and Tools that integrate with the Cross-Functional Service Management Processes, Governance, Tools, Interfaces and organizational elements to provide consistent management and support of effective communication and coordination of the delivery of Cross-Functional Services and Services in scope. The Supplier will support and participate in ad-hoc teams, committees, cross-supplier teams as may be established by the Client.

The Supplier shall implement the standards, policies, controls, guidelines and releases for its Service Management Processes as defined and required by the Client.

The Supplier shall ensure and validate the compliance of the Service Management Processes and interfaces to other suppliers and the Client to ensure that they meet the legislative and policy requirements to which the Client must comply. In addition, understand all applicable Client policies and regulatory requirements and how current processes and systems map against those policies and regulatory requirements.

3.2 PROCESSES

The Client requires that the Supplier's Service Management practices, which are used to support the Cross-Functional Services, are based on the current industry best practices and standards.

The Supplier's responsibilities will include:

1. Apply and implement standards, policies, controls, guidelines and releases for the Service Management practice and Service Management Processes in accordance to the Change Management Process. The Supplier shall be financially responsible for all such changes to the extent such changes do not change the scope of the Services, but the way the Services are generated or performed.
2. Support the Client to record the Cross-Functional Service Management Processes in the common Procedures Manual for Cross-Functional Services. In addition, the Supplier should record its own Service Management Processes, which are not relevant across suppliers, in the Procedures Manual as set forth in Schedule 4.8.
3. Where Applicable, certify its own Service Management Processes at least within 12 months of the Commencement date at its own expense and cost, as defined by the Client.
4. Manage, coordinate, track, and report on its Service Management activities with respect to the scope described in the Agreement(s). The Supplier accepts that, while some Process activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Functional Services and require cooperation and joint work between the Supplier, the other suppliers and the Client to perform such Process activities.
5. Follow a regular schedule for reoccurred activities and defined triggers for event driven activities as defined by the Client and support the Client in establishing and maintaining a regular Cross-Functional schedule.
6. Support the information exchange between and among the suppliers as directed by the Client and drive continued improvement of the Service Management Processes in scope.
7. As directed by the Client, the Supplier shall establish and manage controls to ensure that its Service Management Processes and Interfaces provide an audit trail that meets the regulatory and policy requirements to which the Client must comply, including:
    a) Recording detailed audit information of all activity that creates, changes, or deletes data and user access to Systems that contain Client data,
    b) Providing end-to-end traceability even when transactions span across multiple applications, Systems Components or parties,
    c) Recording detailed audit information of all activity that creates, changes, or deletes data and user access to Systems that contain Client data.
8. Develop tools/scripts and enhancing processes to proactively perform and automate , where practicable the Service Management Processes and implement tools/scripts as directed by the Client to support the Cross-Functional Service Management Processes.
9. Interface with a central Cross-Supplier Web repository as maintained by the Client and update it with Service Management tools, templates, process documentation and reports as directed by the Client.
10. The Supplier shall conduct Cross-Functional Service audits as requested by the Client and report back to the Client as required. Such audits are to be completed within 30 days of receipt of the written audit request from the Client.

11. Supplier shall provide to Client project performance governance reporting, in the format that meets Client requirements
12. Using its own Service Management tools, the Supplier shall conduct audits as directed by the Client, of operational accuracy and effectiveness, efficiency in the management of all ticket records through to closure and the use of Service Management tools and define improvements as directed by the Client. This includes validating, gaining assurance, and providing evidence of such assurance on request, that the Supplier creates accurate and complete records detailing the Lifecycle of every individual record.
13. Manage tracking efforts within its Services and notifications to the Client and other suppliers and maintain regular communication between all parties.

3.3 TOOLS

The Supplier's responsibilities will include:

1. Provide, manage, operate and maintain the Service Management tools and Interfaces in accordance with Exhibit 1 Attachment L (Software Assets).
2. If the Supplier provides its own Service Management tools, it shall set-up, operate and maintain Service Management tools that integrate seamlessly with the Cross-Functional Service Management tools and Interfaces of the Client.
3. Define action remediation plans to address defects and performance failures in the Service Management tools of the Supplier and report progress to the Client.
4. Ensure that the Suppliers' interfaces of data to the Client master databases are standard, accurate and timely and comply with the Client's Data Security Policies.
5. Provide appropriate access for the other suppliers and Authorized Users from all applicable locations where the Services are performed to the Supplier Service Management tools.
6. Provide the Client, other Suppliers and Authorized Users with appropriate training in using Supplier Service Management Systems and Tools.

3.4 DATA

The Supplier's responsibilities will include:

1. Ensure the Client Data associated with all Services becomes and remains the property of the Client.
2. Share and exchange any such data or information with the Client and/or other suppliers.
3. Provide such data when requested by the Client either in raw form, as summaries, or as reports as set out in Exhibit 4 (Service Reports) to the Applicable SOW or as agreed with the Client. Such reporting is not static and the reporting requirements may change throughout the Term,
4. Provide to the Client ownership of, and access to, any data stored in the Supplier's Service Management Systems and tools that has been created or imported as a result of the Supplier's performance of the Cross-Functional Services in this Statement of Work.
5. Ensure that the Client and other suppliers receive Service Management data to the standards, levels of integrity and formats mandated by the Client.

6. Securely segregate Client Data so that it can be accessed only by those authorized to comply with regulations and in accordance with Client policy.
7. The Supplier shall initially capture operations data for the Services and populate and use the Tools in accordance with the data specifications and standards specified by the Client.

3.5 PEOPLE

The Supplier shall provide personnel that:

1. Understand Client Business and its Business Clients and respond appropriately,
2. Understand Client technology, applications, and sourcing arrangements,
3. Are adequately skilled and trained to provide support for the Services,
4. Possess the appropriate competencies to provide the Services,
5. Have adequate training on new products and services, as they become part of the Supplier's responsibilities from time to time.

3.6 COMMUNICATION

The Supplier's responsibilities will include:

1. Assist the Client in the preparation of communications relating to the Services as requested by the Client.
2. Assist the Client in ensuring that all communications are targeted, accurate, comply with the Client communications policies and are issued on schedule.
3. Assist the Client in developing communications on request from the Client which can include: e-mails, intranet postings and newsletters.
4. Assist the Client in in delivering communications through the Client approved channels or authorizing other suppliers to issue communications through the Client's approved communications channels.

4.0 SERVICE STRATEGY

The Service Strategy phase of the Service Management Lifecycle is to create value for the Client's Business by delivering Services that meet the requirements of the Business and guaranteeing their Availability, Capacity, Continuity and Security in order to meet the Business' requirements.

The Service Strategy processes are:

1. Strategy Management,
2. Project Portfolio Management

4.1 STRATEGY MANAGEMENT

4.1.1 Definition

Strategy Management for Services is the process of defining and maintaining an organization's perspective, position, plans and patterns with regard to its Services and the management of those Services. The purpose of a Service Strategy is to articulate how a supplier will enable an organization to achieve its business outcomes; it establishes the criteria and mechanisms to decide which Services (Cross-Functional

Services and Supplier Services) will be best suited to meet the business outcomes and the most effective and efficient way to manage these Services.

4.1.2 Scope

The Supplier shall proactively support the Client in the creation and maintenance of a Service Strategy and comply with Client strategy assessment, definition and execution processes as they evolve.

4.1.3 Strategic assessment

The Supplier shall provide information that assists the Client in performing a Strategic Service Assessment by analyzing the existing Services in line with Client requirements, including but not limited to:

1. Internal Assessment, assessing:
    a) The Business Strategy to determine the Client view on current value,
    b) Existing services as they reflect the current positioning, differentiation and strategy of the Client Line of Business organization form a baseline for potential growth,
    c) Service Management Assessment to understand the current level of Service Management Maturity to determine limitations or boundaries,
    d) Identifying candidates and requirements for the deployment of new technology or the automation of tasks associated with the Services and/or Client's Business processes and Business Services in support of Client's Business requirements,
    e) Skills and Knowledge of the people (Unique knowledge, experience and skills),
    f) Relationship with the business units to assess the quality of the relationship,
    g) Lessons learned from past successes and failures.
2. External Assessment, assessing:
    a) Relationship and dependencies to other organizations and partners,
    b) Standards or regulatory requirements e.g. certification like ISO/IEC 27001.
3. The Supplier shall provide information and advice that assists the Client in:
    a) Performing risk assessment for the Service Portfolio,
    b) Predicting future developments and identifying new Services,
    c) Identifying potential Services Portfolio (covered in Services Portfolio Management),
    d) Identifying options for Service Delivery.

4.1.4 Strategy generation

1. The Supplier shall assist and advise the Client in:
    a) Developing strategies and solutions based on Client's Business requirements,

b) Developing the Services vision statement and charter,

c) Developing a mission Statement and organizational Service targets,

d) Defining Strategic goals and managing those based on a scorecard,

e) Proactively identify strategies, approaches, and Projects for future Service delivery that the Supplier believes will provide the Client with competitive advantages and that may result in increased efficiency, effectiveness, performance, or cost savings.

2. The Supplier shall the implement the Service Strategy as directed by the Client.

4.1.5 Measurement and evaluation

The Supplier shall provide relevant data and reports as defined by Client.

The Supplier shall provide the Client with pre-defined Data required to maintain the Client's Balanced Scorecard.

The Supplier shall assist the Client in identifying Continual Service Improvement activities in accordance with the activities described in **Section 6 Continual Service Improvements.**

4.2 PROJECT PORTFOLIO MANAGEMENT

4.2.1 Definition

Project Portfolio Management governs the investments for Projects across the Client's enterprise, manages them to achieve business value and analyzes the project portfolio for value leakage.

4.2.2 Scope

The Supplier shall support the Client in defining, analyzing and managing the Project Portfolio for all Services that affect it and the other suppliers, as requested by the Client and in the Client's best interest.

The Supplier accepts that, while some Project requests may only affect the Services within the scope of the Supplier, there will be Project requirements that apply across multiple suppliers and require cooperation and joint work between the Supplier and the other suppliers to come to a common Project solution. Therefore the Project Portfolio Management activities as described in this Schedule do apply to all types of Projects (multi-Supplier and single Supplier).

The Supplier agrees that it will integrate the Project Portfolio Management activities within the scope of all of the Services that are provided to the Client

4.2.3 General Considerations

4.2.3.1 Process Set-Up and Maintenance

The Supplier shall inform the Client of project requirements with regards to its Services demonstrating economic viability and benefits for the Client.

The Supplier shall collaborate with the other suppliers and inform the Client of Cross-Supplier Supplier project requirements demonstrating economic viability and benefits for the Client.

5.0 CONTINUAL SERVICE IMPROVEMENT

5.1 DEFINITION

The purpose of Continual Service Improvement is to manage improvements to Service performance by continually measuring/reporting and making improvements to the processes and Services in order to increase efficiency, effectiveness (including cost effectiveness) for the Client's Business.

5.2 SCOPE

The Supplier shall manage and oversee the Continual Service Improvement Process across its Services and collaborate with the Client and other suppliers to manage the Cross-Supplier Continual Service Improvement Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the cross-supplier Services and require cooperation and joint work between the Supplier, Client, and the other suppliers.

5.3 GENERAL CONSIDERATIONS

5.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Continual Service Improvement Process, Policies and Tools in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Continual Service Improvement, Client requirements and align to the Client’s Process Requirements.

The Supplier shall integrate its Continual Service Improvement Process and other Service Management Processes with the Cross-Supplier Continuous Improvement Process, subject to the Client’s approval.

The Supplier shall be compliant with the Client's Continual Service Improvement policy, processes and standards, as directed by the Client.

5.4 SERVICE PORTFOLIO MANAGEMENT

5.4.1 Definition

Service Portfolio Management governs investments in Service Management across the enterprise and manages them to achieve business value through the development of New Services and modification and/or retirement of existing Services. Service Portfolio Management shall be closely integrated with the other ITIL Processes (particularly Financial Management, Demand Management, Service Catalogue Management and Capacity Management) in order to manage and control all aspects of Service Portfolio Management for Services.

5.4.2 Scope

The Supplier shall manage and oversee the Service Portfolio Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Service Portfolio Management Process. The Supplier accepts that, while some Service Portfolio Management activities may only affect the Services within the scope of the Supplier, there will be Activities that apply to Cross-Provider Services and require

cooperation and joint work between the Supplier, Client and the other Suppliers to define, analyze, approve, charter and change the Cross-Provider Service Portfolio.

5.4.3 General Considerations

5.4.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Service Portfolio Management Process in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Service Portfolio Management, Client requirements and align to the Client Service Portfolio Management solution, as defined and directed by the Client.

The Supplier shall support the Client in realizing the Cross-Provider Service Portfolio objectives in terms of Service pipeline, Service Catalogue and retired Services for Services in scope.

5.4.3.2 Tooling

The Supplier shall utilize Tooling Requirements that are defined in Attachment K to Exhibit 1 (Technical Architecture) of the ADM and IM SOWs.

5.4.3.3 Reporting

The Supplier shall comply with Reporting Requirement that is defined in Exhibit 4 (Service Reports) to the applicable SOW.

5.4.4 Define (Inventory) Service Portfolio

The Supplier shall assist the Client to define the potential Cross-Provider Service Portfolio, by providing information regarding its Services including:

1. Definition of a value Proposition,
2. Identifying the inventory of potential services and modifications to existing Services,
3. Validating portfolio data,
4. Evaluating of the impact of proposed service on other Services,
5. Assessing of service value and risks,
6. Determination of assets required to deliver the service and modifications to existing.

5.4.5 Analyse and Review Service Portfolio

The Supplier's responsibilities will include:

1. Assist the Client in analyzing its Services in the Cross-Provider Service Portfolio, including:
    a) Maximizing potential Service Portfolio value,
    b) Aligning and prioritizing potential Services,
    c) Balancing supply and demand.
2. Provide information as required to the Client.

3. Define Service Models which include the structure of Services and dynamics of Services, in accordance with the requirements of the Client. The Service Models serve as basis to develop Cross-Provider Service Models.
4. Assist the Client to produce a Business Case for the new or changed Services. The Supplier shall provide required Information to the Client.
5. Assist the Client to determine the budget for implementing or changing Services and the preliminary time frame and resources needed.
6. Provide required Information to the Client.

5.4.6 Approve new or Changed Services

The Supplier's responsibilities will include:

1. Assist the Client and Client in defining and proposing a formal Change Request for the anticipated Service Portfolio Change for approval via the Change Management Process.
2. Provide required data to the Client.

5.4.7 Charter Service Portfolio

The Supplier's responsibilities will include:

1. Review the Cross-Provider Service Charter regarding implications on its own Services and provide feedback to the Client.
2. Support the Client in tracking progress against the implementation, change or retirement of Services.

5.4.8 Refresh Service Portfolio on an on-going basis and manage the Service Lifecycle

The Supplier's responsibilities will include:

1. The Supplier shall support the Client at least quarterly to review the Cross-Provider Service Portfolio for its relevant Services. This shall include:
    a) Providing expertise, information, advice and support for the evaluation of existing Services and new Service opportunities,
    b) Expertise, information, advice and support required to prepare a proposal and business case for a new Service or changes to existing Service,
    c) Identifying improvement opportunities for its Services at least quarterly,
    d) Assessing of the current state of its Services in the Cross-Provider Service Portfolio,
    e) Assessing if the its Services offered are in line with the Service Strategy,
    f) Assessing the cost to the Client of existing Service,
    g) Identifying gaps in its area of the Cross-Provider Service Portfolio,
    h) Recommending where to focus resources and investments,
    i) Identifying improvement opportunities.

2. Support the Client to define an Action Plan based on the outcome of the Cross-Provider Service Portfolio Review.

5.5 DEMAND MANAGEMENT

5.5.1 Definition

The purpose of Demand Management is to align supply with demand by predicting and regulating the consumption of Services across the enterprise and enables the pro-active management of service needs (demand) vs. business constraints (supply).

Demand Management shall be closely integrated with the other ITIL processes (particularly Financial Management, Service Portfolio Management, Service Catalogue Management and Capacity Management) in order to understand, anticipate, influence, manage and control all aspects of demand for IT Services.

Demand management works at every stage of the lifecycle to ensure that IT Services are designed, tested and delivered to support Client Business Objectives.

5.5.2 Scope

The Supplier shall manage and oversee the Demand Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Demand Management Process. The Supplier shall comply with the Demand Management Processes and Practices as defined by the Client.

The Supplier accepts that, while some Demand activities may only affect the Services within the scope of the Supplier, there will be Activities that apply to Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

5.5.3 General Considerations

5.5.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Demand Management Process in accordance with the requirements defined by the Client for its Services to enable the pro-active management of Service and to maintain delivery of the Cross-Functional Services and Supplier Services during Failures, spikes in demand or other spontaneous events.

The Supplier shall integrate its Demand Management Process with the Cross-Functional Demand Management Process, where the processes interact.

The Supplier shall advise the Client on strategies and methods to pro-actively manage Demand.

5.5.3.2 Tooling

The Supplier shall use the Demand Management Tool provided by the Client OR
The Supplier shall, subject to the requirements and approval of the Client provide a Demand Management Tool including interfaces to the Cross-Provider Demand Management Tool.
All costs of creating and operating such interfacing are the responsibility of the Supplier

If the Supplier uses its own Demand Management Tool it shall integrate the Demand Management Tool with the other Cross-Provider and Supplier Service Management

Processes and Tools. The Supplier shall maintain a real time data flow and visibility with bi-directional interfaces.

The Supplier shall implement monitoring and reporting of risk indicators of the Demand Management Process as needed to monitor trends and emerging risks.

5.5.3.3 Reporting

The Supplier's responsibilities will include:

1. Provide to the Client the predicted consumption of the Services on a monthly basis.
2. Report to the Client on patterns of business activity for its Services in scope on a monthly basis.
3. Report, in a timely manner, to the Client the inability to satisfy demand with remedial plans.
4. Report to the Client demand trends and identify and report risks inherent in the current demand forecast / delivery lifecycle (Consolidated the Supplier Report).
5. Providing status update reports and summary reports at the frequency and in a format agreed with the Client as described in Exhibit 4 (Service Reports) of the applicable SOW.

5.5.4 Identify sources of demand forecasting

The Supplier shall understand the Client Business Strategy and Requirements.

5.5.5 Establish and maintain a Demand Management Forecast Plan

As specified by the Client, the Supplier shall develop a rolling 12 month forecast and demand plan and make (90 day) adjustments to the forecast and demand plan (as needed) and make this plan available to the Client.

The Supplier shall track the delivery against the Demand Management plan and if required provide status to the Client.

5.5.6 Determine and manage Patterns of business activity

The Supplier's responsibilities will include:

1. Provide the Client with information required to identify and analyze patterns of business activity to understand the levels of demand that will be placed on the Services in scope to ensure that Services in scope are designed to meet the patterns of business activity and the ability to meet business outcomes.
2. Support the Client in determining, maintaining and documenting the Patterns of Business Activities (PBA) and mapping to appropriate Services.
3. Support the Client in understanding demand patterns from Request Fulfillment and Change Management for Services in scope and how they correlate to Cross-Provider Services.
4. Support the Client in understanding from Capacity Management which Services are utilizing the resources and to what level, and the schedule of when they must be run and how they correlate to Cross-Provider Services.
5. As directed by the Client, identify, analyze and codify such PBA to provide sufficient basis for Capacity Management.

6. As directed by Client use demand data, Service Catalogue and Capacity data to continuously plan the satisfaction of that Demand for Services in scope.

5.5.7 Determine and manage User profiles

The Supplier shall support the Client in defining, analyzing and maintaining User Profiles (UP) to understand the typical profiles of demand for Services from different types of User, Processes or Applications.

The Supplier shall collaborate with the Client to associate UP's with PBA's for aggregation and documenting relationship to ensures a systematic approach to understanding and managing demand from Client and match demand with appropriate services, service levels and service assets.

5.5.8 Activity-based demand management

The Supplier's responsibilities will include:

1. As directed by the Client, use data collected regarding current demand and usage of resources, and received demand data, the Service Catalogue and Capacity data to identify and continuously plan the satisfaction of the demand for Services in scope.
2. Support the Client to identify new demand requirements and usage characteristics arise and work with the Capacity and Service Portfolio Process to manage new or changed requirements.
3. Work with Change Management and Service Portfolio management to obtain approval for investments in additional capacity, new services or changes to Services.
4. Provide the Client with information on usage trends within the Services.

5.5.9 Develop differentiated offerings

The Supplier shall support the Client to analyze the PBAs and provide utilization and Performance Statistics to the Client.

5.5.10 Manage operational demand

The Supplier's responsibilities will include:

1. Make recommendations to the Client for improvements in the control of demand and the delivery of demand information.
2. Assist the Client in minimizing its costs while maximizing the value it receives from the IT Services. This includes developing PBA's and UP's and making recommendations to reduce End User demands on Systems, when requested by the Client.
3. Cooperate with the Client in assessing As-Is demand management processes and practices, benchmark usage levels and costs, perform detailed analysis of demand and cost drivers, evaluate demand optimization opportunities and solution.
4. Cooperate with the Client to provide demand forecasts and patterns for the Cross-Provider and Supplier Capacity Plan for its Services in scope and work together with Capacity Management to optimize demand for its Services.
5. Support the Client to develop suitable incentives to influence demand.

6. Work with the Client to encourage Authorized Users to make the most efficient use of the Services.
7. Cooperate with the Client to implement Demand Management activities, to encourage End Users to make the most efficient use of the Services, subject to approval by the Client.
8. Configure Services and Systems to make it possible to deliver the Service to only specified groups of End Users where indicated by the PBA or UP (e.g. where internal charging is in place to ration demand), subject to approval by the Client.

6.0 SERVICE DESIGN

The purpose of the Service Design phase of the Service Management Lifecycle is the design and development of new or changed Services based on the Client's Business requirements for introduction into the Live Environment. A key output of this phase is the Service Design Package, which contains all aspects of an IT Service, its requirements through each stage of its Lifecycle. The Service Design processes are:

1. Design Coordination,
2. Service Catalogue Management,
3. Service Level Management,
4. Capacity Management,
5. Availability Management,
6. IT Service Continuity Management,
7. Information Security Management,
8. Provider Management,
9. Architecture and Standards Management

6.1 DESIGN COORDINATION

6.1.1 Definition

Design coordination is the process responsible for well-coordinated activities during the Services Design phase in order to facilitate and achieve desired business outcomes.

The design coordination process ensures the goals and objectives of the Service design stage are met by providing and maintaining a single point of coordination and control.

6.1.2 Scope

The Supplier shall manage and oversee the Design Coordination Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Design Coordination Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

6.1.3 General Considerations

6.1.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Design Coordination Process in accordance to the requirements defined by the Client for its Services. The Process Requirements include at least an overall approach to Service Design including a common framework across all processes engaged in the Service Design stage to improve effectiveness and efficiency of overall Service Design. The process must conform to good practice for Design Coordination, Client requirements and align to the Client Design Coordination solution, as defined and directed by the Client.

The Supplier shall integrate its Design Coordination Process and other Service Management Processes with the Cross-Provider Design Coordination Process, subject to the Client's approval.

6.1.3.2 Reporting

The Supplier shall provide reports against Client defined KPIs for measuring its Service Design Process steps against the overall Cross-Provider Design Process.

6.1.4 Define and maintain policies and methods

The Supplier shall assist the Client to define and implement Policies and consistent practices for Design work related to projects and changes.

According to the Client's specifications, the Supplier shall ensure that all documents for Cross-Provider and Supplier Service Solution Design are stored in a central repository owned by the Client.

6.1.5 Plan design resources and capabilities

The Supplier’s responsibilities will include:

1. Provide resources and capabilities required for new or changed Services as requested by the Client and escalate resource constraints proactively to the Client.
2. Assess requirements for resources well in advance by maintaining regular communication with sources of change (e.g. Service Portfolio Management, Change Management), as required by the Client.
3. Cooperate with the Client to perform a gap analysis for resources and capabilities and define an action plan and address gaps by defining implementing appropriate actions.

6.1.6 Coordinate design activities

The Supplier’s responsibilities will include

1. Perform all design activities across Projects and Changes including management of schedules, resources and support teams, as required by the Client.
2. Ensure that schedules are clear and milestones are communicated and achieved and status is reported to the Client.
3. Validate that all designs cover functional as well as non-functional (e.g. warranty) requirements by conducting reviews, as required by the Client.

4. Ensure that schedules are clear and milestones are communicated and achieved for its Services in cooperation with the Client.
5. Ensure that enterprise architecture standards are met by integrating all aspects of the design into its Services in Scope.

6.1.7 Manage design risks and issues

In cooperation with the Client, the Supplier shall assess and manage risk associated with design activities to prevent issues that might cause an insufficient design, including common as well as individual risk related to a specific design project or changes if in compliance with Program Management Policies and Procedures defined by the Client.

The Supplier shall establish an issue management process in accordance with Process Requirements defined by the Client, to enable responding to issues during design stage across Suppliers in compliance with Program Management Policies and Procedures defined by the Client

6.1.8 Improve service design

The Supplier's responsibilities will include:

1. Monitor and measure performance of the design coordination process, in cooperation with the Client and assess if goals and objectives of the design stage are constantly achieved.
2. Assess if goals and objectives of the design stage are constantly achieved and identify any improvement opportunities to foster effectiveness and efficiency in cooperation with the Client.
3. Log improvement ideas in the Continuous Service Improvement (CSI) register and communicate it back to the Client who then shall select improvements for action and add the improvements to the Service Improvement Plan (SIP).
4. Be responsible for the planning of designs for its Services in cooperation with the Client and ensure that the full service design package is considered when planning the individual design project or change (utility, warranty, requirements to operate, maintain and support the service, as well as training to allow effective use by authorized users) and cover all design aspects in support of the service charter.

6.1.9 Coordinate individual designs

The Supplier shall coordinate and ensure involvement of relevant resources for Services in Scope to achieve an appropriate design, in cooperation with the Client as required.

The Supplier shall translate the requirements into designs across and ensure that all design activities adhere to requirements, policies and procedures as specified by the Client.

6.1.10 Monitor individual designs

The Supplier shall ensure and monitor in cooperation with the Client the on-going design effort across including:

1. Ensuring consistent use of agreed methods;
2. Preventing conflicts between design efforts,
3. Ensuring design milestones are met,

4. Ensuring that the design will support desired business outcome,
5. Identifying any design issue that requires corrective action as early as possible.

6.1.11 Review designs and ensure handover of Service Design Package

The Supplier's responsibilities will include:

1. Perform final review in cooperation with the Client as required, to ensure that the design is compliant with design guidelines via Service Validation and Test (standards & conventions) and that design meets agreed requirements and ensure that any issue is documented and assess if it is preventing the handover to service transition.
2. Address actions for issue resolution, subject to approval by the Client. If the issue is preventing the handover to service transition the Client shall revisit the relevant part of service design. If the Issue is not preventing handover plan the Client shall ensure that it is addressed during Service Transition and perform handover to Service Transition performing relevant activities as specified by transition planning and the support process.
3. In cooperation with the Client initiate the Change Management process to gain authorization and invoke status change of the Service record in the Service Portfolio.

6.2 SERVICE CATALOG MANAGEMENT

6.2.1 Service Catalog

The Service Catalog is a database or structured documents with information about all live Services, including those available for deployment. The Service Catalog is the only part of the Service Portfolio published to Clients, and is used to support the sale and delivery of Services. The Service Catalog includes information about deliverables, prices, contact points, ordering and request processes. The overall Service Catalog is divided into the following sub-Catalogs:

1. Business Service Catalog Management,
2. Component Service Catalog Management.

6.2.2 Business Service Catalog Management

The Business Service Catalog is part of the overall Services Catalog. It translates client-facing services, into business outcomes or at a minimum aligns the Services description to the needs of the business in terms that they are generally understood or have a specific meaning to the business.

Business Service Catalog management is responsible to provide and maintain accurate information on all Client facing services that are being transitioned or have been transitioned to the live environment.

6.2.3 Component Service Catalog Management

The Component Service Catalog (or Technical Service Catalog) maps and translates the Business Service Catalog into Supporting Services and technical Components.

Moreover it contains any and all contracted Services consumed or available to be consumed by the Client organization.

Service Component Catalog management is responsible to provide and maintain accurate information on all supporting services and their relation to client-facing Services that are being transitioned or have been transitioned to the live environment.

6.2.4 Scope

The Client may procure support from its Client/Providers to assist and augment its Service Catalog role:

The Supplier shall be responsible for managing and overseeing the Component Service Catalog Process for its Services, in accordance to requirements defined by the Client, which include:

1. Managing interfaces, dependencies and consistency between the Component Service Catalog and the Business Service Catalog,
2. Assisting the Client by transforming Services Components into Services and provide accurate information on all operational Services and those being prepared to be run operationally,
3. Maintaining the Component Service Catalog Components in accordance to the requirements defined by the Client,
4. Interfacing with the Service Level Management to ensure the information is aligned to the business and business process for its Services,
5. Interfacing with the IT Service Continuity Management on the dependencies of business units and their business processes with the supporting services, contained within the Service Component Catalog,
6. Interfacing with the Configuration Management on interfaces and dependencies between Services and the supporting Services, components and Configuration Items (CIs) contained within the Service Component Catalog (Technical Service Catalog),
7. Providing Input into the Business Service Catalog
8. Reviewing the Component Service Catalog with all relevant stakeholders. The Service Component Catalog is subject to approval by the Client.

6.2.5 General Considerations

6.2.5.1 Process Set-Up and Maintenance

The Supplier's responsibilities will include:

1. Establish and maintain a Component Service Catalog Process in accordance to the requirements defined by the Client, for its Services to integrate the Service Component Catalog (Technical Service Catalog) Services into Business Service Catalog Services. The process must conform to good practice for Component Service Catalog Management, Client requirements and align to the Client Business Service Catalog solution, as defined and directed by the Client.
2. Establish and maintain the approval authority rules and procedures defined by the Client or Client for approving purchases and the associated workflow required to obtain the Service, Equipment, or Software.
3. The Supplier shall provide Service definitions and descriptions for each Service, in accordance to the requirements defined by the Client, using an effective editorial workflow to ensure understandable, accurate and consistent information. This shall at least include:

a) Categorized Catalog Items by type of IT Service, Configuration type, and/or Equipment or Software type (for example, IMACDs, Network, Desktops, Laptops, printers, office suite Software, PDAs, and so forth) and including all relevant technical specification details, as directed by the Client,

b) Any notation required for specific use (or limitation) of each Procurement Item by region, business unit, Project or category of use,

c) Technical limitations/requirements for the use of Equipment or Software (for example, minimum disk space, memory, Operating System, and so forth) or execution/delivery of the service are included,

d) Links to how to obtain additional information about the service, Equipment, or Software.

4. Implement Demand Management policies in the Component Service Catalog in accordance with the Client's requirements.
5. Ensure that the Component Services Catalog includes all Procurement items for its Services.
6. Where the Supplier is financially responsible for Equipment and Software contained in the Service Component Catalog, the Service Component Catalog should contain the preferred financing approach (purchase or lease), as follows:

    a) If the preferred approach is to purchase, the list will contain the current purchase amount,

    b) If the preferred approach is to lease, the list will contain the current monthly lease amount and the lease term.

7. Structure the Services Component Catalog content in accordance with the structure of the Business Service Catalog, to enable the User to perform simple and effective searching for products and Services using the Client's electronic tools and displaying search results according to a logical structure and user friendly format.
8. Ensure that all Equipment and/or Software in use, which is within the refresh cycle approved by the Client or Client and which may be changed from time to time based on technological change and/or Business requirements, is included in the Component Catalog. Decommissioned equipment records must be retained in the catalog as specified by the Client.
9. If applicable, The Supplier shall include all Equipment and/or Software in use as of the Commencement Date in the Service Component Catalog for a minimum of twenty-four (24) months after the Commencement Date, even though it may be decommissioned during that time.

6.2.5.2 Tooling

The Supplier shall use the Service Catalog Tool from the Client OR
Implement and maintain a Component Service Catalog on a relational database System which integrates with the Business Service Catalog and Business Service Catalog Tool. The Client will retain approval for the database design and the Client will have access to the database and the data in an agreed format. The Tool shall include Interfaces for data exchange with the Client and, where appropriate, to and from providing Suppliers. All costs of creating and operating such interfacing are the responsibility of the Supplier.

6.2.5.3 Communication

The Supplier shall support the Client as required, to continuously communicating with and educating End Users about the need and requirements for use of Products defined in the Business Service Catalog and underpinning Service Component Catalog, including bulletins about upgrade requirements, modification of product support, compatibility issues, and known issues with non-standard products and consequences of using non-standard products.

The Supplier shall publish the Technical Service Catalog in accordance with Client's technical services strategy and/or specification.

6.2.5.4 Reporting

The Supplier shall provide Service Component Catalog reports to the Client as specified by the Client based on Client requirements.

The Supplier shall provide reporting facilities to the Client that enable access to up-to-date lists of all End Users that are not using Standard Products, and identify the specific use of the non-standard Equipment and/or Software.

6.2.6 Maintain and Update Service Catalog

The Supplier's responsibilities will include:

1. Monitor the up-to-datedness of the Component Service Catalog and ensure that updates are timely, that Catalog standards and data quality are maintained and that retired Requests are removed.
2. Provide all content for the Component Services Catalog to the Client. Such content is to be reviewed and updated on a monthly basis. This shall include regularly an updated list of Equipment and Software that includes the approved products for purchase or lease by the Client for new deployments
3. Assist the Client to evaluate requested Service additions, Changes or retirements.
4. Update and/or submit RFC for the modification of the Component Service Catalog.
5. Coordinate the update of dependencies between Services and CIs with the Service Asset and Conbfiguration Management process.
6. Publish and/or make Component Service Catalog available to the Client. Depending on the Business Service Catalog strategy, this may also include making the Component Service Catalog available directly to End Users, as requested by the Client.
7. Ensure that all items within the Component Service Catalog are available for prompt delivery including stock availability where relevant.
8. Monitor the Client's Environment for its Services for the introduction and use of non-Standard Products and taking any action specified by the Client in response to the introduction or use of non-Standard Products, including removal or replacement of the non-Standard Product.
9. Use and update the Service Asset and Configuration Management System to determine the use of non-standard Equipment and/or Software by an End User and notify the Client.
10. Notify the Client of End Users who will be affected by the elimination of a Standard Product at least twelve (12) months prior to the elimination of a Standard Product from the list.

6.3 SERVICE LEVEL MANAGEMENT

6.3.1 Definition

The Process responsible for setting up Service Level Agreements, and ensuring that these are met. Service Level Management is responsible for ensuring that all Service Management Processes, Operating Level Agreements (OLAs), and Underpinning Contracts (UCs), are appropriate for the agreed Service Level Targets. Service Level Management monitors and reports on Service Levels, and holds regular Client reviews.

6.3.2 Scope

The Supplier shall provide Service Level Management as described in Exhibit 2 (Service Levels).

6.3.3 General Considerations

6.3.3.1 Process Set-Up and Maintenance - Define and negotiate SLA Framework

The Supplier shall negotiate OLAs/Underpinning Contracts with the Client and other Suppliers to ensure effective collaboration, operation of common Cross-Provider processes as set out in the Agreement(s) and the operation of governance across the integrated Services.

The Supplier shall support the Client in establishing an OLA framework between the Client and the Suppliers to ensure the interdependencies among the Suppliers are transparent and clear and that all Service Levels can be met and shall accept relevant OLAs.

6.3.3.2 Process Set-Up and Maintenance - Develop Service Level Management Process

The Supplier shall be responsible for developing, implementing and operating a Service Level Management Process and Tools that enable consistent delivery of Service Level Management across its Services in accordance with the Schedule 5.1 (Service Level Methodology) and Exhibit 2 (Service Levels) to the Applicable SOW, in accordance with the requirements defined by the Client.

The Supplier shall collaborate with the Client and other Suppliers to integrate the Service Level Management Process with the other Supplier and Cross-Provider Service Level Management and Service Management Processes and Tools.

The Supplier shall assist the Client to develop and maintain a regular schedule for recurring Service Level Management activities and define triggers for event driven Service Level Management activities, subject to Client review and approval.

6.3.3.3 Tooling

The Supplier shall, subject to the approval of the Client provide a Service Level Management Tool that enables consistent delivery of Service Level Management reporting in accordance with Schedule 5.1 (Service Level Methodology) and Exhibit 2 (Service Levels) to the Applicable SOW.

The Supplier shall assist the Client in:

1. Gathering service level data from all Suppliers that report Service Level Performance and report against that data,

2. Populating of the Service Level management tooling with service measurement data, as specified by the Client.

The Supplier shall integrate the Service Level Management Tool with Supplier Service Management Processes and Tools, as required.

The Supplier shall implement monitoring and reporting of risk indicators of the Service Level Management Process as needed to monitor trends and emerging risks.

6.3.3.4 Reporting

The Supplier shall deliver of operational reports, including Service Level Performance Reports as set out in Exhibit 2 (Service Levels) and Exhibit 4 (Service Reports) of the applicable SOW, and as further specified by the Client.

6.3.4 Collect and collate Service Level data and reports

The Supplier shall ensure on-time delivery of all Supplier Service Level reporting, in accordance to the schedule defined by the Client.

The Supplier shall regularly provide Service Level Management Data, reporting and related Backing Data to the Client as defined in Exhibit 2 (Service Levels) and Exhibit 4 (Service Reports) of the applicable SOW **and** specified by the Client. This will include reporting on progress in any Service Improvement Plan implementation and any required reports for Governance meetings.

The Supplier shall deliver to the Client, Service Level analysis reports in accordance with the agreed requirements and processes set out in **Exhibit 2 (Service Levels) and in Exhibit 4 (Service Reports) of the applicable SOW** and the Service Level audit trail to enable data mining of Service Level data.

6.3.5 Analyse Service Level performance

The Supplier shall provide monthly SLA performance reports (Critical Service Levels, Key Measurements and Critical Milestones) provided. The Supplier shall assist the Client to:

1. Handle inaccuracies, questions and issues,
2. Check reported Service Levels (SL) /Knowledge Management (KM) performance against the Service Level Targets,
3. Perform trend and current performance analysis,
4. Ensure that agreed collection tools are used as specified in the Agreement,
5. Escalate issues to Governance for attention, discussion with Client and resolution.

The Supplier shall monitor and report to the Client its individual performance against agreed Service Levels and take corrective action when any deviations are observed.

As a member of the Cross-Supplier environment, the Supplier shall execute and maintain Operational Level Agreements (OLAs) and pain share mechanisms with other Suppliers as directed by the Client in order to achieve the Service Levels and shall monitor and manage performance against agreed OLAs and pain share mechanisms.

The Supplier shall support the Client in the completion of Cross-Provider Service Reviews with representatives of the Client and other Suppliers. The Supplier shall escalate to the Client any Service Level Performance issues that it has not been possible to resolve through reasonable endeavors with other Suppliers.

6.3.6 Improve Service Level performance

The Supplier shall support the Client and other Suppliers in maintaining and gradually improving Business-aligned Service quality through a constant cycle of agreeing, monitoring, reporting and reviewing Service provision and through instigating actions to eradicate unacceptable levels of service within the Supplier's services. The Supplier shall deliver to agreed action plans or improvements to address emerging or current service level performance issues.

According to the requirements of the Client Satisfaction Process, the Supplier shall assist the Client to analyze Client satisfaction across Supplier and determine required measurements in scope of the overall Service Improvement Plan.

6.3.7 Determining, documenting and agreeing requirements for new services and producing Service Level Requirements (SLRs)

The Supplier shall assist the Client to determine document and agree requirements for new Services and produce Service Level Requirements (SLRs).

The Supplier shall assist the Client to specify Service Level Requirements, volume parameters, control objectives, Service Levels, reporting requirements, schedule and assurance.

6.3.8 Change Service Level (periodically)

The Supplier shall deliver to agreed action plans or improvements to address emerging or current service level performance issues, as directed by the Client.

The Supplier shall trigger the Contract Change Process to negotiate Service Level change and effective date of change, as necessary.

The Supplier shall, as required by the Client, implement Service Level change (on effective date of change) and start data collection.

6.3.9 Reset Service Level and earn back (annually)

The Supplier shall review together with the Client Service Level performance, annual reset, performance credits and earn back calculations for prior Contract Year.

6.4 CAPACITY MANAGEMENT

6.4.1 Definition

Capacity Management Process ensures that the capacity of Services and the components are able to deliver agreed Service Level targets in an efficient and effective manner Capacity Management considers all resources required to deliver the service and plans for short, medium and long term business requirements.

6.4.2 Scope

The Supplier shall manage and oversee the Capacity Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Capacity Management Process.
The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider

Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

6.4.3 General Considerations

6.4.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Capacity Management Process in accordance to the requirements defined by the Client for its Services. The Process shall include annual and regular periodic capture and reporting of Capacity in accordance to the requirements defined by the Client. The process must conform to good practice for Capacity Management, Client requirements and align to the Client Capacity Management solution, as defined and directed by the Client.

The Supplier shall integrate its Capacity Management Process and other Service Management Processes with the Cross-Provider Capacity Management Process, subject to the Client's approval.

The Supplier shall establish and maintain in accordance to the requirements defined by the Client, appropriate modeling techniques and trend analysis to predict the performance of Services under a given volume and variety of work.

6.4.3.2 Tooling

The Supplier shall, subject to the approval of the Client provide a Capacity Management Information System.

The Supplier shall apply Capacity Management Tools, data, reports, and disciplines to Incidents and Problems relating to poor performance as an active member of teams working to resolve such Incidents and Problems, as directed by the Client.

6.4.3.3 Reporting and Forecasting

The Supplier’s responsibilities will include:

1. Produce regular management reports to the Client, including current resource utilization, trends, forecasts, and exceptions, in accordance with Exhibit 4 (Service Reports) of the applicable SOW.
2. Include in the reports information collected by the Supplier related to the performance of other services, such that the Client can identify trends and potential Capacity issues and risks for its Services.
3. Develop, monitor, track and complete remediation action plans to address any Capacity deficiency or surplus in accordance to the requirements defined by the Client.
4. Align Capacity Management outputs with the Service Levels and other performance requirements documented in the Agreement.
5. Assist the Client in forecasting Client’s Capacity future requirements and monitor and validate the Capacity forecast against Client’s actual utilization for its Service.

6.4.4 Business Capacity Management

The Supplier's responsibilities will include:

1. The Supplier shall participate, as required by the Client, in the Business Capacity Management planning processes, including to address interdependencies between the its Services and the Cross-Provider Services.
2. The Supplier shall support the Client as required in aligning the Capacity Management to the Client's IT Business plan and Long-Range IT Plan. This includes performing an analyses in support of Business planning, IT planning, and Capacity and utilization studies, where such analyses for its Services, at a minimum, shall include:
    a) Estimates based upon experience and current and historical resource utilization experience,
    b) Projects,
    c) Benchmarking,
    d) Prototype development,
    e) Analytical modeling,
    f) Simulation modeling,
    g) Baseline models,
    h) Trend analysis.
3. The Supplier shall assist the Client to review Client's Business strategies, Business plans, and financial plans and validate that Capacity Management requirements for its Services are aligned with those plans are part of Client normal Business planning cycle,
4. The Supplier shall utilize new Hardware and Software products in Capacity Management in order to improve the efficiency and effectiveness of the process, as part of the continuous improvement and evolution of the Services.
5. The Supplier shall ensure that its Capacity Management process supports an effective Cross-Provider Demand Management Process, as required by the Client by providing information and analysis regarding the current and future demands and assisting with demand forecasting and influencing demand optimization for its Service.
6. The Supplier shall formally review Capacity requirements for its Services as part of Client's normal business planning cycle, as directed by the Client.
7. The Supplier shall support the Client to analyze the demand forecast and submit recommendations for Capacity Changes for its Service.
8. The Supplier shall work with the Client to maintain a knowledge base of future demand for the Services, and predict the effects of demand on Service Levels.
9. The Supplier shall work with the Client to achieve optimal utilization of Cross-Provider Capacity and Service Capacity by either:
    a) Providing additional Capacity; or
    b) Managing demand within Capacity constraints (see Demand Management).

10. Work together with the Client to investigate new technology applicable to Capacity Management and incorporate technological development advances and evolution into Capacity Management.
11. Assist the Client and the Service Level Management in understanding the Client's capacity and performance requirements, in terms of required service/system response times, expected throughput, patterns of usage and volume of users for its Service.
12. Verify that there is adequate Capacity to meet the Service Levels.
13. As requested by the Client and in accordance with Exhibit 2 (Service Levels), then provide the Client Service Level targets that have the ability to be monitored and upon which the design of the Services has been based.

6.4.5 Service Capacity Management

The Supplier's responsibilities will include:

1. Perform Capacity Management for all aspects of the Services and ensure increased Capacity is implemented before Capacity safety limits or Service Levels are breached in accordance to the requirements for Cross-Provider Service Levels.
2. Actively include the Capacity Management in the Change Management process to assess all Changes (incl. relevant parts of Cross-Provider Changes) for their impact on the Capacity of the Services and provide appropriate feedback, including assessing cost impacts, to those submitting Requests for Change.
3. Upon request of the Client estimate the resource and utilization effects of Cross-Provider Changes
4. Validate and verify that planned Changes affect only the expected resource impact.
5. Perform ad hoc performance and Capacity studies as requested by the Client, or as needed to deliver the Services.
6. As required by the Supplier manages the Capacity to meet the demand for the Services and respond to occurrences of insufficient Capacity whenever necessary to facilitate successful performance of the Services.
7. Employ regular monitoring, identification of exceptions, and manual review of reports and trends for Services in accordance to the requirements defined by the Client.
8. Work with the Client to identify and implement proactive measures to improve the performance of Services wherever it is cost-justifiable to do so and meets business needs.
9. Proactive analyze monitoring results to identify areas of the overall configuration that could be tuned, or optimized, to better utilize the Service, system and component resources or improve the performance of the particular Service and provide results to the Client.

6.4.6 Component Capacity Management

The Supplier's responsibilities will include:

1. Monitor Resources and System performance, System utilization, Capacity limits, and expected Capacity needs, and recording that information in an electronic format which is accessible by Client.
2. Determine Capacity requirements for all new Systems to determine the necessary computer and Network resources required, and sizing such new Systems, taking into account hardware utilization, requirements for Resilience, performance of Service Levels, and cost (minimizing cost to the Client).
3. Trend current System and resource utilization, and estimate future utilization.
4. Tune Systems to achieve optimal use of all hardware, Network, and Software resources.
5. Estimate applicable resource requirements, including Impact on the Capacity of the Server Environment, Network Environment, End-User Computing Environment, and so forth, as required and where applicable to Supplier's scope of Services.
6. Maintain an understanding of the Capacity and utilization of each of the IT Components that the Supplier manages, including hardware, Software licenses, and voice and data circuits.
7. As necessary to provide optimum resource usage (hardware, Software, circuits, and so forth) in the delivery of the Services, installing hardware and Software monitors, properly configure those monitors, and collecting the resultant data.
8. Prevent Incidents and Problems related to resource utilization from occurring.

6.4.7 Capacity Planning

The Supplier's responsibilities will include:

1. In accordance with the requirements defined by the Client to create, and maintain 12 month rolling consolidated Service Capacity Plans that reflect the current and future needs of the business, as agreed and documented within SLAs, such that a Cross-Provider Capacity Plan can be produced.
2. Document the current levels of Resource utilization and Service performance, and forecast future requirements to account for Client Business strategies and plans. The plan must clearly document assumptions and include recommendations quantified in terms of Resources required, costs, benefits, Impact, and so forth.
3. Shall include in the Capacity Planning:
    a) Work schedules and dependencies between elements of the Service,
    b) Client's Capacity planning recommendations for its Services.

The Supplier shall produce or update the Capacity Plan in conjunction with Client's Business planning cycle.

The Supplier shall work together with the Client to convert the approved Capacity Plan into Requests for Change and ensuring that any demand / Capacity deficiency or surplus is highlighted and communicated to Client.

On an agreed schedule, or as requested by the Client, the Supplier shall revise the Capacity planning model based on actual performance.

6.5 AVAILABILITY MANAGEMENT

6.5.1 Definition

The purpose of the Availability Management process is to ensure that the level of Service Availability delivered in all Services is matched to or exceeds current and future agreed needs of the business, in a cost-effective manner.

6.5.2 Scope

The Supplier shall manage and oversee the Availability Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Availability Management Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

6.5.3 General Considerations

6.5.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain an Availability Management Process in accordance to the requirements defined by the Client for its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Availability Management Process. The Process shall include policies and principles to plan, implement, measure, and manage the Availability and reliability of the Services to confirm that the levels of Availability and reliability consistently meet Client's business requirements and objectives. The Supplier shall produce Availability plans, as agreed with the Client that address Client's Availability and reliability of the Services requirements. The process must conform to good practice for Availability Management, Client requirements and align to the Client Availability solution, as defined and directed by the Client.

The Supplier shall integrate its Availability Management Process, Plan and other Service Management Processes with the Cross-Provider Availability Management Process and Plan subject to the Client's approval.

The Supplier shall have the appropriate level of Monitoring and measurement in place to achieve IT Service Monitoring to support Client's requirements for Availability as defined in the applicable Service Levels

6.5.3.2 Tooling

The Supplier's responsibilities will include:

1. Subject to the approval of the Client provide an Availability Management Information System (AMIS). The Supplier shall record and maintain Client's Availability Management data to support key activities, such as report generation, statistical analysis, and Availability forecasting. All costs of creating and operating such interfacing are the responsibility of the Supplier.
2. Provide to the Client via an automated interface data to report and review the AMIS data if the Supplier uses its own AMIS.

3. Update the AMIS in a timely manner in accordance with requirements defined by the Client, with the technical specifications of newly acquired Configuration Items (CIs), changed CIs, Service Availability requirements, and any other relevant information.
4. Periodically, and at least twice-yearly, auditing the AMIS contents as required by the Client to ensure the correctness of the data contained therein and provide Audit Reports to the Client.
5. Maintain, report on and enable access as requested by the Client to the AMIS data related to all Services where the Supplier is responsible for monitoring and reporting on Availability for IT Services.
6. Gather Service Availability and Component Availability data for the entirety of the Supplier's Services and record and maintain this data in the Availability Management Information System (AMIS).
7. Gather Service Availability and Component Availability data at a level and in a form that enables Supplier and Client to efficiently deliver Service Level reporting to the Client.

6.5.3.3 Monitoring, measuring, analysing and reporting

The Supplier's responsibilities will include:

1. Manage and report on the adherence to the Client's requirements for Availability as defined in the applicable Service Levels to the Client.
2. Deliver the Availability reports as described in Exhibit 2 (Service Reports) of the applicable SOW and Schedule 5.1 (Service Level Methodology) to the Client.
3. Deliver to the Client a monthly consolidated report on all key elements of Availability for its Services. Such report will include current Availability metrics and a 12 month rolling forecast, unless otherwise specified by the Client
4. Analyze and report on all key elements of Availability so that it is clear where there are failing Service Components in the chain of delivery and also where target Availability has been achieved. Such analysis shall include Availability, Reliability, maintainability and serviceability measures to the Client.
5. Produce Availability and Reliability trend analyses as required by the Client.

6.5.4 Planning and designing new or changed services

The Supplier shall assist the Client in the conversion of Business Requirements into Availability Requirements as required, to determine:

1. A definition of the Vital Business Functions supported by the Service,
2. A definition of Service downtime,
3. The business impact caused by loss of service, together with the associated risk,
4. Quantitative availability requirements,
5. The required service hours,
6. An assessment of the relative importance of different working periods,
7. Specific security requirements,
8. The service backup and recovery capability.

The Supplier shall formally review Availability requirements for their services as part of Client's normal business planning cycle, as directed by the Client.

The Supplier shall assist the Client and the Service Level Management in understanding the Client's Availability Requirements

As requested by the Client and in accordance with Exhibit 2 (Service Levels) to the applicable SOW, the Supplier shall provide the Client with Service Level targets that have the ability to be monitored and upon which the design of the Services has been based.

6.5.5 Risk assessment and management

The Supplier shall work together with the Client and conduct a proactive modeling and risk analysis to test and analyze predicted Availability of a Service, including:

1. Review availability design criteria, if required,
2. Component Failure Impact Analysis,
3. Single Point of Failure,
4. Fault Tree Analysis,
5. Service Failure Analysis and so forth.

The Supplier shall provide a Report to the Client.

The Supplier shall assist the Client to identify, select and adopt countermeasures justified by the identified risks in terms of their potential impact on services if failure occurs.

6.5.6 Implementing cost-justifiable counter-measures

The Supplier shall initiate work to implement countermeasures for its Services, in cooperation with the Client.

The Supplier shall provide the levels of Availability and Reliability of the Services in compliance with the Service Levels, at optimum cost and ensuring that the introduction of new layers of complexity does not compromise overall Reliability.

The Supplier establishes and maintains, in accordance to the requirements defined by the Client a planned and preventive maintenance strategy and implements the strategy.

6.5.7 Reviewing all new and changed services and testing all availability and resilience mechanisms

The Supplier shall review all Requests for Change for Impact on Availability and ensuring proposed Change meets all reliability, maintainability and serviceability requirements and meets agreed Service Levels and provide results to the Client.

The Supplier shall work with the Client to develop testing scenarios and solution sets appropriate to mitigate risks presented by failure modes.

The Supplier shall conduct fail over testing at an agreed frequency and provide results to the Client as requested.

6.5.8 Investigate unavailability and remedial actions

The Supplier's responsibilities will include:

1. Investigate every instance of below target Availability and record the reason for and remedial action on the AMIS, as required by the Client

2. Provide early warning or advice to the Client of potential or actual Availability and Reliability issues. The Supplier shall provide additional advice as the potential increases and as the threat becomes more imminent.
3. Proactively identifying Components that are susceptible to Failure, and recommending cost-effective solutions for Client's consideration and possible approval.
4. Initiate the Change Management Process in cooperation with the Client to implement solutions.
5. Assist Incident Management in identifying ways to shorten the Incident Lifecycle (for example: detection, diagnosis, repair, recovery, restoration) through analysis of key Availability metrics, including MTBF, MTBSI, MTTR, and MTTRS.
6. Manage the monthly number of Availability-related Incidents to trend downwards each year of the Term in accordance with the Service Levels and Cross-Provider Service Levels.
7. Produce an Availability Plan in conjunction with the Cross-Provider Availability plan generated by the Client. The Availability Pan shall include a twelve (12) month rolling view of planned Availability and incorporating Clients Availability planning recommendations into the Cross-Provider Availability Plan.
8. The Availability Plan shall include, at a minimum:
    a) Trends which depict actual levels of Availability versus agreed levels of Availability for key Services. Availability measurements should be Business-focused to enable the Client to report Availability as experienced by the End User,
    b) Activities being progressed to address shortfalls in Availability for existing Services: Where investment decisions are required, options with associated costs and benefits shall be included,
    c) Details of changing Availability requirements for existing Services: The Availability Plan shall document the options available to meet these Changed requirements. Where investment decisions are required, the associated costs of each option shall be included,
    d) Details of the Availability requirements for forthcoming new Services: The Availability Plan shall document the options available to meet these new requirements. Where investment decisions are required, the associated costs of each option shall be included,
    e) A technology futures section to provide an indication of the potential benefits and exploitation opportunities that exist for planned technology upgrades: Anticipated Availability benefits shall be detailed, based on Business-focused measures. The effort required to realize these benefits shall also be quantified.

The Supplier shall publish the Availability Plan as required by the Client.

The Client shall review Suppliers' performance against the jointly designed Availability plan and recommend remedial actions.

6.5.9 Projected service outage (PSO) document.

The Supplier shall cooperate with the Client and the Change Management to create and maintain projected service outage (PSO) document and contribute to the Cross-Provider projected service outage document. This document describes any variations from the service availability agreed within Service SLAs.

6.6 BUSINESS CONTINUITY MANAGEMENT SERVICES

Business Continuity Management will support the continuity requirements of the Client's business operations by ensuring that the required IT technical and service operations and processes (both Client and Supplier) can be recovered within required and agreed time scales as defined by the Client. The Supplier will provide Supplier Business Continuity Management and Supplier Disaster Recovery Services as described in this Common Exhibit and in accordance with Common Exhibit 3 (Client Policies and Guidelines).

6.6.1 Business Continuity

Client will retain responsibility for the Client Business Continuity Plan(s) and management activities and will approve the Supplier's activities in support of the Client Business Continuity Plan(s) in advance.

The Supplier responsibilities will include:

1. Perform, update, and manage Supplier Business Impact Assessment of the Client Business Impact Assessment and the Client's functions that are supported by the Services.
2. Update, maintain, manage, test and implement any portion of the Supplier Business Continuity Plan(s) and activities that relate to Services that support the Client's Business functions and the continued provisioning of the Services.
3. Work with Client to ensure that there is the proper linkage between the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) to make them holistic and integrated.

6.6.2 IT Service Continuity Testing

The Supplier responsibilities will include:

1. Establish joint test objectives with Client designed to verify that Client's Systems will be available within established timeframes.
2. Subject to the availability of a Client-designated test site(s), schedule and test all Components of the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s)Plan(s)at least annually in cooperation with Client, its designees, any testing and recovery providers, and any other Third-Party Vendors providing services to Client.
3. Schedule testing dates with Client's approval, and give Client and its representatives the opportunity to observe and participate in the tests.
4. Assume coordination and administrative responsibility for Third-Party Vendors utilized by Client during testing in accordance with the Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s).
5. Continue to operate and manage the Services during periodic Business Continuity and Disaster Recovery tests.
6. Provide Client with a formal report of the test results within fifteen (15) days of each test. At a minimum, these reports should include:
    a) The results achieved

b) A comparison of the results to the measures and goals identified in the respective Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan.

c) A report on the feedback from Authorized Users as to the adequacy of continuity for their respective areas.

d) A plan and a schedule to remedy any gaps revealed during testing. , or as agreed to by the Client.

7. Retest within ninety (90) days if any disaster simulation(s) fails to achieve specified results as a result of the Supplier's failure to perform its responsibilities.
8. Update the Supplier Disaster Recovery Plan(s) upon re-testing, and verify that the remedy was successful.

6.6.3 Activities During a Disaster

The Supplier responsibilities will include:

1. Report disasters (or potential disasters) to Client immediately upon identification based on parameters defined in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), and consult with Client for an official declaration of a disaster as appropriate.
2. For all facilities where the Supplier has oversight responsibility, declare disasters in accordance with procedures existing at the time of declaration and notify Client of situations that may escalate to disasters as soon as practicable.
3. Execute the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s)Plan(s)including:
    a) Operate the Equipment.
    b) Restore the Software:
    c) Verify that data is recovered to the appropriate point in time.
    d) Provide all other functions associated with the Services.
4. In accordance with the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), determine what resources to deploy.
    a) Conduct, supervise, and administer the operation and implementation of such resources.
5. Assist in the execution of the Client Business Continuity Plans and Supplier Disaster Recovery Plan(s), as requested by the Client.
6. Provide additional resources as necessary to maintain provision of the Services for unaffected areas and re-align technical resources to maintain Business Continuity.
7. In accordance with the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), assume coordination and administrative responsibility for Third-Party Vendors utilized by Client.
8. Following any disaster, conduct a post-disaster meeting with Client in order to understand the cause of the disaster, restore Services to pre-disaster Service Levels (if necessary), and develop plans to eliminate or mitigate future occurrences.

9. Whether a Supplier Disaster Recovery Plan(s) exists or not, at a minimum, restore the Services within a timeframe that is expected in the industry from large, well-managed outsourcing services companies.

6.6.4 Other IT Service Continuity Activities

The Supplier's responsibilities will include:

1. Negotiate and manage contracts with Third-Party Vendors providing Supplier Business Continuity and Supplier Disaster Recovery services.
2. At all times, maintain strict compliance with the Supplier Business Continuity and Supplier Disaster Recovery policies, standards, and procedures contained in Client's Business Continuity Plan(s).
3. Train Supplier, Client personnel, and Third-Party Vendors in Supplier Business Continuity and Supplier Disaster Recovery procedures, and implement a process to obtain immediate access to such procedures in a disaster situation.
4. Provide support, as requested by the Client, in the Client Business Impact Assessment processes and in the Client Business Continuity Plan development processes.
5. Provide support, as requested by the Client, during Client business continuity or disaster recovery incidents.

6.7 ARCHITECTURE & STANDARDS MANAGEMENT

6.7.1 Definition

The Process Architecture and Standards Management (A&S) includes the management of architecture & standards, overseeing compliance with defined standards and guidelines and granting or denying exceptions where necessary.

6.7.2 Scope

The Supplier shall collaborate with the Client and other Suppliers to manage the Architecture & Standards Management Process.

6.7.3 General Considerations

6.7.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain an Architecture & Standards Management Process, policies and procedures in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Architecture & Standards Management, Client requirements and align to the Client Architecture and Standards Management solution, as defined and directed by the Client.

The Supplier shall apply standards, procedures and regulations as defined in Attachment K to Exhibit 1 (Technical Architecture) and Product Standards to its Services.

The Supplier shall contribute to the strategic IT infrastructure architecture and standards within the scope of Service Integration (e.g. provide latest IT expertise, contribute to the corporate IT architecture framework and roadmap, etc.), as required by the Client.

6.7.3.2 Reporting

The Supplier shall produce monthly non-compliance reports to send to the Client.

The Supplier shall implement the remediation actions as defined by the Client.

6.7.4 Identify obligations of parties in the Agreement

The Supplier shall assist the Client to review Agreements in scope and identify Architecture and Standards Management responsibilities which includes developing and maintaining a Roles and Responsibility matrix to identify which Supplier or Client owns specific areas.

The Supplier shall review the matrix with the Client and assist in resolving responsibilities conflicts with as necessary.

6.7.5 Identify and document affected areas

The Supplier shall assist the Client to identify components of the relationship affected by Architecture and Standards Management and develop position for areas not covered and notify Suppliers as required.

Supplier shall assist the Client to document and publish affected areas.

6.7.6 Determination and notice of changes to A & S

The Supplier shall conduct A&S Governance Meetings as defined in Schedule 9.1 (Governance) Model and related Attachments.

The Supplier shall support the Client to assess potential changes to the Architecture and Standards and maintaining Architecture Standards requirements and allowable exceptions;

The Supplier shall initiate required activities as directed by the Client.

6.7.7 Identify and implement validation strategies

The Supplier shall attend validation events as required by the Client.

6.7.8 Periodic review of compliance to A & S

The Supplier shall cooperate with the Client to select areas for compliance audit and conduct regularly audits or review for compliance including:

1. Meeting with Client to understand variances,
2. Attempting to resolve with Client, involving Governance Issue Management & Dispute Resolution as needed,
3. Documenting allowable variance and updated Agreement as needed,
4. Issuing request for exception to the Client.

The Supplier shall ensure compliance with technical Architecture and standards and regulations and Client IT Control Framework including verification that all Changes comply with Architecture and standards, in accordance to the requirements defined by the Client.

The Supplier shall inform the Client immediately of any non-compliance which impacts regulatory compliance or Security.

The Supplier shall implement remediation actions as defined by the Client.

The Supplier shall assist the Client to maintain a repository of non-compliant Architecture standards.

6.7.9 Review compliance for purchasing

The Supplier shall assist the Client to assess requests for exceptions.

6.7.10 Review compliance for New Work or Projects

The Supplier shall assist the Client to review and evaluate new work or projects for A & S compliance.

6.7.11 Review of exception requests to A & S

The Supplier shall assist the Client to review and evaluate exception requests.

7.0 SERVICE TRANSITION

The purpose of the Service Transition phase of the Service Management Lifecycle is to:

1. Plan and coordinate resources to ensure that the requirements of Service Strategy encoded in Service Design are effectively realized in Service Operation.
2. Identify, manage and control the risks of failure and disruption across Service Transition activities.

The Service Transition processes are:

1. Service Transition Planning and Support,
2. Change Management,
3. Service Asset and Configuration Management,
4. Release and Deployment,
5. Service Validation and Testing,
6. Change Evaluation,
7. Knowledge Management.

7.1 SERVICE TRANSITION PLANNING AND SUPPORT

7.1.1 Definition

The objective of Service Transition Planning and Support is to plan and coordinate the resources to move a new or changed Service into the Production Environment within the predicted cost, quality and time estimates and to ensure that issues and risks are managed.

7.1.2 Scope

The Supplier shall manage and oversee the Transition Planning and Support Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Transition Planning and Support Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

This Service is not part of the Base Charges in Exhibit 3 (Pricing) to the applicable SOW and will be handled via the Change Management Process.

7.1.3 General Considerations

7.1.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Transition Planning and Support Process for its Services in accordance to the requirements defined by the Client. The process must conform to good practice for Transition Planning and Support, Client requirements and align to the Client Transition Planning and Support solution, as defined and directed by the Client.

The Supplier shall integrate its Transition Planning and Support Process and other Service Management Processes with the Cross-Provider Transition Planning and Support Process, subject to the Client's approval.

The Supplier shall establish and maintain a Transition Framework and Policy in accordance with the requirements specified by the Client.

The Supplier shall establish and maintain in accordance with requirements specified by the Client, an operational processes that deliver the Service Transfer requirements such to deliver Service Transfer services in a coordinated manner

The Supplier shall establish and maintain an operational readiness framework, in accordance to the requirements specified by the Client, for use during System Development Projects and Major Enhancement Projects and during Acceptance for production.

The Supplier shall keep a detailed audit trail of each Service Transfer and provide data and reports to enable analysis of Service Transfer performance and continual improvement of the Service Transfer services and provide the Client access to the audit trail.

7.1.4 Define Transition strategy

The Supplier shall support Client, and any Supplier nominated by Client, in the creation, maintenance and execution of the Service Transition and Cross-Provider strategy encapsulated in Service Transition framework, while ensuring compliance with policies, standards and agreed processes.

The Supplier shall, in accordance Client requirements, establish and maintain Service Transition models which will form the basis for each Service Transition.

7.1.5 Define Service transition lifecycle stages

The Supplier shall support the Client to define the lifecycle stages for the Service Transition, and the move from one stage to the next should be subject to formal checks. Typical stages in the life of a transition shall include, but are not limited to:

1. Acquire and test new configuration items (CIs) and components,
2. Build and test,

3. Service release test,
4. Service operational readiness test,
5. Deployment,
6. Early life support,
7. Review and close service transition.

7.1.6 Prepare for service transition

The Supplier's responsibilities will include:

1. Work with the Service Designers, in conjunction with the Client to provide advice and assistance in understanding the Service Transition process and in completing the relevant documentation, such as the Service Design Package.
2. Where responsible, develop and complete (including signing off) all elements of the Service Design Package relating to the planning, designing, building, testing, releasing and supporting (including Early Life Support) the new or changed Service to the required timescale and as required by Client Quality Assurance gates and in accordance with the requirements defined by the Client.
3. Provide Reports as required by the Client
4. Review the Service Design Package for completeness and comprehension of planning, design and build sections as they relate to the Services delivered and following up with the Service Design process owners with any questions in cooperation with the Client.
5. Assist and provide support to the relevant stakeholders and Client in developing and completing (including signing off) all elements of the Service Design Package relating to the planning, design, build, test, release and support (including Early Life Support) of the new or changed Service to the required timescale and as required by the Client's Quality Assurance gates.
6. Set-up Service Transfer services that comply with the transfer requirements and that they can form an integral part of the Service Transfer services, as required by the Client.
7. Review and acceptance of inputs from the other service lifecycle stages for checking Transition Readiness, as required by the Client including:
    a) Reviewing and checking the input deliverables, e.g. change proposal, SDP, service acceptance criteria and evaluation report,
    b) Identifying, raising and scheduling requests for Change (RFCs),
    c) Checking that the configuration baselines are recorded in the configuration management system (CMS) before the start of service transition.

7.1.7 Plan and coordinate service transition

The Supplier's responsibilities will include:

1. In collaboration with System Designers, other Suppliers and as required by the Client, develop Service Transition Plans that describe the tasks and activities to roll out a Release in Development, Test and Live Environments and that includes resource allocation and risk/issue management. The Service Transition Plan is subject to approval by the System Integrator.

2. Ensure IT Service Continuity plans are present for transferring Services and that they conform to Clients standards IT Service Continuity,
3. Work with the Client to define the Service Transfer Responsibilities and Deliverables matrix, subject to Client approval.
4. Develop Service Transition plans which integrate in a Cross-Provider Service Transition Plan with other Supplier implementing the Service Design Package that describes the tasks and activities to roll out a Release in Development, Test and Live Environments and that includes resource allocation and risk/issue management, subject to approval by the Client.

7.1.8 Provide transition process support

The Supplier's responsibilities will include

1. In cooperation with the Client implement the Service Transition Projects in accordance to plan with applicable service transition standards, policies and procedures including:
    a) Managing service transition changes and work order,
    b) Managing issues, risks, deviations and waiver,
    c) Managing support for tools and service transition processes,
    d) Monitoring the service transition performance to provide input into continual service improvement.
2. Report Changes that affect the agreed baseline configuration items are controlled through change management.
3. Execute in cooperation with the Client where required, the operational readiness process for each Project requiring transfer from development through to production and operational support where such process will involve all Suppliers that will deliver, support and maintain the Services.
4. Support the Client with communications throughout the service transition for Services in Scope.
5. Monitor and report Service Transition Activities against the intentions set out in the transition model and plan. The Supplier will provide regular status as required to the Client.

7.2 CHANGE MANAGEMENT

7.2.1 Definition

The goal of Change Management is to enable beneficial changes to be made with minimal disruption to the Services. Change Management ensures that Changes are deployed in a controlled way, such that they are evaluated, prioritized, planned, tested, implemented and documented.

7.2.2 Scope

The Supplier shall manage and oversee the Change Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Change Management Process. The Supplier shall ensure that the Provider Change Management Process achieves a set of clearly defined objectives including:

1. Efficient implementation of Changes,

2. Clear accountability for implementation of Changes and approvals,
3. Appropriate risk assessment and mitigation,
4. Minimization of business disruption,
5. Effective coordination and communication,
6. Review the action plan for Service Integration's approval,
7. Reporting on progress and improvements made and on the percentage of actions completed within the target completion date.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

7.2.3 General Considerations

7.2.3.1 Process Set-Up and Maintenance

The Supplier's responsibilities will include:

1. Establish and maintain a Change Management in accordance to the requirements defined by the Client for its Services. The Process shall including Change Advisory Boards for its Service and participating in the Cross-Provider Change Advisory Boards managed by the Client, in a way that minimizes risk exposure and maximizes availability of services. The process must conform to good practice for Change Management Process, Client requirements and align to the Client Change Management solution, as defined and directed by the Client.
2. Integrate its Change Management Process and other Service Management Processes with the Cross-Provider Change Management, subject to the Client's approval.
3. Allow the Client, at any time at its discretion, to specify "freeze" periods during which the Supplier shall not make any Changes.
4. Manage its CAB and collaborate as required by the Client in the operation of the Cross Provider CAB by providing input including:
    a) Evaluations of Change Impact,
    b) Recommendations for approval or otherwise; an
    c) Recommending an implementation plan,
    d) Recommending appropriate participation based on Request for Change.
5. Document its CAB meeting in accordance to standards defined by the Change Management Policies.
6. Support the Client in developing and implementing a Change Authorization Matrix. Such Change Authorization Matrix shall be documented in the Process and Procedure Manual as described in Schedule 9.1 (Governance).
7. Review and approve Changes according to the Change Authorization Matrix.
8. Establish and maintain Change Models as directed by the Client.
9. Provide the Client and Client with the ability to pre-approve certain types of routine Changes ("Standard Changes"). Such approvals shall be documented in the Process and Procedure Manual as described Schedule 9.1 (Governance).

10. Retains overall responsibility for all Changes allocated to the Supplier until the Change is closed, subject to CAB and Client approval.
11. Maintain clear ownership for individual components of Changes throughout the Change Process, as specified by the Client.
12. Establish and maintain Change Allocation Rules, in accordance with the requirements defined by the Client.
13. Establish and maintain, in accordance with the requirements defined by the Client, Criteria for Prioritization and Escalation of Changes, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the IMS SOW.
14. Establish and maintain a process and mechanism for expedited handling of Major and high prioritized Changes (Emergency Changes) based on the assigned Priority Level, as per escalation processes described in the Process and Procedures Manual, subject to Client approval.
15. Facilitation of Requirements for New Services shall be handled through the Change Management process, and the Supplier shall work with the Client and the other Suppliers to assess the Impact of these requirements on Client's operating Environment.
16. Deliver proposals for enhancements to Services or for New Services when requested by the Client. Where it is not the sole provider, it shall work with other Suppliers and the Client to deliver such proposals.

7.2.3.2 Tooling

The Supplier's responsibilities will include:

1. Subject to the approval of the Client provide an automated Change Management Tool including interfaces to the Cross-Provider Change Management Tool. In addition, the Change Management Tool shall support the data exchange of ticketing to the Client and, where appropriate, ticketing data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Change to a Supplier.
   All costs of creating and operating such interfacing are the responsibility of the Supplier.
2. If the Supplier uses its own Change Management Tool, the requirements of the Client at least include:
   a) Providing a sophisticated set to automate the process of scheduling, describing, tracking, and reporting on Changes to its Services. Such automation will also provide for integration and linkage to other Systems that need to be updated as a result of Changes, such as Asset Registers, CMS/CMDB, Problem Management System, Incident Management System, and so forth,
   b) Providing a Request for Change (RFC) database for recording, communicating and tracking Changes. Such tooling must integrate with the other Tools identified by the Client IT Service Management tooling strategy,
   c) Integrating the Supplier Change Management tools to the CMS/CMDB and other areas of Provider and Cross-Provider Service Management tools as required to further improve efficiency or effectiveness,

3. Providing functionality to manage information for each Change submitted to, and originating from.
4. Integrate its Change Management Tool with other Provider and Cross-Provider Service Management Processes and Tool.
5. Maintain a real time data flow and visibility with bi-directional ticketing.
6. Implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Changes, or as defined and directed by the Client, and to be able to record all information on the details of the Changes and the corrective action for later statistical analysis as part of the Change Management Process.

7.2.3.3 Communications

The Supplier shall provide, as directed by the Client, necessary information from the time a Change is recorded through to the closure, also providing any follow-up communications and report work required post-resolution to the Client and to other Parties.

7.2.3.4 Reporting

The Supplier shall provide status update reports and summary reports at the frequency and in a format agreed with Client as described in Exhibit 4 (Service Reports) of the applicable SOW, and as a dashboard for service management meetings.

The Supplier shall summarize the Changes made **each week,** and reporting the information to Client **on a weekly basis**.

7.2.4 Create and record the Request for Change (RFC)

The Supplier's responsibilities will include:

1. Manage the effective entry of Change Records into the Change Management Tool including the correlation of associated Incidents, Problems and Known Errors.
2. Raise and submit proposed Changes in advance to the Client for assessment using the agreed Request for Change process and templates. At a minimum, each submitted proposed Change Request shall include:
    a) Description of the Change and its impact on Infrastructure, Configuration Items, Services, processes etc.,
    b) The purpose and justification for the Change,
    c) A list of Service(s), geographical regions, End User(s), other Suppliers potentially affected by the Change,
    d) The proposed Change Schedule, including implementation date(s) and approximate time(s) for determination of any existing conflict with Business events,
    e) The proposed implementation procedures,
    f) A rating and description of the potential risk, Business Impact, and/or complexity of the Change,
    g) The Resources required executing the Change.
    h) Where a proposed Change represents a potentially high risk or high Impact to Client's operations or Business, or at the request of the

Client including:
A comprehensive end-to-end test plan, including clear Change Acceptance Criteria, notification and escalation lists, communication plan, and Workaround plans as well as comprehensive contingency plan, including back-out plans and procedures (with specific criteria to initiate the execution of the back-out plans). The plan will detail checkpoints, corresponding back-out plans for each checkpoint, and details of all timings, so that the Service is returned to service Integration Function within an agreed timeframe).

3. Create a Change Record detailing the Lifecycle of a single Change for every Request for Change submitted (even those that are subsequently rejected) and storing the Change Records in a Configuration Management System (CMS).
4. Identify Change category as set out in the categorization schema and the information set out in the Cross-Provider Configuration Management Database and associate the Change Record to the relevant Configuration Items
5. Submit Request for Changes which accept multiple Suppliers to the Client in advance to the weekly meeting.
6. Initially assign Change Models to Changes, where appropriate.
7. Update the Cross-Provider its own CMDB/CMS in cooperation with Service Asset and Configuration Management.
8. Prioritize Changes, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the ADM SOW. This includes changing Priorities if so instructed by the Client.
9. Allocate Cross-Provider and Supplier Change Records to a Resolution Group.

7.2.5 Review the RFC

The Supplier's responsibilities will include:

1. Review and filter out RFCs that do not apply to standards and reassign change to Client or requestor to request additional Information or reject changes that do not qualify.
2. Accept that the initial allocation of Change by the Client.
3. Request a Priority Level allocation from the Client should one not have been allocated for a received Change.
4. Provide advice to the Client it the initial review indicates the Priority Level should be altered.
5. Where it considers that the allocation was in error, the Supplier shall re-assign the Change to the Client or resolver group.
6. The Supplier shall process each Change in accordance with the Priority Level and Resolution Times set out in the Priority definitions and as set out in Attachment J to Exhibit 1 (Priority Levels) of the AS SOW.

7.2.6 Assess and evaluate the change

The Supplier shall assess the Impact, costs, benefit, and risk of proposed Changes and amending the Supplier IT Service Continuity Management plan, capacity plan, security plan and test plan accordingly and creating an auditable record of the Change Assessment, using available tooling and data.

The Supplier shall conduct an assessment of the risks arising from a Change, including any Cross-Supplier Changes, and developing or assisting in the development of mitigations.

7.2.7 Authorize change deployment

The Supplier shall review proposed Changes and schedules with the Client and other Suppliers and obtaining all necessary approvals in accordance to the approval matrix for proposed Changes.

The Client shall produce, coordinate, run, and document a Change Schedule as required by the Client

The Supplier shall request and cooperate with any further review required by Client to enable authorization of any submitted Change.

In an emergency, the Supplier shall gain authorization from the Emergency Change Advisory Board to implement an Emergency Change in accordance with Change Management procedures.

7.2.8 Plan Changes

The Supplier shall plan the Change including updating the overall Release plan and back-out plan in an FSC. The proposed schedule, shall include implementation date(s) and approximate time(s) for determination of any existing conflict with business events, Cross-Provider Changes, freeze and maintenance window periods) or with other Suppliers and the Client. It also shall include:

1. The proposed implementation procedures,
2. A rating of the potential risk, (including the likelihood and an assessment of Service impact from which the business impact will be assessed by Client), and/or complexity of the Change.

The Supplier shall cooperate with the Client to ensure that the Change is part of the Client's overall Forward Schedule of Change (FSC) and that Client is fully aware of each individual Change plan.

7.2.9 Coordinate change implementation

The Supplier's responsibilities will include:

1. Where required cooperate with Client and other Suppliers and designated representatives at Sites potentially affected by a Change (incl. Cross-Provider Changes) in order to minimize disruption of normal business processes and proper receipt of the Services. Including:
    a) Carrying out activities required to deliver the Change, including making Changes to individual Components and coordinating Changes across all Components within its remit,
    b) Controlling systems and activities required by moves, upgrades, replacements, migrations, and so forth.
    c) Including rollout, testing, and roll-back plans for every Change Request,
    d) Providing information to Client in accordance with Change management process on the outcome of any Change and the updated status after each Change is implemented.

2. Monitor and report on the Change implementation, including maintaining a comprehensive list of Projects and dates to the Client.
3. If there is a need for emergency Systems maintenance, providing the Client with as much notice as reasonably practicable, and performing such maintenance so as to minimize interference with the Business and operational needs of the Client
4. Fully test Changes and resolving faults, if possible, prior to production start-up, including inter-operability testing and reporting test results back to the Client. The Supplier shall ensure that all global, regional and local Impacts are taken into account and tested appropriately and Changes are raised at the appropriate CAB.
5. Ensure that all operational and other documentation affected by the Change are updated.

7.2.10 Change Escalation

The Supplier shall escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client (or as requested by Client on case by case).

7.2.11 Change Closure

The Supplier's responsibilities will include:

1. Conduct Post Implementation Reviews of Changes to determine whether the Change was successful and to identify opportunities for improvement.
2. Collect data on every Change attempted. Such data to shall include:
    a) The cause of any Incidents,
    b) Measures taken to prevent recurrence, and
    c) Whether the Change was successful from the perspective of the End User, other Suppliers affected by the Change.
3. Manage, conduct and support joint reviews of any subsequent Change failure s so that the root causes of post-Change issues can be identified and, where appropriate, linked to the originating Change activity. In addition, the Supplier shall implement any improvements required to prevent a reoccurrence.
4. Report to the Client, which can be via service management tooling, each Change that has been implemented.
5. The Supplier shall close and update the Change Record with all of the details of the in accordance with the Change Management policies.

7.2.12 Emergency Change

The Supplier shall obtain Emergency Change approval and follow the Emergency Change Procedure.

7.3 SERVICE ASSET & CONFIGURATION MANAGEMENT (SACM)

7.3.1 Definition

The purpose of the Service Asset & Configuration Management (SACM) Process is to ensure that relevant assets and configuration items are controlled, and that reliable

information is available to service management processes and functions when and where it is needed. This information includes details of how the assets have been configured and the relationships between assets.

Configuration Management is the process responsible for maintaining information about Configuration Items required to deliver a service, including its relationships.

Asset Management is the process responsible for tracking and reporting the value and ownership of financial Assets throughout their lifecycle.

7.3.1.1 Process Set-Up and Maintenance

The Supplier's responsibilities will include:

1. Any changes made to the configurable items by Supplier shall be reported to Client for accurate maintenance of CMDB. Cooperate with the Client to coordinate Configuration Items between the Client's central CMDB and Supplier repository of managed scope information and dependencies to ensure data integrity.
2. For the avoidance of doubt, the Client records that reside within the Supplier Configuration Management System/Configuration/Asset Management Database shall be regarded as Client Data.

7.4 RELEASE AND DEPLOYMENT MANAGEMENT

7.4.1 Definition

The purpose of the Release and Deployment Management Process is to plan, schedule and control the build, test and deployment of releases, and to deliver new functionality required by the business while protecting the integrity of existing IT Services and has the Service over to Service Operations.

7.4.2 Scope

The Supplier shall manage the Release and Deployment Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Release and Deployment Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

7.4.3 General Considerations

7.4.3.1 Process Set-Up and Maintenance

The Supplier responsibilities shall include:

1. Establish and maintain change Release and Deployment Management in accordance to the requirements defined by the Client for its Services. The Process shall ensure that any change to the Services is controlled, tested, traceable, authorized, and implemented in a structured manner with an associated transition plan. The process must conform to good practice for Release and Deployment Management, Client requirements and align to the Client Release and Deployment Management solution, as defined and directed by the Client.

1. Integrate its Release and Deployment Management Process and other Service Management Processes with the Cross-Provider Release and Deployment Process, subject to the Client's approval.
2. In accordance with the Client requirements implement controls to manage risks and to achieve compliance with regulations, Client's policies and standards throughout the R&DM process, including the Information Security Policy.
3. In accordance with the Client requirements implement manage and support the Release policies and principles, as defined by the Client.
4. In accordance with the Client's process requirements, establish and maintain Software control and distribution procedures, including the management of the Software Configuration Items and their distribution and implementation into the Live Service Environment.
5. Support the Client in maintaining an overall Cross-Provider Release plan by informing the Client of all planned Changes in line with Client's Release policies.
6. Assign a Single Point of Contact (SPOC) for each requested Release.

7.4.3.2 Tooling

The Supplier shall use the Cross-Provider Release Library provided by the Client OR the Supplier shall, subject to the approval of the Client provide a Library which contains master copies of all Releases that are in production and historical versions that have been in production including interfaces to the Cross-Provider Service Release Library. All costs of creating and operating such interfacing are the responsibility of the Supplier.

The Client shall in accordance with the Client's process requirements establish processes for o submit Releases to the Cross-Provider Release Library, including media, naming conventions, Configuration requirements and Security requirements.

7.4.3.3 Reporting

The Supplier shall in accordance with the Client's process requirements, establish and maintain a measurement processes across its Service to record and report the success and failure of Releases, including recording Incidents related to Release activities in the period following a Release.

7.4.4 Release and deployment planning

The Supplier shall define a release and Deployment Plan and assist the Client to define a Cross-Provider Release and Deployment Plan based on overall Service Transition Plan for Services in Scope, which shall include but is not limited to:

1. Definition of the Release Units to be included in the Release,
2. Project Plan, Deliverable and Milestones,
3. Build and Test Plan,
4. Resource Plan,
5. Logistics and Delivery Plan,
6. Financial/Commercial Plan,
7. Planning of Pilot,
8. Pass/fail criteria.

The Supplier shall produce Release Impact Assessments in support of its Release planning.

The Supplier shall arrange the Release plan sign-off by the Client and Change Management Process.

7.4.5 Build and Test

The Supplier responsibilities shall include:

1. Defining the Release design (such as big bang, phased, push and pull, automated, manual) in conjunction with the Client and other Suppliers as required.
   The Supplier shall acquire test input for configuration items and components for Services in scope, in conjunction with the Client.
2. Build and manage the test environments for Services, in conjunction with the Client.
3. Formulate the Release package, which may consist of a single Release Unit or a collection of Release Units, in conjunction with the Client and other Suppliers as required.
4. Design, Build, Configure and Test Service Rehearsals of the Release in conjunction with the Client or other Suppliers as required and accordance to Release Procedures and Policies.

7.4.6 Release Deployment

The Supplier responsibilities shall include:

1. Develop an implementation and back-out plans for approved Changes that will be included in a Release, subject to approval by the Client,
2. In coordination with Service Transition Planning and Support and the Client develop and coordinate Release communications, preparation, and training activities, as required by the Client.
3. As required by the Client, execute the release and deployment into the Production environment of changes to the Services and their component Configuration Items (including software, SM processes, hardware and associated documentation) and in accordance with the Service Design Package including the activities described in this Common Exhibit.
4. Validate that all items being rolled out or changed are secure and traceable through the CMS/CMDB.
5. Resolve all Release issues and escalate to the Client Cross-Provider Issues for resolution.
6. Provide in cooperation with the Client proper testing for all Releases before they are transferred to the Live Service Environments including testing of rollback as described by the back-out plans.
7. Provide updates to the Client regarding Release status.

7.4.7 Early Life Support

The Supplier shall provide Early Life Support (ELS) for a period of time directly after the deployment of a new or changed Service to include a review of the KPIs, Service Levels,

Monitoring Thresholds, and provision of additional Resources for Incident and Problem Management, as directed by the Client

The Supplier shall during the period of ELS, notifying the Client of all support issues arising from the deployment of new or changed Services.

7.4.8 Release Review and close

The Supplier shall in conjunction with the Client conduct a Deployment Review which shall include:

1. Capturing of experiences and feedback on Client, user and Supplier satisfaction with the deployment, e.g. through feedback surveys.
2. Highlighting quality criteria that were not met.
3. Checking that any actions, necessary fixes and changes are complete.
4. Reviewing open Changes and ensure that funding and responsibility for open changes are agreed before handover.
5. Reviewing performance targets and achievements, including resource use and capacity such as user accesses, transactions and data volumes.
6. Making sure there are no issues at the end of the deployment.
7. Checking that any problems, known errors and workarounds are documented and accepted
8. Reviewing the risk register and identify items that impact service operation and support. Addressing risks or agreeing actions such as moving the risks to the service transition risk register.
9. Checking that redundant assets have been removed.
10. Checking that the service is ready for transition from early life support into service operation.

The Supplier shall assist the Client to the review and closure of the service transition by conducting a formal review carried out that is appropriate to the scale and magnitude of the change. A review of the Service Transition should include:

1. Checking that all transition activities completed, e.g. documentation and information, are captured, updated, secured and archived,
2. Checking that accurate metrics were captured.

The Supplier shall obtain release acceptance and assist the Client to obtain Cross-Provider Release Acceptance, including:

1. Managing and maintaining the integrated map of impact of Releases.
2. Ensuring all Release documentation is created.
3. Ensuring that Release authorization and sign-off is obtained once documentation is accepted.
4. Verifying if the CMS is up to date,
5. Initiating in cooperation with the Client, the Change Management process to gain authorization.

The Supplier shall set the Release Status to closed after sign-off of the Client and Client.

7.5 SERVICE VALIDATION & TEST

7.5.1 Definition

The purpose of Service Validation and Testing is to ensure that the new or changed Services are fit for purpose (utility) and fit for use (warranty).

7.5.2 Scope

The Supplier shall manage the Service Validation and Test Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Service Validation and Test Process.
The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.
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7.5.3 General Considerations

7.5.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Service Validation and Test Process in accordance to the requirements defined by the Client for its Services. The Process shall ensure that any change to the Services is tested and fit for purpose and use. The design of the testing controls and any changes to that design are subject to Client's prior approval .The process must conform to good practice for Service Validation and Test , Client requirements and align to the Client Service Validation an test solution, as defined and directed by the Client.

The Supplier shall integrate its Service Validation and Test Process and other Service Management Processes with the Cross-Provider Service Validation and Test Process, subject to the Client's approval.

The Supplier shall establish and maintain a Service Validation Framework and Policies, in accordance with the requirements defined by the Client, which shall include but is not limited to:

1. Service Validation and Testing Strategy,
2. Service Validation and Testing policies,
3. Service quality and assurance guidelines,
4. Test Models,
5. Testing approaches and techniques,
6. Test management policies and procedures for planning, control and reporting of activities through the test stages of service transition.

7.5.3.2 Tooling

The Supplier shall use the Cross-Provider SV&T tools provided by the Client **OR**
The Supplier shall, subject to the approval of the Client -Provider SV&T tools including interfaces to the Cross-Provider -Provider SV&T tools. All costs of creating and operating such interfacing are the responsibility of the Supplier.

The Client shall develop and maintain test data and repositories as directed by the Client.

The Supplier shall provide required tools, resources and data to support the monitoring and review of production errors by the Client in order to improve test models over time, subject to the approval by the Client.

The Supplier shall ensure that all test results are logged and available to the Client.

7.5.3.3 Reporting

The Supplier shall establish and maintain a measurement processes, in accordance with the requirements defined by the Client, to record and report the success and failure of testing as a service including recording failed testing plans, Incidents related to failed testing activities in the period following a Release

7.5.4 Plan and design tests

The Supplier shall develop the Supplier's elements of the Pre-Production test plan in support of the Client and other Suppliers and ensure such plan addresses operational readiness, testing of any data conversion procedures, System performance, and System Reliability; as may be applicable. The Plan is subject to approval by the Client.

The Supplier shall develop a user acceptance test structure to allow testing of Client-provided test cases as directed by the Client.

The Supplier shall apply a matrix of Authorized User and design requirements to test cycles and scripts as directed by the Client

The Supplier shall manage in cooperation with the Client the completion of the approved integrated pre-production test plans prior to migrating code into the Client's Production Environment

7.5.5 Verify test plans and test design

The Supplier shall ensure the test plans and test design, in accordance to the requirements defined by the Client, to ensure that:

1. The test model delivers adequate and appropriate test coverage for the risk profile of the Service,
2. The test model covers the key integration aspects and interfaces, e.g. at the SPIs,
3. The test scripts are accurate and complete.

The Supplier shall compile a report for the Client.

7.5.6 Prepare test environment

The Supplier shall establish and maintain the test environment in accordance with the contracted responsibilities for the underlying Hardware and Software performing the Services in cooperation with the Client.

The Supplier shall ensure that a configuration baseline of the initial test environment is captured

The Supplier shall support the Testing of Applications and Infrastructure for which the Supplier has responsibility in support of other Supplier System testing.

7.5.7 Perform Tests

The Supplier responsibilities shall include:

1. Perform pre-production testing as directed by the Client prior to migrating code into the Client Production Environment from any Development Environment, including that of the other Supplier or Client
2. Conduct the Component and Assembly Test for any Clients standard product as directed by the Client including:
    a) COTS and custom-developed applications, for compatibility,
    b) Unit testing,
    c) Systems integration testing,
    d) LAN/WAN connectivity testing,
    e) Load testing,
3. Application inter-connectivity testing, which simulates Client's Production Environment.
4. Perform unit testing.
5. Perform stress testing, including performance and volume testing.
6. Perform System testing activities as directed by the Client.
7. Perform regression testing as directed by the Client.
8. Perform functional testing as directed by the Client.
9. Provide application inter-connectivity testing and network connectivity/ communication testing as directed by the Client.
10. Perform knowledge transfer of learning's gained from the testing to the Application Maintenance Team as directed by the Client.
11. Reviewing and obtaining specific approval from Client’s operations manager for any test job projected to run longer than thirty (30) minutes in production.
12. Address defects and identify improvements and conduct retest, in corporation with the Supplier.
13. Support the Client by the resolution of platform integration-related issues with the relevant application development providers/ infrastructure providers.
14. Provide test reports to the Client setting out test outcomes and actions being taken to address failures
15. Resolve Incident or issues or documented those (e.g. as a known error).
16. Complete all required testing documentation as directed by the Client
17. Conduct a walkthrough of test results with the Client
18. As directed by the Client, provide required resources, expertise, support and participation in the testing of the service management processes and tools to ensure that the new or changed service can be operated and maintained in the production environment effectively (fit for purpose and use). Key areas to be tested include:
    a) Ability of the Supplier to respond to and resolve incidents within Service Levels (SLs) in conjunction with other Suppliers and the Service Integration Provider (includes testing the accuracy of Configuration data and procedures to be followed);
    b) Monitoring and reporting tools,

c) ability to migrate to fully operational SLs - including the provision of sufficient capacity,

d) Effectiveness of training and operating procedures,

e) Effectiveness of service continuity provisions,

f) Security management.

19. Obtain the operational readiness sign-off from relevant for New Service introduction, as directed by the Client.

7.5.8 Evaluate exit criteria and report

The Supplier shall review all test results with the Client to ensure each test was both successfully executed and passed the success criteria established for that test. The Supplier shall compile a summary report for the Client.

7.5.9 Test clean up and closure

The Supplier shall clean up or initialization of its test environments in cooperation with the Client.

The Supplier shall support Client to review the testing approach and identify improvements to input to design/build, buy/build decision parameters and future testing policy/procedures.

7.6 CHANGE EVALUATION

7.6.1 Definition

The goal of Change Evaluation is to assess a new or changed Service to ensure that risks have been managed and to help determine whether to proceed with the Change.

This Evaluation process describes a formal evaluation that is suitable for use when significant changes are being evaluated.

The evaluation will verify that the actual performance of a Service following a change meets the predicted or expected performance for that Service.

7.6.2 Scope

The Supplier shall manage the Change Evaluation Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Change Evaluation Process.
The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

7.6.3 General Considerations

7.6.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Change Evaluation Process in accordance to the requirements defined by the Client for its Services. The Process shall ensure that Change evaluations are applied consistently, in applying standardized means of determining the performance of Services and the effect Changes thereon. The process

must conform to good practice for Change Evaluation, Client requirements and align to the Client Change Evaluation solution, as defined and directed by the Client.

The Supplier shall integrate its Change Evaluation Process and other Service Management Processes with the Cross-Provider Change Evaluation Process, subject to the Client's approval.

The Supplier shall establish and maintain as required by the Client Policies and consistent practices for evaluating Significant Changes.

The Supplier shall execute activities in compliance with the Client policies and standards and Client requirements, throughout the Change Evaluation process, including the Information Security Policy.

7.6.3.2 Tooling

Tool Requirements to be specified.

7.6.4 Plan the Evaluation

The Supplier shall perform an evaluation in cooperation with the Client, of both intended and unintended effects of the proposed Significant Change or Significant Cross-Provider Changes if it affects its Services. This shall include:

1. Analyzing the details of a Significant Change, Requirements and Service Design Package to understand fully the purpose of the change and the expected benefit from implementing it,
2. Reviewing the proposed change with all stakeholders and Suppliers, Client to gain a broader understanding of the additional effects of the change which were not expected or planned for.
3. Provide a report to the Client.

7.6.5 Evaluate Predicted Performance

The Supplier shall, in cooperation with the Client if required, evaluate of the predicted Performance including:

1. Using Requirements (including acceptance criteria),
2. Evaluating the predicted performance, and/or the outcome of the predicted performance, versus the acceptance criteria.
3. Preparing an interim evaluation report for the Client and Change Management that includes a recommendation to accept or reject the service change in its current form.

7.6.6 Evaluate Actual Performance

The Supplier shall after implementation of a Change provide input regarding actual performance of the IT Service versus the acceptance criteria. The Supplier shall provide a report to the Client and Change Management.

7.6.7 Risk Management

The Supplier shall perform a risk assessment in cooperation with the Client if required for Cross-Provider Changes, based on the required specifications, predicted performance and the acceptance criteria for the proposed Change. Report Evaluation findings to and await further direction from Change Management and Client.

7.6.8 Evaluation Report

The Supplier shall produce an Evaluation Report based on the input, and in cooperation with the Client as required, which will inform the Post Implementation Review (PIR) carried out by Change Management and contains:

1. Risk profile: A representation of the residual risk left after a change has been implemented and after countermeasures have been applied
2. Deviations: The difference between predicted and actual performance following the implementation of a Change,
3. A qualification statement (if appropriate): Following review of qualification test results and the qualification plan, a statement formally documents that the IT infrastructure is appropriate and correctly configured to support the specific application or Service,
4. A validation statement (if appropriate): Following review of validation test results and the validation plan, a statement that formally documents that the new or changed service or application meets a documented set of requirements
5. Recommendation: A recommendation to Change management to accept or reject the Change.

7.7 KNOWLEDGE MANAGEMENT

7.7.1 Definition

The purpose of the Knowledge Management Process is to share perspectives, ideas, experience and information; to ensure that these are available in the right place at the right time to enable informed decisions; and to improve efficiency in delivery of services by reducing the need to rediscover knowledge.

7.7.2 Scope

The Supplier shall manage the Knowledge Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider knowledge Management Process.
The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

7.7.3 General Considerations

7.7.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Knowledge Management Process in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Knowledge Management, Client requirements and align to the Client Knowledge Management solution, as defined and directed by the Client.

The Supplier shall integrate its Knowledge Management Process and other Service Management Processes with the Cross-Provider Knowledge Management Process, subject to the Client's approval.

7.7.3.2 Tooling

The Supplier responsibilities shall include:

1. Subject to the approval of the Client provide and maintain automated Service Knowledge Management System (SKMS) including interfaces to the Cross-Provider Service Knowledge Management System (SKMS) Management. All costs of creating and operating such interfacing are the responsibility of the Supplier.
2. If The Supplier uses its own SKMS the requirements of the Client at least include: deploying, maintaining and updating a Service Knowledge Management System (SKMS) to capture, store, and present information needed to manage the Services. The SKMS data and information will include:
    a) Policies and procedures,
    b) Best practices,
    c) Methods to resolve Incidents,
    d) Known Errors,
    e) Service Desk scripts,
    f) Workarounds,
    g) Frequently Asked Questions (FAQs)
    h) Trainings Material.
3. Update SKMS in a timely manner.
4. Integrate the Service Knowledge Management System (SKMS) with the other Cross-Provider and provider Service Management Processes and Tools. The Suppliers shall create and save knowledge assets to the SKMS and provide electronic interfaces for the Cross-Provider Service Knowledge Management System to add edit reports and review the SKMS data and information.
5. If the Supplier is using their own SKMS, it shall make the Supplier's SKMS available 24 hours per day, seven days per week (24x7) and be globally accessible through a secure portal for use by Suppliers Personnel, personnel of other Suppliers, Client, and End Users. If Supplier is using the Cross-Provider SKMS, the Supplier shall support the Availability of the Cross-Provider SKMS by appointing an SKMS liaison manager that will work with the Client to set-up and maintain the access rights for Supplier Personnel, personnel of other Suppliers.

7.7.4 Knowledge management strategy

The Supplier shall establish and maintain a Knowledge Management strategy, subject to consultation and approval from the Client, to identify relevant Service Management and Governance Knowledge and the data and information that support this knowledge. This shall include, but is not limited to:

1. Roles and responsibilities and on-going funding,
2. Policies, processes and procedures for knowledge management that apply to direct the Suppliers likely to contribute or use the knowledge system,
3. Plan for identifying and capturing relevant knowledge and the information and data required to support that knowledge,
4. Supporting technology and resource requirements,
5. Performance measures.

7.7.5 Conduct knowledge transfer

The Supplier shall manage and execute an ongoing knowledge transfer process, in accordance to the requirements defined by the Client by conducting analysis to identify knowledge gaps between the department or person in possession of the knowledge and those in need of the knowledge. Based on the outcome of this analysis, formulating a communication improvement plan to facilitate the knowledge transfer.

The Supplier shall implement actions defined in the communication improvement plan as directed by the Client.

7.7.6 Manage data, information and knowledge

The Supplier shall be responsible for performing information management that consists of establishing data and information requirements, in accordance with the requirements defined by the Client, defining the information architecture for its Services, and establishing data and information management procedures subject to approval by the Client.

The Supplier shall support the Client's activities to audit the SKMS contents to ensure the correctness of the data and information contained therein.

The Supplier shall conduct regular assurance activity (at least xx times each year as per the Service Level), with the Client to ensure information required to manage the Services is captured, stored, and presented accurately and completely in the SKMS. The information shall include:

1. Policies and procedures ,
2. Best practices,
3. Methods to resolve Incidents,
4. Known Errors,
5. Service Desk scripts,
6. Workarounds,
7. Frequently Asked Questions (FAQs),
8. Trainings Material.

The Supplier shall provide a mechanism for the Client to report and review the SKMS data and information.

The Supplier shall update the SKMS as new Knowledge Assets are produced with rapid deployment of information which supports the Incident processes. At least twice-yearly auditing the SKMS contents with the Client to ensure the correctness of the data and information contained there

8.0 SERVICE OPERATIONS

The purpose of the Service Operation phase of the Service Management Lifecycle is to carry out processes, activities and functions required to provide and manage the Integrated Services for Client’s Business and End Users within the Service Levels. Service Operation is also responsible for management of the technology required to provide and support the Services.

The Service Operation Processes are:

1. Event Management,

2. Incident Management,
3. Problem Management,
4. Request Fulfillment,
5. Access Management.

8.1 EVENT MANAGEMENT

8.1.1 Definition

The goal of Event Management is to monitor the environment and manage all significant Events to allow for normal operation by detecting and escalating exceptional conditions.

Event Management manages Events throughout their lifecycle which includes automation of the process to trace and escalate unforeseen Event circumstances. Event Management is the basis for operational Monitoring and control.

8.1.2 Scope

The Supplier shall manage and oversee the Event Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Event Management Process.
The Supplier accepts that, while some Events may only affect the Services within the scope of the Supplier, there will be Events that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers. Therefore the Event Management activities as described in this Common Exhibit do apply to all types of Events (Cross-Provider and Supplier).

8.1.3 General Considerations

8.1.3.1 Process Set-Up and Maintenance

The Supplier responsibilities shall include:

1. Provide monitoring, tracking and reporting for all Services in Scope, and where the Supplier systems are collecting such information. This includes all environments within the scope of the Supplier Services - e.g. Production, Pre-production, Test and Development Environments, Applications, Network, Midrange and Distributed Environments.
2. Establish and maintain, in accordance to the requirements defined by the Client, a proactive Event Management Process and automated Tools so that all Services are monitored such that any Events occurring in the Services are identified, promptly actioned, recorded and reported. The Event Management Process and Tools shall integrate with the other Provider and Cross-Provider IT Service Management Process and Tools.
3. Centralize the Event Monitoring and tracking and provide the means to enable their Integration. The process must conform to good practice for Event Management, Client requirements and align to the Client Event Management solution, as defined, directed and approved by the Client.
4. Integrate its Event Management and other Service Management Processes with the Cross-Provider Event Management Process subject to the Client's approval.
5. Retain overall responsibility for Events in scope of the Service until the actions correlated to an Event are completed.

6. Provide proactive (in addition to reactive) Monitoring and management in order to enhance the stability and function of the Supplier and Cross-Provider Service Environment in cooperation with the Client.
7. Collaborate with the Client to define Event Correlation, Categorization and Closure rules and implement those in its Environment, subject to the approval by the Client.
8. In accordance to the Client requirements, establish and maintain Event escalation procedures.
9. Establish and maintain, in accordance to the requirements defined by the Client, a process and mechanism for expedited handling of high prioritized Events and critical Alerts based on the assigned Priority Level, as per escalation processes described in the Event Management Procedures.

8.1.3.2 Tooling

The Supplier responsibilities shall include:

1. The Supplier shall provision and maintain an Event Management framework, standards as defined by the Client.
2. The Event Management Tool shall support the data exchange of Events to the Client and, where appropriate, Event data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Event to a Supplier. If the Supplier uses its own its own Event Management Tool, the requirements as defined by the Client at least include:
    a) Accurately measuring performance against Service Levels. This may include measuring performance of the Services,
    b) Providing functionality to set Thresholds for tuning to improve performance and utilization.
    c) Providing Reporting Options for Alerts in accordance with specified Service Levels.
    d) Automatically triggers response options (e.g. Incident Record generation, scripts),
    e) Providing a Correlation Engine
    f) Providing a sophisticated set of Event detection, diagnostic, and tracking Software and Equipment to enable the automation of monitoring, detection, and resolution of Events associated with the Cross-Provider and Services as required.
    g) Ability to record all information on the details of the Events and the corrective action for later statistical analysis.
    h) Providing an interface to the central Dashboard Reporting options.
3. Where Processes interact, integrate the Event Management Tool with the other Cross-Provider and Supplier Service Management Processes and Tools.
4. Maintain a real time data flow and visibility with bi-directional ticketing.
5. Retain all costs of creating and operating such interfacing
6. Implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Event and the automatic generation of tickets when pre-defined thresholds as agreed with the Client.

8.1.3.3 Reporting

The Supplier responsibilities shall include:

1. Provide monthly reports on Event trend analysis.
2. Produce trend reports to highlight production issues and to establish predetermined action and escalation procedures when batch window -Events are encountered.
3. Provide management information on aspects of Service quality in order to meet Client's and the Client's requirements.

8.1.4 Event Occurs

The Supplier shall ensure that types Event for Services in Scope are regularly identified and reviewed to improve Event Monitoring Capabilities and Cooperation with the Client to improve Cross-Provider Event Monitoring capabilities.

8.1.5 Event Notification

The Supplier shall ensure that appropriate Event Notifications for Monitoring of its Services and Service Components or the Cross-Provider Services are implemented within the Event Monitoring Tool.

8.1.6 Event Detection

The Supplier shall perform monitoring activities, including:

1. Monitoring all Services. This may also include Monitoring connected services provided by other Suppliers where the Supplier's Systems are collecting information that can be used to monitor such services (for example, MNS Supplier shall collect data on the Availability of connected Systems).
2. Monitoring all Systems processing.
3. Monitoring the Service Environment, alarm Systems and environmental controls.
4. Monitoring IT Systems, Infrastructure and Business services so that no Event is lost, forgotten or ignored.

The Supplier shall take appropriate remedial action to ensure no event is lost or ignored.

The Supplier shall where no Event Management agent/tool is installed on an Infrastructure Component or Application, perform Monitoring through a manual Workaround or other means to ensure that timely Event detection, correlation and notification can occur and is reported to the Service Desk and/or Client in accordance to Escalation Procedures.

8.1.7 Event Logged

The Supplier shall log, track and manage all Events arising in the Supplier in-scope Service Environment and ensure that tracking data is available to the Client.

The Supplier shall maintain and update the operational documentation for all operations procedures and Services based on Event trending information and provide this information to the Client as required.

8.1.8 First-Level Event Correlation and Filtering

The Supplier shall work with the Client regarding the setting of appropriate default thresholds such as performance and utilization for triggering Events based on the level of acceptable risk to Client and on how these will be established and managed for Services.

The Supplier shall implement thresholds in cooperation with the Suppliers and as approved by the Client.

The Supplier shall upon detection of an Event, filtering by classification (such as informative, Alert required, Exception, and so forth) and triggering the appropriate action.

The Supplier shall receive and handle Events generated from other sources. For each Event, a documented action must be defined between the Suppliers.

8.1.9 Significance of Events

The Supplier shall categorize Cross-Provider Events (e.g. informal, warning, exception) based on defined Categorization Rules.

8.1.10 Second-Level Event Correlation

The Supplier shall ensure that the correct Priority Level (assessed by reference to Impact and Urgency) is attached to each Event and is available to the Client for further processing. Each IT Component is related to one or more Business Service(s) so that the relationship is apparent to the IT Business Service owner. In addition the Supplier shall ensure that all business critical Events are made visible to the Client in order to set correct Priorities.

The Supplier shall measure actual performance against Service Levels and analyze performance metrics to identify whether performance has exceeded trigger-points indicating an increased risk of service level failure and raising such issues as an Event to the Client.

8.1.11 Further Actions

The Supplier shall correlating Events and initiating the appropriate response, which may include:

1. Event logging,
2. Automatic response,
3. Alert,
4. Opening an Incident Record.

The Supplier shall assist the Client in processing unassigned or un-assignable Service Events and Thresholds as required.

The Supplier shall effectively escalate Events into the Incident and Problem Management Processes and monitor the Process in cooperation with the Client.

The Supplier shall correlate Events to facilitate Problem Management and Root Cause Analysis of service failures

8.1.12 Response Selection

The Supplier shall participate in joint coordination meetings organized by the Client to determine response Selection for Cross-Provider Events.

The Supplier shall make Event-related Root Cause Analysis and trend analyses available to the Client.

The Supplier shall prevent unnecessary rerouting and/or reassignments of Events.

8.1.13 Review Actions

The Supplier shall cooperate with the Client to validate that significant events or exceptions have been handled appropriately, or trends or counts of event types are analyzed.

The Supplier shall analyze performance metrics and respond proactively to potential areas of weakness or concern. The Client reserves the right to audit any remediation work.

8.1.14 Close Event

The Supplier shall close Events based on the Event Closure Rules.
In the case of events that generate an Incident or Problem, these shall be formally closed with a link to the appropriate Record.

8.2 INCIDENT MANAGEMENT

8.2.1 Definition

Incident Management is the process that handles all Incidents, which may be failures, faults, or bugs reported by Authorized Users (through the Service Desk) or technical staff, or which are automatically detected and reported by monitoring tools (through Event Management).

Incident Management handles all Service-affecting Incidents and restores the Service as quickly and efficiently as possible to the required Service Levels while minimizing any adverse impact on business operations.

8.2.2 Scope

The Supplier shall manage and oversee the Incident Management Process across its Services and collaborate with the Service Desk, Client and other Suppliers to manage the Incident Management Process.

The Supplier shall provide Second Level Support and accepts that, while some Incidents may only affect the Services within the scope of the Supplier, there will be Incidents that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to resolve the Incident. Therefore the Incident Management activities as described in this Common Exhibit do apply to all types of Incidents (Cross-Provider and Supplier).

8.2.3 General Considerations

8.2.3.1 Process Set-Up and Maintenance

The Supplier responsibilities shall include:

1. Establish and maintain an Incident Management Process, in accordance to the requirements defined by the Client for its Services that will restore Service operation with all reasonable speed, within Service Levels and with minimum disruption to the Business. The process must conform to good practice for

Incident Management, Client requirements and align to the Client Incident Management solution, as defined, directed and approved by the Client.

2. Retain overall responsibility for all Incidents allocated to him until the Incident is closed, subject to End User or Authorized User (Client) approval.
3. Define and implement measures to avoid unnecessary reoccurrence of Incidents in its Services. This includes initiating the Problem Management and Change Management Procedure to remediate faults in its Services or Cross-Provider Services as directed by the Client.
4. Support the Client in ensuring the reduction of Incidents over time and improvements of the Incident resolution time by:
    a) Providing Incident information regarding suggested Service improvements to the Client.
    b) Developing an action plan on a quarterly basis to address suggested improvements.
    c) Reviewing the action plan together with the Client and implementing actions as approved by the Client.
    d) Monitoring and reporting the progress and improvements made and reporting on the percentage of actions completed within the target completion date to the Client.
5. Support the Client in the definition of Incident escalation, prioritization, closure and allocation rules and implement these rules subject to Client approval.
6. Establish and follow Incident Escalation Procedures as provided by the Client.
7. Follow criteria for prioritization of Incidents, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the IMS SOW and as assigned by the Client.
8. Establish a process and mechanism for expedited handling of Major and high prioritized Incidents based on the assigned Priority Level, as per escalation processes described in the Incident Management Procedures and defined by the Client.
9. Implement Incident Models as approved by the Client.
10. Work with the Service Desk to define, document and implement Incident Models to provide a standard way of managing common types of Incidents.

8.2.3.2 Tooling

The Supplier responsibilities shall include:

1. Subject to the approval of the Client provide an automated Incident Management System and Knowledge Management Database (KEDB).
2. In addition the Incident Management Tool shall support the data exchange of ticketing to the Client and, where appropriate, ticketing data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Incident to a Supplier. All costs of creating and operating such interfacing are the responsibility of the Supplier.
3. If the Supplier uses its own its own Incident Management Tool, the requirements as defined by the Client at least include:
    a) Providing a sophisticated set of Incident resolution, diagnostic, and tracking Software and Equipment to enable the automation of

monitoring, detection, and resolution of Incidents associated with the Services.

b) Identifying Authorized Users designated by the Clients either Standard or VIP or Executive Users and enable the identification of the relevant Service Level.

c) Capturing and managing information pertaining to the originator, submission and management of Incidents assigned to it or for which it is responsible.

d) Managing information for each Incident logged through automated Event Monitoring tools.

e) Implementing and maintaining a KEDB used to capture, store, and retrieve information and solutions.

f) Tracking the use of the KEDB and report usage statistics to the Client on a monthly basis, or as requested by the Client.

g) Regularly updating the Incident Management System with Supplier solutions and best practices as they are developed, including updates based on "lessons learned" and experience with similar technologies and Incidents and Problems for other Clients.

h) Providing the ability to record all information on the details of the Incident and the corrective action for later statistical analysis as part of the Problem Management process.

4. Integrate the Incident Management Tool with the Client and Supplier Service Management Processes and Tools. The Supplier shall maintain a real time data flow and visibility with bi-directional ticketing.
5. Implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Incidents and the automatic generation of tickets when pre-defined thresholds are reached, as agreed with the Client.

8.2.3.3 Incident Communication

The Supplier responsibilities shall include:

1. Facilitate and lead information exchange between and among the Suppliers, and Client.
2. Maintain communication with Authorized users as defined by the Client.
3. Keep tickets updated through workflow at all times so that the Client is informed about the current status of tickets.
4. Provide regular progress notifications to the Service Desk on Incidents raised by VIP or Executive Users, with the frequency of such notification in accordance with Service Levels and Client requirements.
5. Notify Authorized User(s) and Client of changes in Incident status throughout the Incident Lifecycle via the Service Desk in accordance with agreed Service Levels.
6. Notify Authorized User(s) and Client of anticipated Resolution Times for active Incidents via the Service Desk.
7. Provide prompt notification to the Client of System Outages on critical Systems including:

    a) Nature of the Incident

b) Estimated times to situation response and Service restoration.

c) Potential short-term alternatives.

8.2.3.4 Reporting

The Supplier shall provide, on a schedule agreed with the Client a report in electronic copy in a format agreed with the Client, which at a minimum includes:

1. Key issues relating to Incident Management.
2. Number of Incidents during the month, grouped by Priority, Service, region, and classification,
3. List of Incidents, short description, reference number, and a shortcut to detailed description.
4. Detailed description, including timing of activities.
5. Links to Problem and Known Error Records.
6. Trend analysis of the Incidents reported during the thirteen (13) most recent months.

The Supplier shall calculate statistics and provide monthly reports to the Client in accordance to Exhibit 2 (Service Levels) to the applicable SOW, which include:

1. The number of Incidents.
2. Sources of the Incidents.
3. Frequency regarding the types or categories of Incidents.
4. The duration of open Incidents (average and quantities by age).
5. Other pertinent information regarding Incident resolution, including Service Level measurement reporting.

8.2.4 Incident Identification (First Level Support)

The Supplier shall, where the Event Management has detected an Incident, identify and capture information about the nature of the failure.

8.2.5 Initial Incident Investigation and Diagnosis (First Level Support)

The Supplier responsibilities shall include:

1. Accept that the initial allocation of the Incident to a Supplier for resolution shall be at the sole discretion of the Service Desk or the Client should the Service Desk be unable to make an initial allocation.
2. Request a Priority Level allocation from the Service Desk, should one not have been allocated for a received Incident
3. Provide advice to the Service Desk if the Supplier's initial diagnosis indicates the Priority Level should be altered
4. Where it considers that the allocation was in error, the Supplier shall re-assign the Incident to the Service Desk.
5. Process each Incident in accordance with the Priority Level allocated by the Service Desk or the Service Integration Function based on Impact and Urgency and in accordance with the Resolution Times set out in the Priority definitions specified by the Client and as set out in Attachment J to Exhibit 1 (Priority Levels) of the IMS SOW.

6. Support the other Suppliers and Client in the initial diagnosis of an Incident, defining initial resolution options and identification of the Suppliers that need to conduct further investigation or resolution activities.

8.2.6 Incident Escalation (First and Second Level)

The Supplier responsibilities shall include:

1. Cooperate with the Client on any escalations made by the Service Desk and Client.
2. Inform the Client if Incidents exceed or are expected to exceed their target Resolution Times.
3. Escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client.
4. As directed by the Client, the Supplier shall attend meetings with the Client and other Suppliers support Cross-Provider activities and collaborate as required to diagnose escalated Incidents.

8.2.7 Incident Investigation and Diagnosis (Second Level Support)

The Supplier responsibilities shall include:

1. Commence further investigation, diagnosis and resolution of the Incident without further delay upon allocation.
2. Resolve Incidents by matching Incidents to known errors that are stored in a Known Error Database and implementing workarounds.
3. Link multiple contacts pertaining to the same Incident to the associated Incident Record and notify the Service Desk accordingly.
4. Link multiple Incidents pertaining to the same Service Request to the associated Service Request and notify the Service Desk accordingly.
5. Transfer Incidents within specified time limits to the appropriate party (e.g. 3rd Level Support) without compromising Service Levels or security requirements.
6. Perform investigative and diagnostic activities to identify workarounds for each Incident
7. If required, generate a Problem Record from an Incident
8. Promptly update the Incident Record with new information as it becomes available.

8.2.8 Incident Resolution and Recovery (Second Level Support)

The Supplier responsibilities shall include:

1. Resolve Incidents within Service Levels for Resolution Times as set Exhibit 2 (Service Levels) and Exhibit 4 (Service Reports) to the applicable SOW, including break/fix hardware and Software support.
2. Ensure that for each assigned Incident, Services are restored as rapidly as possible and in all cases within the Resolution Times applicable to the Incident Priority Level and act proactively and collaborate with all other parties (including other Suppliers) as needed in order to resolve Incidents.
3. Participate in 'all hands' meeting organized by the Client.
4. Provide resolution plans for Priority 1 and 2 Incidents to the Client based and managing implementation after approval of the Client.

5. Track and report the progress of resolution efforts and the status of all Incidents, including:
    a) Reviewing the proposed Resolution Time for each Incident with the appropriate party and update the status accordingly.
    b) Coordinating Incident tracking efforts, and providing and maintaining regular communications between all parties and Service Desk until Incident resolution.
6. Leverage the Knowledge Management Database to assist with the resolution of Incidents.
7. Where Incidents relate to Assets, the Supplier shall update details in the Asset Register and the CMS/CMDB, or coordinate through the relevant process to confirm updates are made.
8. Where Incidents relate to the changing of Software or Hardware Assets, the Supplier shall update the Definitive Media Library or coordinate with the relevant process to confirm updates are made.
9. If a Change is required to implement resolution or workaround, submit a RfC to Change Management
10. If new workarounds or resolutions got applied, the Supplier shall coordinate with Problem Management as per agreed upon procedure to log new problem/workaround/known error and open Problem Management Record.
11. Conduct necessary tests to ensure that an Incident is resolved.
12. Take remedial action to ensure that the Incident does not re-occur and follow-up to ensure that the remedial action has been taken within reasonable timescales for Major, Priority 1 and Priority 2 Incidents.

8.2.9 Incident Closure (First and Second Level Support)

The Supplier shall after successful resolution, document resolution within Incident Management Tool and initiate Incident closure via Service Desk

8.3 PROBLEM MANAGEMENT

8.3.1 Definition

The primary objective of Problem Management is to prevent Incidents, to eliminate repeating Incidents, and to minimize the impact of Incidents that cannot be prevented.

Problem Management is responsible to drive problem investigation and manage all Problems end-to-end.

8.3.2 Scope

The Supplier shall manage and oversee the Problem Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Problem Management Process.

The Supplier accepts that, while some Problem may only affect the Services within the scope of the Supplier, there will be Problem that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to resolve the Problems. Therefore the Problem Management activities as described in this Common Exhibit do apply to all types of Problems (Cross-Provider and Supplier).

8.3.3 General Considerations

8.3.3.1 Process Set-Up and Maintenance

The Supplier responsibilities shall include:

1. Establish and maintain a Problem Management Process, in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Problem Management, Client requirements and align to the Client Problem Management solution, as defined and directed by the Client.
2. Integrate its Problem Management and other Service Management Processes with the Cross-Provider Problem Management Process, subject to the Client's approval.
3. Retains overall responsibility for all Problems allocated to the Supplier until the Problem is closed, subject to Client's approval.
4. Establish and maintain Problem allocation rules and procedures, as defined by the Client.
5. Establish and maintain criteria for prioritization of Problems, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the IS SOW and as defined by the Client.
6. Establish a process and mechanism for expedited handling of Major and high prioritized Problems based on the assigned Priority Level, as per escalation processes described in the Problem Management Procedures, subject to approval by the Client.
7. Collaborate with the Client to define and implement Problem Models, subject to approval by the Client.
8. Define and implement measures to avoid unnecessary reoccurrence of Incidents for its Services. This includes initiating the Problem Management and Change Management Procedure to remediate faults in the IT Infrastructure and application systems as directed by the Service Integration Supporting Function.

8.3.3.2 Tooling

The Supplier responsibilities shall include:

1. Subject to the approval of the Client provide an automated Problem Management System including interfaces to the Cross-Provider Problem Management Too and integration of applicable Software, Equipment, electronic mail, telephony, facsimile, and Web technologies.
2. In addition the Problem Management Tool shall support the data exchange of ticketing to the Client and, where appropriate, ticketing data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Problem to a Supplier.
   All costs of creating and operating such interfacing are the responsibility of the Supplier.
3. If the Supplier uses its own its own Problem Management Tool, the requirements as defined by the Client at least include:
   a) A sophisticated set of Problem resolution, diagnostic, and tracking Software and Equipment to enable the automation of monitoring, detection, and resolution of Problems associated with the Services,

b) Functionality to manage information for each Problem submitted to, and originating from

c) Knowledge Database including Interfaces or interfaces to the Cross-Provider Knowledge Database used to capture, store, and retrieve information and solutions for reuse.

d) Regular updates of the Problem Management Tool (including the Knowledge Database) with Supplier solutions and best practices as they are developed, including updates based on "lessons learned" and experience with similar technologies and problems for other Clients.

e) Integration the Problem Management process, Problem Management Tool and Knowledge Database with the Cross-Provider Service Management Processes and Tools.

4. If the Supplier uses its own Problem Management Tool it shall maintain the Known Error Data Base for each Problem resolved and update automatically the Cross-Provider Known Error Database.
5. Implement the monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Problems or as defined and directed by the Client and provide the ability to record all information on the details of the Problems and the corrective action for later statistical analysis as part of the Problem Management process, as agreed with the Client.

8.3.3.3 Communication

The Supplier shall provide necessary information from the time a Problem is identified through to resolution. As necessary, also provide any follow-up communications and report work required post-resolution to the Client and to other Suppliers.

8.3.3.4 Reporting

The Supplier shall track and report any backlog of unresolved Problems on at least a monthly basis to the Client, or more frequently as requested by the Client.

The Supplier shall provide a monthly report in a format approved as described in Exhibit 4 (Service Reports) of the applicable SOW. This report shall include:

1. The number of Problems and Known Errors in total and grouped by type, Priority, and status.
2. Statistics on total numbers of Problems and Known Errors.
3. Problem reviews.
4. Trend analysis of Problems and Known Errors documented during the thirteen (13) most recent months.
5. Problem and Known Error trend analysis findings.
6. The number of Requests for Change initiated for Known Errors.
7. Outages that could have been prevented.
   h) Number of open and closed Problem Records and Known Error Records.
8. Resolution time of Problems.
9. Priority 1 Outages and/or Priority 1 Incidents.
   Performance.

10. Data showing the relationship between effective Problem Management and the reduction in the number of Incidents.
11. Any issues relating to the efficiency and effectiveness of Problem Management, such as any information that may improve or facilitate a better Problem Management process, including decisions to be made by the Client.

8.3.4 Problem Identification

The Supplier responsibilities shall include:

1. Regularly survey Incidents to identify reoccurring Incidents for which the cause is unknown and any action that can be taken to identify the root cause and resolution including:
    a) Identifying Incident trends and developing remedial action plans.
    b) Identifying single point of failure from Incidents and proposing remedial action plans.
    c) Proactive analysis identifying faults that may lead to Incidents,
    d) Undertaking weekly reviews of Incident Management performance and Root Cause Analysis information and with the Client and other Suppliers to identify preventative measures to reduce the frequency of Incidents.
    e) Implementing the preventative measures identified above, are implemented.
2. Cooperate with Client and other Suppliers performing a Root Cause Analysis of Incidents comprising a Problem, using all available information and facilities such as CMS and CMDB and initiating actions to improve or correct the situation.
3. Identify and consolidate problem trends and remedial actions and provide report those to the Client.
4. Ensure the effectiveness of the Problem Management Process by reduction of Incidents over time and improvements of the Problem resolution time through continuous improvement of the Problem Management Process by:
    a) Continuously performing trend analyses on the volume and nature of Problem.
    b) Analyzing Problems guidance or advice trends, and recommended actions.
    c) Collating Problem information regarding suggested improvements to the Supplier's Services.
    d) Developing an action plan on a quarterly basis to address suggested improvements.
    e) Reviewing the action plan with the Client.
    f) Implementing actions with the approval of the Client.
    g) Monitoring and reporting on progress and improvements made and report on the percentage of actions completed within the target completion date.

8.3.5 Problem Logging

The Supplier shall manage the effective entry of Problem Records into a Problem Management System, and Known Errors into Known Error Database (KEDB) and escalating to the Service Integration for Priority and approval. Associate related Incident Records or Alerts to the Problem Record.

8.3.6 Problem categorization

The Supplier responsibilities shall include:

1. The Supplier shall assign a problem category as set out in the categorization schema and associate the Problem ticket to the relevant Configuration Items.
2. The Supplier shall update the CMDB/CMS in cooperation with Service Asset and Configuration Management.
3. The Supplier shall update the Service Knowledge Management System and KEDB in cooperation with Knowledge Management.
4. The Supplier shall invoke the Security procedure if the Problem is categorized as a Security Problem.

8.3.7 Problem prioritization

The Supplier shall prioritize Problems, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of theIMS SOW. This includes changing Priorities if so instructed by the Client.

The Supplier shall invoke the Major Problem procedure if the Problem is prioritized as Major Problem and inform the Client.

The Supplier shall attend the regularly scheduled Problem Management meetings by the Client to prioritize the resolution of Cross-Provider Problems.

8.3.8 Problem investigation and diagnosis

The Supplier responsibilities shall include:

1. Accept the initial allocation of the Cross-Provider Problems for resolution by the Client.
2. Request a Priority Level allocation from the Client should one not have been allocated for a received Problem.
3. Provide advice to the Client if the Supplier's initial investigation indicates the Priority Level should be altered.
4. Where the Problem Investigation shows that the allocation was in error, re-assign the Problem to the Client.
5. Process each Problem in accordance with the Priority Level based on Impact and Urgency and in accordance with the Resolution Times set out in the Priority definitions as set out in Attachment J to Exhibit 1 (Priority Levels) of theIMS SOW.
6. Conduct the effective execution of the Problem investigation and diagnosis to identify the fault in the service Component that caused the Problem.
7. Conduct Problem Management Meetings and attend Problem Management Meeting as scheduled by the Client.

8. Use the CMS information to investigate point of failure and identify all components that might be affected by the same Problem and use KEDB to investigate matching historical Problems with associated Resolution.
9. Recreate failure in test environment to allow further investigation and diagnosis without user involvement or disruptions and investigate Root Causes and asses if workaround is required to resolve the Problem, if required
10. Initiate implementation of Resolution by evoking the Change management Process otherwise continue with defining a workaround, if the Resolution is cost-justified.

8.3.9 Raising a known error record

The Supplier shall create a Known Error Record and document the root cause of the Problem, associate relevant CI with Known Error Record.

If a Workaround exists, associate workaround (tested and appropriately documented) in order to make it available to the Suppliers and the Client.

The Supplier shall update the related Service Knowledge Management System with all relevant information, including documented workarounds for Problems.

8.3.10 Problem escalation

The Supplier shall inform the Client if Problems exceeds or are expected to exceed their target Resolution Times.

The Supplier shall escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client.

8.3.11 Problem resolution

The Supplier shall conduct the Problem Resolution, coordinate Problem tracking and notifications to the Client and other Suppliers incl. maintaining regular communications between all parties throughout Problem resolution.

If required, the Supplier shall open Requests for Change to implement Problem solutions.

The Supplier shall implement corrective actions identified through the Problem Management process in an expedited fashion and as defined by the Client.

8.3.12 Problem closure

The Supplier shall verify with all involved parties that a Problem is resolved before recommending it for closure.

The Supplier shall report to the Client, which can be via service management tooling, each Problem that has been resolved.

The Supplier shall close and update the Problem Record with all of the details of the resolution in accordance with Problem Management policies.

8.3.13 Major problem review

The Supplier shall attend and support Major Problem Review Meetings as scheduled by the Service Integration Function.

8.4 REQUEST FULFILLMENT

8.4.1 Definition

Request Fulfillment is the process of handling (Standard) Service Requests throughout their lifecycle.

Service Requests include but are not limited to: information, advice, a Standard Change which is low risk, frequently performed, and low cost, or access to a Service.

8.4.2 Scope

The Supplier shall manage and oversee the Request Fulfillment Process across its Services and collaborate with the Service Desk, Client and other Suppliers to manage the Cross-Provider Request Fulfillment Process.

The Supplier shall accept that, while some Service Requests may only affect the Services within the scope of the Supplier, there will be Service Requests that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client, Service Desk and the other Suppliers to resolve the Incident. Therefore the Request Fulfillment activities as described in this Common Exhibit do apply to all types of Service Requests Cross-Provider and Supplier).

8.4.3 General Considerations

8.4.3.1 Process Set-Up and Maintenance

The Supplier responsibilities shall include:

1. Establish and maintain a Request Fulfillment Process and Tools, in accordance to the requirements defined by the Client, for the efficient and effective handling of Service Requests.
2. Ensure all linkages and related processes operate effectively, in particular the links to pricing, invoicing and payment. The process must conform to good practice for Request Fulfillment, Client requirements and align to the Client Request Fulfillment solution, as defined, directed and approved by the Client.
3. Integrate its Request Fulfillment Process and other Service Management Processes with the Cross-Provider Request Fulfillment Process, subject to the Client's approval.
4. Retain overall responsibility for all Incidents allocated to him until the Incident is closed, subject to End User or Authorized User (Client) approval.
5. Establish and maintain Service Request allocation rules and implement allocation and closure rules subject to approval by the Client.
6. Subject to the Client's approval, establish and maintain Service Request Escalation Procedures.
7. Establish and maintain the criteria for prioritization of Service Requests, in accordance with the Priority Levels set out in Attachment J to Exhibit 1 (Priority Levels) of the IMS SOW and approved by the Client.
8. Establish and maintain, in accordance to the requirements defined by the Client, a process and mechanism for expedited handling of high prioritized Service Requests based on the assigned Priority Level, as per escalation processes described in the Service Request Process and Procedure Manual.

9. Establish and maintain Service Request Models as approved by the Client.

8.4.3.2 Tooling

1. Subject to the approval of the Client provide an automated Request Fulfillment Tool.
2. In addition the Request Fulfillment Tool shall support the data exchange of ticketing to the Client and, where appropriate, ticketing data to other Suppliers to establish and allocate end-to-end responsibility and ownership of each Service Request to a Supplier.
   All costs of creating and operating such interfacing are the responsibility of the Supplier.
3. The requirement of the Client include at least:
   a) Providing a sophisticated tracking mechanism
   b) Identifying Authorized Users designated by Client as either Standard or VIP or Executive Users and enable the identification of the relevant Service Level,
   c) Capturing and managing information pertaining to the originator, submission and management of Service,
   d) Request assigned to it or for which it is responsible,
   e) Including interface with billing systems for payment,
   f) Providing an interface to the End Users Portal,
   g) Ability to record all information on the details of the Service Request for later statistical analysis.
4. The Supplier shall implement monitoring and reporting of risk indicators as needed to monitor trends and emerging risks arising from Service Requests, as required by the Client.

8.4.3.3 Communications

The Supplier shall facilitate and lead information exchange between and among the Suppliers, and Client.

8.4.3.4 Reporting

The Supplier shall provide status update reports and summary reports at the frequency and in a format agreed with the Client as described in Exhibit 4 (Service Reports) of the applicable SOW, and as a dashboard for service management meetings.

8.4.4 Request Review

The Supplier shall accept that the initial allocation of the Service Request to a Supplier for resolution shall be at the sole discretion of the Service Desk or the Client should the Service Desk be unable to make an initial allocation.

The Supplier shall request a Priority Level allocation from the Service Desk, should one not have been allocated for a received Service Request.

The Supplier shall provide advice to the Service Desk if the Supplier's initial review indicates the Priority Level should be altered.

Where it considers that the allocation was in error, the Supplier shall re-assign the Service Request to the Service Desk.

8.4.5 Request Model Execution

The Supplier responsibilities shall include:

1. Process each Service Request in accordance with the Priority Level allocated by the Service Desk or the Service Integration Function based on Impact and Urgency and in accordance with the Resolution Times set out in the Priority definitions specified by the Client and as set out in Attachment J to Exhibit 1 (Priority Levels).
2. Support the other Suppliers and Client in the resolution of a Service Request identifying solution options and identification of the Suppliers that need to conduct further investigation or activities. This shall include, but is not limited to:
    a) Liaising with Change Management to ensure that Service Requests follow the Change Management process for Standard Changes and Requests for Change.
    b) Liaising with Access Management to ensure that Service Requests follow the Access Management process for access to a Service.
3. Where Service Requests relate to Assets, the Supplier shall update details in the Asset Register and the CMS/CMDB, or coordinate through the relevant process to confirm updates are made.
4. Where Service Requests relate to the changing of Software or Hardware Assets, the Supplier shall update the Definitive Media Library or coordinate with the relevant process to confirm updates are made.
5. Conduct necessary tests to ensure that Service Requests are fulfilled.
6. Track and report the progress of efforts and the status of all Service Request, including:
    a) Reviewing the proposed Resolution Time for each Service Request with the appropriate party and update the status accordingly.
    b) Coordinating Service Request tracking efforts, and providing and maintaining regular communications between all parties and Service Desk until Service Request closure.

8.4.6 Request Escalation

The Supplier shall cooperate with the Client on any escalations made by the Service Desk.

The Supplier shall inform the Client if a Service Request exceeds or is expected to exceed its target Resolution Time.

The Supplier shall escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client.

8.4.7 Request Closure

The Supplier shall after successful resolution, document resolution within the Request Fulfillment Tool and initiate Service Request closure via Service Desk.

8.5 ACCESS MANAGEMENT

8.5.1 Definition

Access management is the process of granting Authorized Users the right to use a service, while preventing access to Non-Authorized Users.

8.5.2 Scope

The Supplier shall manage and oversee the Access Management Process (including a logical Security Administration Process) across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Access Management Process. The Supplier shall manage and administer access to the Supplier-operated Services and Client Data. The Supplier shall provide consistent authorized access methods for End Users and manage requests of Client and the Client concerning the mechanisms, Processes and Tools related to Access Management to ensure that Client Information Security Policy is enforced.

The Supplier accepts that, while some Access Request may only affect the Services within the scope of the Supplier, there will be Access Requests that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers to solve the Access Request. Therefore the Access Management activities as described in this Common Exhibit do apply to all types of Access Requests (Cross-Provider and Supplier).

8.5.3 General Considerations

8.5.3.1 Process Set-Up and Maintenance

The Supplier responsibilities shall include:

1. Establish and maintain an Access Management Process in accordance to the requirements defined by the Client for its Services. The process shall include operating procedures and mechanisms as directed by the Service Integration Provider to monitor and control secure access to and from Clients' Infrastructure, Software, Equipment, and all other data and include a step-out process that allows the provision of temporary (not to exceed eight (8) hours) system root access to persons nominated by an Authorized Approver.

   The process must conform to good practice for Access Management, Client requirements and align to the Client Access Management solution, as defined and directed by the Client.
2. Integrate its Access Management Process and other Service Management Processes with the Cross-Provider Request Access Management Process, subject to the Client's approval.
3. Establish and maintain in accordance to the requirements defined by the Client, a process that enables Supplier andthe Client to exercise full administrative rights to the Systems providing the Services, including full access to audit trails and logs, subject to approval by the Client.
4. Allow Supplier and the Client full administrative access to audit trails and logs.

5. Establish and implement procedures, forms, and approval levels for assigning, resetting, and disabling IDs and passwords used for data, System or Services accessed by End Users, in accordance to the requirements defined by the Client.
6. Establish and maintain a mechanism to safeguard against the unauthorized access, destruction, loss, or alteration of Client data in the possession of the Supplier. The Supplier shall implement safeguards that are consistent with the practices defined by the Client.
7. Establish and maintain an information Security approach that follows a resource-ownership concept for Security, for certifying owners, and for periodically reviewing authorized access for End Users, subject to requirements and approval by the Client.
8. Maintain Security rules and access rights in accordance with Client's instructions.

8.5.3.2 Communication

The Supplier shall communicate as specified by the Client or Service Desk with End Users and other Supplier (e.g. Service Desk) regarding Access Request.

8.5.3.3 Reporting

The Supplier shall provide a monthly report in a format approved as described in **Exhibit 4 (Service Reports) of the applicable SOW** to the Client.

8.5.4 Requesting Access

The Supplier shall receive access requests via the Service Desk in conjunction with the Request Fulfillment Process and ensure that Access Request and logged whether granted or not in a Security Management System. e.g., Request Fulfillment Tools.

8.5.5 Verification of Access Request

The Supplier shall verify that all Access Requests are approved in accordance to the procedure and policies. In case they are not approved correctly, reassign the Access Request to the Service Desk.

The Supplier shall verify if the Access Request applies to standards, if not inform the Service Desk, to request additional Information or rejects Request that do not qualify.

The Supplier shall follow the Clients s instructions and the procedures regarding granting access to End Users and Suppliers. In accordance to the requirements defined by the Client.

8.5.6 Providing Access Rights

The Supplier shall be responsible (if not part of the Scope of the Service Desk Service) for adding, changing, and deleting user access to all Client, Supplier data, systems, databases, and Applications for Services in scope of the Agreement in accordance with the Client Security Policies. Such requests will include the following:

1. Creating Authorized User accounts for access to the Services or other systems, as required;
2. Changing existing Authorized User account profiles per user requests,
3. De-activating and deleting an existing Authorized User that is no longer authorized according to Client Security Policies,

4. Restricting the use of generic Authorized User identifications in accordance with Client Security Policies.

The Supplier shall be responsible for password management (if not part of the Scope of the Service Desk Service), which includes:

1. Performing Authorized User password resets in accordance with the Client Security Policies,
2. Coordinating Authorized User password changes and, subject to Client approval, changing local user identifications and passwords as required and ensuring password policy is enforced.
3. Encrypting passwords according to Client Security Policies.

The Supplier shall be responsible for elevated rights management, which includes:

1. Maintaining defined access controls for protection of System Software and Client environment resources (for example, the system control program, its access control mechanisms) and reviewing and updating periodically according to Client Security Policies,
2. Ensuring that privileged account users are only provided access necessary to perform duties assigned and that Authorized Users are not provided systems administrator access unless an exception is granted in accordance with Client Security Policies,
3. Providing designated Client personnel, Supplier personnel with supervisor-equivalent user identifications and passwords where reasonably required to provide the Services in accordance with Client Security Policies.
4. Managing critical passwords across all platforms for emergency and operational purposes such as elevating privileges, root passwords, and service account passwords.

8.5.7 Monitoring Identity Status

The Supplier shall monitor end users of the Systems and Services for authorized access, and monitor, review, and respond in a timely and appropriate manner to access violations and report findings on a monthly basis to the Client.

The Supplier shall conduct periodic reviews, as appropriate; to validate that individual employee access to programs and libraries is appropriate for Supplier's-operated Systems and report finding on a monthly basis to the Client.

The Supplier shall run monthly reports to identify to the Client those accounts that should be removed on Systems for Supplier-operated systems.

8.5.8 Logging and Tracking Access

The Supplier shall notify the Client in the event of a Security violation or unauthorized attempt to access or alters Client data, where the notification and escalation is made according to Client Information Security Policy, guidelines and procedures.

The Supplier shall providing reports on violation and access attempts, and retaining documentation of the investigation.

The Supplier shall capturing data regarding routine access and exceptions for audit trail purposes, and making such data available upon request of the Client.

8.5.9 Removing or Restricting Rights

The Supplier shall under instruction from the Client, remove or restrict access rights to the Services and Systems.

8.5.10 Maintenance of User Roles & Access Profiles

The Supplier responsibilities shall include:

1. Enforce a user/group access right concept across Supplier as defined by the Client.
2. Enforce directory services and group policy objects standard where required, subject to approval by the Client.
3. Manage directory services and group policy objects on domains to support Client environment as agreed with the Client and other Supplier and enable other Suppliers managing group policy objects as required.
4. Manage group policy objects on domains and logon scripts to support the Client environment for Services in scope.
5. Add, change and delete Groups as per Access Request including:
    a) Assign users to groups as per Access Requests,
    b) Remove users out of groups as per Access Request.
6. Create, maintain and delete User Access Profiles.

8.5.11 Request escalation

The Supplier shall inform the Client if an Access Request exceed or are expected to exceed their target Resolution Times.

The Supplier shall escalate issues to the appropriate levels for resolution in accordance with escalation procedures approved by the Client.

8.5.12 Access Request Closure

The Supplier shall close Access Rights request in accordance to the closure procedure defined in the Request Fulfillment Process.

8.6 SERVICE DESK SUPPORT

8.6.1 Definition

A Service Desk is the Single Point of Contact (SPOC) for End Users and deals with all Incidents and Service Requests (including requests for access) and requests for assistance on IT related issues and general advice. The primary purpose of the Service Desk is to restore normal service to End Users as quickly as possible and in accordance with Service Levels.

8.6.2 Scope

The Supplier shall collaborate and cooperate with the Service Desk and other Suppliers and ensure timely and appropriate response to instructions and information supplied by the Service Desk, as defined by the Client.

8.6.3 General Considerations

8.6.3.1 Process Set-Up and Maintenance

The Supplier shall implement a Second Level Support structure and establish and maintain Resolver Groups as the single point of contact for the Service Desk regarding Incidents and Service Requests. The Second Level Support shall manage the handover of activities to the Third Level Support in accordance to the Service Levels defined in Exhibit 2 (Service Levels) to the applicable SOW.

The Supplier shall provide the facilities to receive information related to the operation of the Services from the Service Desk in an automated form.

8.6.4 Self Service

The Supplier shall cooperate with the Service Desk to identify and implement the most applicable self service facilities.

When requested by the Service Desk, the Supplier shall share any and all data relevant (incl. preparing FAQ's) to the management of the Services with the Service Desk and Client, subject to any Security restrictions specified by the Client's IT Security department.

9.0 CONTINUAL SERVICE IMPROVEMENT

9.1 DEFINITION

The purpose of Continual Service Improvement is to manage improvements to Service performance by continually measuring/reporting and making improvements to the processes and IT Services in order to increase efficiency, effectiveness (including cost effectiveness) for the Client's Business.

9.2 SCOPE

The Supplier shall manage and oversee the Continual Service Improvement Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Continual Service Improvement Process.

The Supplier accepts that, while some activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

9.3 GENERAL CONSIDERATIONS

9.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Continual Service Improvement Process, Policies and Tools in accordance to the requirements defined by the Client for its Services. The process must conform to good practice for Continual Service Improvement, Client requirements and align to the Client Process Requirements.

The Supplier shall integrate its Continual Service Improvement Process and other Service Management Processes with the Cross-Provider Continuous Improvement Process, subject to the Client's approval.

The Supplier shall be compliant with the Client's Continual Service Improvement policy, processes and standards, as directed by the Client.

9.4 IDENTIFY AND MANAGE CONTINUAL SERVICE IMPROVEMENT OPPORTUNITIES

The Supplier shall, as directed by the Client, implement improvement opportunities across its Services and IT Service Management lifecycle stages to realize benefits for the Client.

The Supplier shall own and manage a Continual Service improvement plan based on shortfalls or opportunities for its Services identified from its measuring reports. The Plan shall include measurable improvement targets will be regularly reviewed with the Client and the Client.

The Supplier shall provide an Improvement Plan to provide to the Client with measurable improvement targets.

9.5 MONITORING IMPROVEMENT OPPORTUNITIES

The Supplier shall ensure that baseline data is captured to measure the effectiveness of all improvements for its Service in accordance to the requirements defined by the Client.

The Supplier shall implement Continual Service Improvement activities for its Services and processes, in accordance to the Change Management Process and as directed by the Client.

The Supplier shall, on a quarterly basis, review its SIP with the Client.

The Supplier shall provide suggestions and plans regarding improvements targets that have not been achieved to the Client

9.6 INNOVATION

Supplier shall be responsible for the performance of the following, in addition to any responsibilities stated elsewhere in this Agreement will include:

1. Continually present new technologies which Supplier recommends be investigated that may be used to add value to the service delivery model, lower operational cost, reduce complexity and risk, and otherwise assist in improving the collective performance of both Client's business operations, and Enterprise IT operations, and the Supplier's activities on behalf of Client.
2. Leverage Supplier's internal capabilities outside of the Supplier service delivery team (e.g., Supplier fellows, labs, technology service groups, alliance partners, etc.). These internal capabilities conduct significant global basic research into a variety of trends that may either enable or disrupt business models (collectively "Strategic (Business-Enabling) Innovation".
3. Deliver at least four (4) Tactical (Enabling Technology) Innovation Proposals and two (2) Strategic (Business-Enabling) Innovation Proposals each Contract Year of the Term,
4. Include in each Innovation Proposal a description of the Innovation, the business benefits, the cost, the method and the implementation plan.

5. Deliver an Innovation plan, within 6 months of the Commencement Date, and subsequently update the plan every six (6) months thereafter for the remainder of the Term.
6. Include in the Innovation Plan, a description of the activities the Supplier will undertake in order to deliver the Innovation proposals. At a minimum, the Innovation Plan will include:
    a) The process and method for production of Innovation ideas
    b) The process for determining which ideas to submit
    c) The Governance to be used to ensure that viable Innovation proposals are produced and that they are relevant to the Business needs of Client.
    d) The implementation status of each proposal delivered under the previous plans.
7. Include in the Innovation Plan, an Innovation Roadmap which supports Client's Technology and Business goals. Align innovation activities to Client's current IT strategies and associated roadmap projects, analyses, and priorities.
8. "Business Innovation" means the specific application of novel business techniques and related application of technological, process, and organizational Innovations to meet the needs and objectives of a Business entity.
9. "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 Supplier's value chain as it seeks to improve its services and products and ultimately how Innovations are applied to Client needs.
10. "Innovation Plan" means the elements that are described in items 3.1.
11. "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.
12. "Technology Innovation" means better products and services through the unique application of new and/or improved technology.
13. Align innovation activities to Client's current IT strategies and associated roadmap projects, analyses, and priorities
14. Supplier shall align its activities to Client's Innovation Roadmap projects, analysis, priorities, and the contribution of content to support the Technology Innovation drivers and Business Innovation needs of Client.

9.7 REFRESH AND TECHNICAL CURRENCY

The Supplier shall develop as directed by the Client and annual plan for Refresh including:
On a quarterly basis, review the Asset inventory and produce a report that lists the Assets that are due to be refreshed in the upcoming plan year, and provide such report to the Client.

10.0 SUPPORT SERVICES

The Support Service Processes are:

1. Risk and Compliance Management,
2. Quality Assurance,
3. Client Satisfaction Management,
4. Benchmarking,
5. Performance Analysis,
6. Financial Management,
7. Contract Management,
8. Issue and Escalation Management.

10.1 RISK AND COMPLIANCE MANAGEMENT

10.1.1 Definition

Risk Management is responsible for identifying, assessing and controlling Risks (e.g. Information Security, Operational, Financial, Reputational, Country or Region, and so on). Compliance Management is the formal assurance process to determine that the Services are fully compliant with law, policy, standards or regulations and that relevant certifications (provided by an authorized or accredited organization) demonstrate the required level of competence and conformity with standards or requirements (incudes Supplier audit).

10.1.2 Scope

The Supplier shall manage and oversee the Risk and Compliance Management Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Risk Management Process.

The Supplier accepts that, while some Risk and Compliance Management activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

10.1.3 General Considerations

10.1.3.1 Process Set-Up and Maintenance

The Supplier responsibilities shall include:

1. Establish and maintain a Risk and Compliance Management Process in accordance to the requirements defined by the Client for its Services. The process must

conform to good practice for Risk Management, Client requirements and aligned to the Client Risk and Compliance Management solution, as defined and directed by the Client.

2. Integrate its Risk and Compliance Management Process with the Cross-Provider Risk and Compliance Management processes, where the processes interact.
3. Integrate its Risk and Compliance Management and other Service Management Processes with the Cross-Provider Risk and Compliance Management Process, subject to the Client's approval.
4. Establish and maintain a common Risks and Controls Framework for its Services, in accordance to the requirements define by the Client and Client.
5. Proactively design, document and implement its own controls that mitigate or prevent risks in its Services to the Client's interests. In addition the Supplier shall design, document and implement controls as directed by the Client that meet the Clients control objectives/requirements.
6. Assist the Client to prepare proposals for approval by the Client that meet the Client's control objectives/requirements for changes to existing key controls or new key controls to prevent or mitigate risks.
7. Implement internal assurance activities to confirm the effectiveness of key controls in the Supplier's operations, as directed by the Supplier.
8. Implement key controls, and changes to existing controls, to address risks as directed by the Client.

10.1.3.2 Tooling

The Supplier shall implement and maintain a standard Operational Risk Register for its Services as directed by the Client.

The Supplier shall implement and maintain standard tools and processes for risk management as determined by the Risks and Controls Framework and Client.

10.1.3.3 Reporting

The Supplier shall provide regular risk reporting input as defined by Client and Risks and Controls Framework.

The Supplier shall establish and maintain on-going monitoring of the operations for its Services, in accordance to the requirements defined by the Client, for change and emerging risks and trends which includes implementing risk indicators across its Services to assist in the monitoring and reporting and escalating these trends, changes and emerging risks to the Client and Client.

10.1.3.4 Compliance Management

The Supplier shall provide Auditing activities in accordance to the Agreement.

The Supplier shall facilitate the activities of Client, Client, auditors or regulators in conducting assurance activities on the design and effectiveness of key controls across its Services and report on the activities to address any control weaknesses identified in the assurance activities to the Client.

The Supplier shall implement remedial actions resulting from audits in cooperation with the Client and the Client.

10.1.3.5 Risk Monitoring, Identification and Reporting

The Supplier shall identify and report risks, including the service impact assessment. This shall include:

1. Providing monthly reports, and attend monthly reviews with the Client of the effectiveness of key controls to ensure compliance with regulations and Client policies;
2. Attending regular, formal risk assessments (at least quarterly and including trend, SPOF analyses) with the Client and Client.

10.1.3.6 Risk Prevention and Mitigation

The Supplier shall take appropriate proactive and preventative remediation actions to prevent or mitigate new or emerging risks as defined by the Client.

The Supplier shall manage all risks assigned by the Client, including identifying and implementing treatments to mitigate the risks.

10.1.3.7 Risk Governance

The Supplier shall support the appropriate Governance meetings as defined in Schedule 9.1 (Governance) with specific risk content and input.

Support the appropriate Governance meetings as defined in Schedule 9.1 (Governance) with specific risk content and input.

10.2 QUALITY ASSURANCE

10.2.1 Definition

The purpose of Quality Assurance is to maintain and gradually improve Business-aligned Service quality.

10.2.2 Scope

The Supplier shall manage and oversee the Quality Assurance Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Risk Management Process.

The Supplier accepts that, while some Quality Assurance activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

10.2.3 General Considerations

10.2.3.1 Process Set-Up and Maintenance

The Supplier responsibilities shall include:

1. Establish and maintain a Quality Assurance program, in accordance with the Client requirements including tools and processes to provide quality services, which are at a level consistent with acceptable industry practices and Client's current standards.
2. Integrate its Quality Assurance Process with the Cross-Provider Quality Assurance processes, where the processes interact.

3. Integrate its Quality Assurance Process with the Cross-Provider and its Service Management Processes.
4. Establish and maintain procedures and measurements for all Quality Assurance activities as directed by the Client and provide evidence to the Client that the quality metrics and procedures employed are consistent with similar standards in the Client's peer group and/or in the provision of similar professional services.

10.2.3.2 Tooling

< Tool support to be determined>

10.2.3.3 Reporting

The Supplier shall provide regular Quality Assurance Reporting input as defined by Client and the Quality Assurance Program.

10.2.3.4 Conduct Assurance

The Supplier's responsibilities shall include:

1. Ensuring compliance with the Client approved Quality Assurance program, with adequate internal controls and verification activities;
2. Allowing the Client or Client to perform audits that will focus on the Supplier's adherence to its Quality Assurance procedures and standards, on the metrics gathered to support Quality Assurance activities, and on the Supplier's efforts to improve overall quality. The Supplier shall cooperate fully and assist the Client or the Client with any such audits.

10.3 CLIENT SATISFACTION

10.3.1 Definition

Process to define objectives for and analyze status of Client Satisfaction. The process includes the identification of root causes of potential dissatisfactions and the derivation of measures to attain the desired level of Client satisfaction.

10.3.2 Scope

The Supplier shall manage and oversee the Client Satisfaction Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Client Satisfaction Process. The Supplier accepts that, while some Assurance activities may only affect the Services within the scope of the Supplier, there will be activities that apply across the Cross-Provider Services and require cooperation and joint work between the Supplier, Client and the other Suppliers.

10.3.3 General Considerations

10.3.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Client Satisfaction Survey processes as agreed with the Client and in accordance with Schedule 5.4 (Client Satisfaction Surveys) which integrates to the Cross-Provider Client Satisfaction Survey processes

Supplier shall work with the Client to develop action and improvement plans to address deficiencies and managing the implementation of such plans as approved by the Client.

10.3.3.2 Reporting

The Supplier shall perform Client Satisfaction Surveys and provide Client Satisfaction Survey results and reports in accordance with Schedule 5.4 (Client Satisfaction Surveys) to the Client

10.4 BENCHMARKING

10.4.1 Definition

Benchmarking is the Process that manages benchmarking activities to monitor Supplier's performance against industry standards, as stipulated in the Agreement.

10.4.2 Scope

The Supplier shall manage and oversee the benchmarking Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Benchmarking Process.

10.4.3 General Considerations

10.4.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Benchmarking Process.

10.4.3.2 Reporting

The Supplier shall provide Benchmarking to the Client

10.5 PERFORMANCE ANALYSIS

10.5.1 Definition

Performance Analysis is the process to analyze, review, record and report on Supplier performance specifically with respect to contracted service levels of performance.

10.5.2 Scope

The Supplier shall manage and oversee the Performance Analysis Process across its Services and collaborate with the Client and other Suppliers to manage the Cross-Provider Performance Analysis Process.

10.5.3 General Considerations

10.5.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain a Performance Analysis Process, in accordance with the Client requirements including tools and processes to ensure that Performance across its Service specifically with respect to contracted service levels of performance, is managed and controlled.

The Supplier shall deliver Performance data in accordance with the Client requirements and obligations set out in the Agreement(s) on a monthly basis.

10.6 FINANCIAL MANAGEMENT

10.6.1 Definition

Financial Management will provide cost-effective stewardship of the IT Assets and the financial resources used in providing Services.

10.6.2 Scope

The Supplier shall provide Financial Management Services as described in Exhibit 3 (Pricing) of the applicable SOW.

10.6.3 General Considerations

10.6.3.1 Process Set-Up and Maintenance

The Supplier shall establish and maintain the Financial Processes in accordance with Schedule 9.1 (Governance), subject to approval by the Client.

10.6.3.2 Reporting

The Supplier shall provide information and advice that assists the Client to:

1. Demonstrate the current value of the Services,
2. Identify the past and potential value of the Services,
3. Determine provisioning costs,
4. Prioritize the focus of service development and Change,
5. Implement service Changes to capture value or cost benefits.

The Supplier shall proactively support the Client in the Financial Analysis and Reporting as described in Exhibit 3 (Pricing) of the applicable SOW and comply with the Client processes as they evolve.

The Supplier shall report on the volumes and Resource Units, as described in Exhibit 3 (Pricing) of the applicable SOW, consumed by the Supplier's Services on a monthly basis to the Client or Client

11.0 BUSINESS PROCESS SUPPORT

The Supplier's responsibilities will include:

1. Review all business requirements, changes and related communications documents.
2. Ensure compliance, exception management, quality monitoring and ongoing process improvement for processes associated with the Services.
3. Provide subject matter expertise for proposed business process changes or business process related to inquiries related to the Services.
4. Document business requirements to support business process changes.
5. Continually update and maintain work instructions, OPMs and other operational materials, such as, training materials and agent knowledge base.

6. Retain documents (records), of business requirements and business processes changes for all changes (versions) in accordance with Client's record retention policies.
7. Operationalize business process changes on a timely basis.
8. Supplier will implement and deliver to Client, utilizing Discretionary Hours as specified in Attachment A to Exhibit 3 (Pricing Forms) or as a Project, business changes in accordance with Client requests .
9. Ensure all access to OPM and policies are effectively controlled and Supplier's resources making preapproved changes to OPM are trained and authorized to make such changes to OPM documentation.
10. Store such documentation in an electronic repository, provide web-enabled access by authorized users and Client, and provide effective indexing, searching, and version control of such content.
11. Audit documentation regularly, but no less than annually, for completeness and accuracy, and verify that documentation is present, organized, readable, and updated.
12. Report resultant audit findings to Client on a regular basis, and where it is determined that documentation is inaccurate (e.g. erroneous or out of date); correct and replace such documentation.

12.0 OPERATIONAL IMPACT OF PROJECT OR REQUEST FOR SERVICE IMPLEMENTATION

1. The implementation of a project or a Request for Service may cause an increase or a decrease in Supplier's effort to deliver the Services
2. Client may require Supplier to implement a project which has been mandated ("mandated projects") prior to Client and Supplier being able to assess the effect of the project or Request for Service implementation on the Services.
3. In such cases:
    a) Supplier will implement the project promptly.
    b) Supplier will apply good faith and commercially reasonable efforts to optimize the process efficiencies in performance of the work incorporating such project.
    c) If, after a stabilization period of no less than 90 days after implementation ("Stabilization Period"), Supplier has experienced a sustained increase in the resources required to deliver the Services, Supplier will present data to Client demonstrating the operational effect of such project and Supplier's efforts during the Stabilization Period to mitigate the project's impact.
        a. If appropriate, Supplier will prepare a Change Request to mitigate the remaining impact. The Parties will work in good faith to negotiate and execute a Change Request which addresses the operational impacts to the satisfaction of both parties.
    d) If, after a stabilization period of no less than 90 days ("Stabilization Period"), Supplier has experienced a sustained decrease in the resources required to deliver the Services, Supplier will present data to

Client demonstrating the operational effect of such project and Supplier's efforts during the Stabilization Period to maximize the project's benefit.

a. If appropriate, Supplier will prepare a Change Request to utilize any saved resources elsewhere to the benefit of the Client or to reduce the ongoing requirement needs and associated costs to provide the Services. The Parties will work in good faith to negotiate and execute a Change Request which addresses the operational benefit to the satisfaction of both parties.

13.0 USER ACCEPTANCE TESTING (UAT)

Client may request Supplier to perform UAT on a change to a Client-provided system which is used by Supplier. Such requests may be processed via a project or a Request for Service. In the event that Supplier is asked to perform UAT, Supplier's responsibilities include:

1. Design, conduct or otherwise participate in User Acceptance Testing in support of the Services, when required.
2. Plan, provide resources, or otherwise support User Acceptance Testing to ensure that changes to systems, tools, processes or functionality supporting the Services are appropriately tested prior to implementation.
3. Perform UAT promptly such that the project objectives and timelines are met.
4. Client reserves the right to implement change to Client-provided systems which are used by Supplier without requesting Supplier to perform UAT on such change.
5. If Supplier is asked to perform UAT on a change to a Client application enabling the Client business, Supplier's identification of any issues/defects in such UAT shall not affect Client's ability to promote the change into production.

14.0 CURRENT AND ONGOING INITIATIVES

1. As requested by Client, complete initiatives in in individual project request order..
2. 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.
3. Use the Change Management Procedures to address any changes in scope, requirements, or schedules in respect to the ongoing initiatives.

15.0 QUALITY ASSURANCE

The Supplier responsibilities will include:

1. Maintain ISO Accreditation or Other Quality Standards
    a) Ensure a Quality Management System (QMS) is established, communicated, continually improved and meets the requirements of ISO.

b) Report on the health, performance, and effectiveness of the QMS as well as any need for improvement.

c) Be aware of all ISO assessment findings and ensure any assessment actions are progressed to completion.

d) Understand ISO requirements and adhere to external and internal assessment requirements.

e) Recommend changes to unique or temporary processes.

f) Ensure Supplier staff is trained to operate new or changed processes prior to implementation.

g) Ensure any process risks are identified and appropriate actions to address such risks are planned, implemented and monitored.

h) Ensure compliance with adequate internal controls and verification activities, including regular, periodic reporting of compliance status and exceptions, if any.

2. Write and maintain procedures, measurements and reporting on all quality assurance activities associated with the Services.
3. Ensure that the quality metrics and procedures employed are consistent with similar standards in Client's peer group and/or in the provision of similar professional services.
4. Allow Client to perform audits that will focus on the Supplier's adherence to its quality assurance procedures and standards; on the metrics gathered to support quality assurance activities; and on the Supplier's efforts to improve overall quality. Supplier will cooperate fully and assist Client with any such audits.
5. Perform internal review of all reports and other work products prior to presenting to Client for use or review.

16.0 TRAINING

The Supplier responsibilities will include:

1. Consult with Client on the application of any new issues, pronouncements, government directives or legislative/statutory changes.
2. Deliver communication updates received from Client to Supplier resources; e.g., background information, FAQs, current key message, in a timely fashion or other effective method.
3. Design and prepare all training and communications material for training of all Supplier staff.
4. Review and approve all training and communications material.
5. Provide ongoing management and support for all training, development requirements and communications.
6. Deliver training material to new hires, due to attrition or otherwise, to ensure that skills comply with Client requirements to enable delivery of Services in compliance with agreed performance levels.
7. Deliver training material / refresher training / communications to Supplier staff to ensure skills remain current to enable delivery of Services in compliance with agreed performance levels.

8. Training Effectiveness
    a) Confirm to Client that all training and communications have been delivered successfully and that content has been retained by trainees.
9. Client Training
    a) Enable client to attend and participate in new hire or other training sessions associated with the Services as reasonably requested.
    b) Enable client to attend and participate in refresher, and new material training sessions associated with the Services as reasonably requested.
10. Retain all dated versions of training materials as established by the Client.

17.0 SUCCESSION PLANNING

Supplier's responsibilities include:

1. Identify key or critical domain positions as agreed upon with Client.
2. Analyze the key or critical positions to identify specialized required skills or competencies for these positions.
3. Review required skills and competencies vis-à-vis existing staff competencies and skills and identify known gaps or weaknesses.
4. Develop succession plan to specifically detail strategies to address potential shortfalls or weaknesses in existing staff.
5. Obtain Client approval of succession plan Key Position.
6. Inform and obtain Client approval of any proposed changes to personnel identified as key or critical positions.
7. Review succession plan with Client Key Positions at Client's request but not less than annually.

18.0 INTERNAL AND EXTERNAL AUDIT SUPPORT

The Suppliers responsibilities include:

1. Develop internal compliance review and internal and external audit supporting schedules.
2. Provide source documents to internal auditors as requested.
    a) Prepare and analyze statutory and Client corporate internal audit requests (including deliverables for analytical and substantive procedures).
3. Provide source documents to Client for external auditors' requests.
    a) Upon Client direction, prepare and analyze statutory and corporate external audit requests (including deliverables for analytical and substantive procedures).
4. Report to Client any policy and procedure non-compliance including accounting related non-compliance, if applicable.
5. Correct noncompliant policy and procedures.

6. De-brief Client on audit activities.
7. Seek authorization from Client to change established procedures.
8. Implement procedure changes authorized by Client.

19.0 REPORTING AND RECORDS RETENTION

The Supplier responsibilities will include:

19.1 REPORTING

1. Perform standard reporting requirements including the reports identified in Exhibit 4 (Reports).
2. Provide ad-hoc reports as reasonably requested.

19.2 RECORDS RETENTION

1. Retain source documentation and reports: hard copies and soft copies in accordance with Client policies and procedures.
2. Provide scanned document images for source documentation through an electronic imaging system readable by Client.
3. Retrieve archived reports and documentation as requested by Client.
4. Maintain documentation in accordance with Client policies and procedures.
5. Dispose of documentation in accordance with Client policies and procedures.

20.0 MONITORING IMPROVEMENT OPPORTUNITIES

The Supplier' responsibilities will include:

1. Ensure that baseline data is captured to measure the effectiveness of all improvements for its Service in accordance to the requirements defined by the Client.
2. Implement Continual Service Improvement activities for its Services and processes, in accordance to the Change Management Process and as directed by the Client.
3. Review its Service Improvement Plan (SIP) with the Client on a quarterly basis.
4. The Supplier shall provide suggestions and plans regarding improvements targets that have not been achieved to the Client.

21.0 ONGOING BUSINESS DIVESTITURES AND ACQUISITIONS

The Supplier responsibilities will include:

1. Provide the Services associated with divestitures and acquisitions as described the Master Services Agreement.

2. Assist Client in planning, preparing, and implementing any transition or changes related to the Services as a result of divestitures or acquisitions as described in the Master Services Agreement.

22.0 BUSINESS CONTINUITY MANAGEMENT

Supplier will support Client's Business Continuity program by ensuring that the required technical and services operations can be recovered within required and agreed Business time scales according to Client. The Supplier will provide resources to the Client Business Continuity Management and Client Disaster Recovery Services as described in Article 10 of the Agreement, this Common Exhibit and in accordance Common Exhibit 3 (Client Policies and Guidelines).

1. Business Continuity

   Client will retain responsibility for the Client Business Continuity Plans and management activities and will approve the Supplier's activities in support of the Client Business Continuity Plan(s) in advance.

   The Supplier responsibilities will include:

   a) Support the Client BCP/DR Team in tasks related to the Supplier Business Impact Assessment of the Client Business Impact Assessment and the Client's functions that are supported by the Services.

2. Supplier Business Continuity Plan(s) and Recovery Plan(s)

   Client will approve all Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s) and modifications to such plan(s).

   The Supplier responsibilities will include:

   a) Effectively maintain the Supplier Business Continuity Plan(s) of the Client, as they exist on the Effective Date.

   b) Effectively maintain the Supplier Disaster Recovery Plan(s) of the Client, as they exist on the Effective Date.

   c) Assist in a gap analysis of Client's Disaster Recovery Plan(s) that exist on the Effective Date, and develop rationale and recommendations to address any perceived gaps.

   d) To the extent that Client does not have a documented Supplier Business Continuity Plan(s) and supporting Supplier Disaster Recovery Plan(s) encompassing all Services, Supplier will develop and implement both Supplier Continuity Plan(s) and Supplier Disaster Recovery Plan(s), using the Supplier's best practices and standards for companies of similar industry, size, and services as specified in the Agreement. Client will approve any such Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) developed by Supplier and will provide support in creating the plan.

      a. The structure of the Supplier Business Continuity Plan(s) is defined in Attachment D to this Common Exhibit.

      b. The structure of the Supplier Disaster Recovery Plan(s) is defined in Attachment B to this Common Exhibit.

e) Maintain and continually enhance Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) Plan(s) throughout the Term of the Agreement, including enhancements required as a result of the introduction and use of new technologies (Equipment, Software, Applications and so forth), Resource Units, processes, Business functions, locations, and priorities.

f) Integrate the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) related to the Services with any company-wide Business Continuity Plan(s) and activities of Client.

g) Provide all necessary cooperation and assistance to enable Client to integrate the Supplier Disaster Recovery Plan(s) related to the Services with the Disaster Recovery Plan(s) of other service providers who deliver services to Client, such that an integrated end-to-end Disaster Recovery Plan can be produced.

h) With Client's input and approval, develop a process that will determine and modify the list of mission-critical Applications on an annual basis.

i) Work with Client to incorporate Security measures, as defined for normal operations, into the Supplier Business Continuity Plan(s) and the Supplier Disaster Recovery Plan(s).

j) Maintain a list of key personnel contacts and notification procedures for Client, the Supplier, and Third-Party Vendor personnel.

k) Comply with Client's definition and procedures for declaring a disaster.

l) Provide Client with Supplier's criteria and procedures for declaring a disaster at Supplier's facilities.

m) Provide a Single Point of Contact (SPOC) for Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) and Plan(s), related communications and other activities that are the Supplier's responsibility.

3. Business Continuity Testing

The Supplier responsibilities will include:

a) Establish joint test objectives with Client designed to verify that Client's Systems will be available within established timeframes.

b) Subject to the availability of a Client-designated test site(s), support Client BCP/DR governance to schedule and test all Components of the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) at least annually in cooperation with Client, its designees, any testing and recovery providers, and any other Third-Party Vendors providing services to Client.

c) Schedule testing dates with Client's approval, and give Client and its representatives the opportunity to observe and participate in the tests.

d) Continue to operate and manage the Services during periodic Business Continuity and Disaster Recovery tests.

e) Provide Client with a formal report of the test results within fifteen (15) days of each test.

f) Retest within ninety (90) days if any disaster simulation(s) fails to achieve specified results as a result of the Supplier's failure to perform its responsibilities.

g) Update the Supplier Business Disaster Recovery Plan(s) upon re-testing, and verify that the remedy was successful.

4. Activities During a Disaster

The Supplier responsibilities will include:

a) Report disasters (or potential disasters) to Client immediately upon identification based on parameters defined in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), and consult with Client for an official declaration of a disaster as appropriate.

b) For all facilities where the Supplier has oversight responsibility, declare disasters in accordance with procedures existing at the time of declaration and notify Client of situations that may escalate to disasters as soon as practicable.

c) Execute the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) including:

   a. Operate the Equipment.

   b. Restore the Software:

   c. Verify that data is recovered to the appropriate point in time.

   d. Provide all other functions associated with the Services.

d) In accordance with the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s), determine what resources to deploy.

   a. Conduct, supervise, and administer the operation and implementation of such resources.

e) Assist in the execution of the Client Business Continuity Plans and Supplier Disaster Recovery Plan(s), as requested by the Client.

f) Provide additional resources as necessary to maintain provision of the Services for unaffected areas and re-align technical resources to maintain Business Continuity.

g) Following any disaster, conduct a post-disaster meeting with Client in order to understand the cause of the disaster, restore Services to pre-disaster Service Levels (if necessary), and develop plans to eliminate or mitigate future occurrences.

h) Whether a Supplier Disaster Recovery Plan(s) exists or not, at a minimum, restore the Services within a timeframe that is expected in the industry from large, well-managed outsourcing services companies.

5. Other Business Continuity Activities

The Supplier's responsibilities will include:

a) At all times, maintain strict compliance with the Supplier Business Continuity and Supplier Disaster Recovery policies, standards, and procedures contained in Client's Business Continuity Plan(s).

b) Provide and maintain backups; file recovery capabilities; and historical files of data and Software (including source code) utilized to support the Services. Additional responsibilities will include the following:

    a. Adhere to the time periods specified for backups and recovery by Client in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s).

    b. Use magnetic media or other media approved by Client and accessible to Client.

c) Provide at a minimum weekly pickup and delivery to the off-site storage facility.

    a. Perform such functions in accordance with standards and procedures in the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s) and be no less stringent than the standards and procedures used at well-managed companies that provide similar backup and recovery features for similar services.

    b. Support connectivity to Client's mission-critical production network and the production host Systems, as required by the Supplier Business Continuity Plan(s) and Disaster Recovery Plan(s).

    c. Support connectivity from the contingency site to all external suppliers, Third-Party Vendors, and other organizations, as required by the Supplier Business Continuity Plan(s) and Supplier Disaster Recovery Plan(s).

d) Provide support, as requested by the Client, in the Client Business Impact Assessment processes and in the Client Business Continuity Plan development processes.

e) Provide support, as requested by the Client, during Client business continuity or disaster recovery incidents.

6. The following documents as they relate to BCP/DR are set forth in Operations Procedures Manual:

    a) Capgemini BCP Critical Services

    b) Capgemini Business Continuity Response Guideline

    c) Capgemini Business Continuity Response Roles and RACI

23.0 INFORMATION SECURITY MANAGEMENT

Information security management (ISM) describes controls that an organization needs to implement to ensure that it is sensibly protecting the confidentiality, availability, and integrity of assets from threats and vulnerabilities. ISM includes information risk management, a process which involves the assessment of the risks an organization must deal with in the management and protection of assets, as well as the dissemination of the risks to all appropriate stakeholders.

The Supplier ISM team augments and coordinates activities with all elements of the Supplier service delivery, from vertical application and infrastructure delivery teams to cross-functional teams such as Service Delivery Management and Change Management.

Close integration and collaboration with Hydro One's Security Operations and Compliance teams is essential to the shared mission of reducing cybersecurity risk.

The Information Security Management Processes are aligned to the NIST Cyber Security Framework (CSF) as:

a) Access Control / Management
b) Audit and Accountability
c) Configuration Management
d) Incident Response
e) Maintenance
f) Media Protection
g) Physical and Environmental Protection
h) Program Management
i) Personnel Security
j) PII Processing and Transparency
k) Risk Assessment
l) System and Communications Protection

23.1 ACCESS CONTROL / MANAGEMENT

23.1.1 Definition

Access management is the process of granting Authorized Users the right to use a service, while preventing access to Non-Authorized Users.

23.1.2 Scope

The Supplier shall manage and oversee the Access Management Process (including a logical Access Administration Process) across its Services and collaborate with the Client and Client representatives to manage the Access Management Process. The Supplier shall manage and administer access to the Supplier-operated Services and Client data. The Supplier shall provide consistent authorized access methods for End Users and manage requests of Client concerning the mechanisms, processes and Tools related to Access Management.

The Supplier accepts that, while some Access Request may only affect the Services within the scope of the Supplier, there will be Access Requests that apply across the Services and require cooperation and joint work between the Supplier, Client and Client representatives to solve the Access Request. Therefore the Access Management activities as described in this Common Exhibit do apply to all types of Supplier Access Requests.

23.1.3 General Requirements

The Supplier will maintain provisioning, entitlement and access authentication and authorization processes used to support its service.

The Client will provide the Supplier with its requirements for provisioning, entitlement and access authentication and authorization processes used to support the Services.

The Capgemini Identity, Credentials and Access Management (ICAM) service will be operated by the Supplier to manage the On-Boarding, Transfer and Off-Boarding of Supplier personnel providing services to the Client.

IT system access, provisioning and entitlements for Supplier personnel will be conducted by Supplier using processes that are consistent with the Client's assessment of risk of unauthorized access to data and systems.

Requests for access will be reviewed and authorized by the Supplier and Client, and will not be unreasonably denied.

The Supplier shall ensure that access to Personal Information (PI) or Customer Information (CI) is granted, assigned on an approved need-to-know basis. Such access approvals will not be unreasonably withheld by the Client. The Supplier shall work with client to re-align current technical controls and processes to eliminate Supplier access to PI and reduce access to CI data sets.

23.1.3.1 Process Set-Up and Maintenance

The Supplier shall:

1. Establish and maintain an Access Management Process in accordance with the requirements defined by the Client for its Services. The process shall include operating procedures and mechanisms as directed by the Client to monitor and control secure and authorized access to and from Clients' Infrastructure, Software, Equipment, and all Client data.
   The process must conform to good practice for Access Management, Client requirements and align to the Client Access Management solution, as defined and directed by the Client.
2. Integrate its Access Management Process and other Service Management Processes with the Cross-Provider Request Access Management Process, subject to the Client's approval.
3. Establish and maintain in accordance with the requirements defined by the Client, a process that enables Supplier and the Client to exercise full administrative rights to the Systems providing the Services, including full access to audit trails and logs, subject to approval by the Client.
4. Allow Supplier and the Client full administrative access to audit trails and logs.
5. Establish and implement procedures, forms, and approval levels for assigning, resetting, and disabling IDs and passwords used for data, System or Services accessed by End Users, in accordance to the requirements defined by the Client.
6. Establish and maintain a mechanism to safeguard against the unauthorized and unlawful access, destruction, loss, or alteration of Client data on Supplier managed systems. The Supplier shall implement safeguards that are consistent with the practices defined by the Client.
7. Establish and maintain an information security approach that follows a resource-ownership concept for security, for certifying owners, and for periodically reviewing authorized access for End Users, subject to requirements and approval by the Client.

8. Maintain Security rules and access rights in accordance with Client's instructions.

23.1.3.2 Tooling

The Supplier shall:

1. Maintain data, systems, databases, and Applications for adding, changing, and deleting user access in accordance with the requirements defined by the Client.

23.1.3.3 Communication

The Supplier shall communicate as specified by the Client or Service Desk with End Users and other Supplier (e.g. Service Desk) regarding Access Request.

23.1.3.4 Reporting

The Supplier shall provide a monthly report in a format approved as described in **Exhibit 4 (Service Reports) of the applicable SOW** to the Client.

23.1.4 Requesting Access

The Supplier shall receive access requests via the Service Desk in conjunction with the request fulfillment processes as set forth in OPM manual and ensure that Access Request and logged whether granted or not in a Security Management System. e.g., Request Fulfillment Tools.

23.1.5 Verification of Access Request

The Supplier shall verify that all Access Requests are approved by the Client in accordance with the procedure and policies. In case they are not approved correctly, reassign the Access Request to the Service Desk.

The Supplier shall verify if the Access Request applies to standards, if not inform the Service Desk, to request additional Information or rejects Request that do not qualify.

The Supplier shall follow the Clients's instructions and the procedures regarding granting access to End Users and suppliers. In accordance to the requirements defined by the Client.

The Supplier shall provide historical access requests reports as described in **Exhibit 4 (Service Reports) of the applicable SOW** as requested by Client.

23.1.6 Providing Access Rights

The Supplier shall be responsible (if not part of the Scope of the Service Desk Service) for adding, changing, and deleting user access to all Client, Supplier data, systems, databases, and Applications for Services in scope of this Agreement in accordance with the Client Security Policies. Such requests will include the following:

1. Creating Authorized User accounts for access to the Services or other systems, as required;
2. Changing existing Authorized User account profiles per user requests,
3. De-activating and deleting an existing Authorized User that is no longer authorized according to Client Security Policies,

4. Restricting the use of generic Authorized User identifications in accordance with Client Security Policies.

The Supplier shall be responsible for password management which includes:

1. Performing Authorized User password resets in accordance with the Client Security Policies,
2. Coordinating Authorized User password changes and, subject to Client approval, changing local user identifications and passwords as required and ensuring password policy is enforced.
3. Encrypting passwords according to Client Security Policies where practicable, or documenting exceptions within a reasonable period.

The Supplier shall be responsible for elevated rights management, which includes:

1. Maintaining defined access controls for protection of System Software and Client environment resources (for example, the system control program, its access control mechanisms) and reviewing and updating periodically according to Client Security Policies,
2. Ensuring that privileged account users are only provided access necessary to perform duties assigned and that Authorized Users are not provided systems administrator access unless an exception is granted in accordance with Client Security Policies,
3. Providing designated Client personnel, Supplier personnel with supervisor-equivalent user identifications and passwords where reasonably required to provide the Services in accordance with Client Security Policies.

23.1.7 Logging and Tracking Access

The Supplier shall cooperate with, and provide assistance to, Client with respect to investigations on the Code of Business Conduct violations and access attempts, and retaining documentation of the investigation.

The Supplier shall assist in capturing data regarding routine access and exceptions for audit trail purposes, and making such data available upon request of the Client.

The Supplier shall provide monthly reports on Supplier staff's access to Client systems and identify any incidence of non-compliances or unauthorized/overprovisioned access with action plan to remedy such non-compliances.

The Supplier shall under instruction from the Client, remove or restrict access rights to the Services and Systems.

The Supplier shall ensure that Client and Supplier leaver access privileges are removed within **twenty-four (24) hours,** excluding weekends and/or holidays, of notification by the Client of departure or re-allocation to other Client accounts for Active Directory, Tivoli and VPN managed by the Supplier, as requested by the Client.

Supplier shall remove all access immediately upon notification from designated Client representative as per OPM for any staff terminations.

23.1.8 Maintenance of User Roles & Access Profiles

The Supplier shall:

1. Enforce a user/group access right concept across Supplier as defined by the Client.

2. Enforce Active Directory services and group policy objects standard where required, subject to approval by the Client.
3. Manage directory services and group policy objects on domains to support Client environment as agreed with the Client and other Supplier and enable other Suppliers managing group policy objects as required.
4. Manage group policy objects on domains and logon scripts to support the Client environment for Services in scope.
5. Add, change and delete Groups as per Access Request including:
   c) Assign users to groups as per Access Requests,
   d) Remove users out of groups as per Access Request.
6. Create, maintain and delete User Access Profiles.

23.1.9 Request escalation

The Supplier shall inform the Client if an Access Request exceeds or is expected to exceed their target Resolution Times.

The Supplier shall escalate issues to the appropriate levels as per OPM for resolution in accordance with escalation procedures approved by the Client.

23.1.10 Access Request Closure

The Supplier shall close Access Rights request in accordance to the closure procedure defined in the Request Fulfillment Process.

23.2 AUDIT AND ACCOUNTABILITY

The Supplier may provide the Client with recommendations for the development of Client security policies.

The Supplier will on a regular basis evaluate new and revised Client security and procedures and advise the Client of any contractual or operational changes necessary to meet the new Client requirements.

The Client will notify the Supplier of changes to its security policies and procedures.

The Supplier shall provide semi-annual officer's (CxO level) certificate stating Supplier's compliance with Client's Information Security and Privacy Policies aswell as Regulatory Requirements. The first of these reports will be delivered on February 1, 2022 and will resume the semi-annual cadence afterwards.

The Supplier shall monitor and report non-compliances with Client's Information Security and Privacy Policies on Supplier systems used to deliver Services in the scope of this Agreement and supported Client Systems where applicable. The Client will not unreasonably withhold access approval to data and systems where required. The report description is provided in Exhibit 4 (Service Reports).

The Supplier shall notify Client promptly on becoming aware of any potential non-compliance issues that Client must communicate with regulators or auditors.

The Supplier shall prepare and provide a Security plan to address any non-compliances to Client's Information Security and Privacy policies or regulatory requirement and provide a high-level workplan by no later than 30 calendar days after discovering the non-compliance.

The Supplier shall configure systems to meet event auditing and logging requirements as directed by Client.

The Supplier will provide the Client with original system source data, where it exists, to assist Client-driven audit evidence requirements.

The Client will balance its product, tool and system event auditing and logging requirements against data storage and data retention requirements and software product capabilities.

The Supplier will configure systems to direct event telemetry to the Client SIEM as required by Client.

The Supplier will configure all systems to a common synchronized clock as per provided NTP servers or as agreed by the Client.

The Supplier shall support Client with the performance of security audits and/or security assessments by the Client and any external/regulatory authority.

The Supplier shall review with the Client all security procedures documented internally within the Supplier's organization pertaining to the Suppliers Systems to ensure alignment with the Security Policies and Procedures as per the annual OPM review.

To assist Client security audits and investigations, the Supplier will provide the Client or authorized third parties temporary access to facilities and systems used to provide the Client services.

23.3 CONFIGURATION MANAGEMENT

The Supplier will be responsible for implementing and operating systems in accordance to the appropriate data classification requirements defined by, reviewed by and approved by the Client.

The Client will be responsible for defining its data classification and protection requirements.

The Client will assign appropriate data classifications to its assets and data.

For any products chosen by the Client, to be operated by the Client or a third party, the Client will configure and operate the product on systems built and maintained by Supplier.

23.4 INCIDENT RESPONSE

The Client will be accountable and responsible for cybersecurity incident management including preparation, detection and analysis, containment, eradication, recovery and assist in remediation of Supplier managed systems, and post-incident activity.

The Supplier will maintain a cybersecurity incident handling procedure for Hydro One-owned Supplier-managed systems and share it with the Client.

The Client will maintain a cybersecurity incident handling procedure for Hydro One owned and share it with the Supplier. The Supplier shall establish and maintain procedures to detect and respond to Information Security Incidents within the Supplier’s environment.

If an Information Security Incident occurs within the Supplier’s environment which may reasonably compromise the security or privacy of Client data, promptly notify Client no later than twenty-four (24) hours, following the discovery of any Information Security breach or Information Security Incident specific to the services being provided to Client.

The Supplier shall cooperate with Client in investigating the Information Security Incident and, taking into account the nature of the Services provided and the information available to Supplier, provide assistance to Client as reasonably requested with respect to Client's breach notification obligations under any applicable Data Protection regulations.

Notwithstanding the foregoing, any investigation involving systems in the Supplier's environment will be performed by Supplier.

The Client will respond to Supplier cyber security concerns and Incidents and provide the Supplier with a call tree for 7/24 notification.

Cybersecurity incidents, with desired priority (e.g. P1), may be declared by the Client when there is evidence of an imminent threat or actively exploited vulnerability requiring immediate action to prevent the loss of Client data confidentiality, integrity or availability.

The Client will engage the Supplier Major Incident Management (MIM) team to initiate cybersecurity incident handling assistance activities required of the Supplier. Supplier resources and overall responses will be coordinated by the Supplier's MIM team and follow standard MIM processes.

The effectiveness of cybersecurity incident management will be improved by incorporating lessons learned from current and previous detection/response activities.

The Supplier will provide the Client any recommendations it notes to help reduce the likelihood and impact of cybersecurity incidents.

The Supplier will provide information to the Client to assist the Client's analysis of SAP access requests and provisioning.

23.5 MAINTENANCE

The Supplier will develop and maintain internal security policies and procedures in the Operations Procedures Manual (OPM) in accordance to the requirements defined by the Client for its Services. This documentation will be shared with Client and reviewed on an annual basis. The policies and procedures must conform to industry normal practice and align to Client requirements.

The Client will manage vulnerability management.

The Client will own and operate a commercial enterprise-class vulnerability detection and management system.

The Client will provide the Supplier with assessments of vulnerabilities on Supplier-managed systems and identify a priority for the remediation of the vulnerabilities.

The Client will be responsible for vulnerability management of systems not supported by the Supplier, third-party managed systems, mobile and embedded devices. The Client will be responsible for static and dynamic application vulnerability management for such systems. The Supplier shall be responsible for addressing application vulnerabilities discovered through static and dynamic testing for the systems in scope of its services.

The Supplier will conduct patch management activities. Product hotfixes, patches and updates issued on a regular or frequent basis by the product vendor are considered a subset of vulnerabilities and are to be processed on an agreed-to regular recurring monthly, quarterly and/or annual schedule.

23.6 MEDIA PROTECTION

The Client will provide data classification, ownership, retention, disposal and handling requirements to the Supplier.

The Supplier will provide environmental protection for storage media in accordance with manufacturer specifications.

23.7 PHYSICAL AND ENVIRONMENTAL PROTECTION

When using or visiting a Client location or facility, the Supplier will comply with the Client's security policies and procedures and regional Occupational Health and Safety regulations.

23.8 PROGRAM MANAGEMENT

The Supplier security team will leverage the Supplier cross-functional teams to help align and relate security services with data, personnel, devices, systems and facilities assets and their relative importance to Hydro One objectives and risk strategy. The Client will be accountable for all security services delivered by the Client, Supplier and other Suppliers.

The Client will be responsible for all security services delivered by third party Suppliers.

The Client will manage third-party security processes, relationships, and communications.

The Client will annually communicate to the Supplier its cybersecurity mission, objectives, and stakeholders.

Any relevant national or regulatory security Policies or requirements for information handling will be detailed by the Client in project solutioning and design and formally transitioned to the Supplier's sustainment operations.

The Client will oversee and approve the design, development and configuration of systems and procedures that process Personally Identifying Information and Personal Health Information.

The Client will own and operate any specific collaboration and communication tools required exclusively for security services and processes, such as a SharePoint site or Teams channel. For interoperability and collaboration any such tools and systems must be accessible to the Supplier's personnel where applicable, in support of Services provide by Supplier.

The Supplier will establish and maintain the recurring delivery of data and information ('reporting') to the Client consistent with the requirements defined in Exhibit 4 (Service Reports).

Any new recurring reporting requirements will be processed according to the Change and New Service processes to create a Contact Change Oder to add the report to Exhibit 4.

One-off requests for data and information will be assessed by the Supplier for feasibility, setup and operational impacts. Where practicable the Supplier will accommodate these reporting requests.

The Supplier will assist the Client with advice about changes in policies, processes and technology in responses to evolving requirements and evolving technology.

The Supplier will contribute to the Supplier's Continuous Service Improvement program with ad hoc advice and recommendations on security policy, standards, practices, solutions, technologies, and threats that may have a financial benefit to the Client.

The Supplier will operate a recommendations management process to develop and formally deliver to the Client recommendations to improve its security posture, that may or may not have a financial benefit to the Client.

At times the Supplier will require data and information from other Supplier and Client teams, resources, systems and tools. Where direct access to systems or personnel have not been provisioned to self-serve this reporting, the Supplier security team will specify its requirements and the Client or Supplier data custodian will provide the necessary data in a timely manner, subject to the Data Owner's approval.

Supplier shall provide security operations reports as defined in Exhibit 4 Service Reports.

23.9 PERSONNEL SECURITY

The Supplier will assist Client security's personnel investigations.

The Client will be responsible for conducting security investigations and forensics for Client personnel and Supplier will assist where required.

Supplier shall conduct personnel reliability and security background checks for individuals, requiring access to Client sites, system and data, through Supplier Human Resources and shall meet or exceed Client workforce screening requirements including Criminal Check, Driver's Abstract, Education, Employment, Credentials, References, Social Media, Credit Check, Media Check, International Criminal/Watch List. All screening will be subject to national laws or regulatory provisions or constraints.

The status of these checks shall be null and void after three (3) years and Supplier shall refresh/re-conduct reliability and security background checks once every three (3) years for all Supplier personnel who have access to Client Sites, system and data in compliance with Client workforce screening program.

In relation to issues which may arise during initial or subsequent screening process, an agreement must be made as to the process by which Client will be advised of said issues and/or discrepancies. The mitigation and/or resolution of the issues also needs to be addressed in order to ensure an alignment with Client requirements.

All Supplier personnel shall have valid reliability and security background check status before accessing Client systems, sites, and data. Supplier shall advise Client on Supplier personnel screening dates, refresh dates and security issues or discrepancies associated with Supplier personnel before access is requested or renewed.

Routine Supplier new hire personnel reliability and security background checks will be conducted through the Supplier Human Resources and will meet or exceed Client Personnel Risk Assessment (PRA) requirements.

Should access to any Capgemini employee be revoked or not approved by Client due to delays in the verification process outside of Supplier's control, Supplier will engage in documented security waiver process which Client will not unreasonably withhold to maintain access during any verification delays. The maximum allowable extension to be compliant with workforce screening requirement will be capped at ninety (90) days.

Hydro One may, on case by case basis and as per the defined background verification Waiver Process, conditionally approve temporary (up to 90 days) Supplier access requests for their staff where background verification request has been submitted and has not yet completed.

The Supplier shall ensure personnel providing information to or supporting the management of security services are adequately trained and qualified for their role.

The Supplier security team will assist the delivery of cybersecurity awareness education by the Training service to Supplier teams. The training will be role specific and aligned to

related duties and responsibilities consistent with policies, procedures and service delivery.

Supplier shall report as per Exhibit 4 (Service Reports) the Supplier background checks.

The Supplier will operate a customer security policy awareness training program for Supplier staff, including guidelines for post-training non-compliance.

Supplier shall revoke access within twenty four (24) hours of Supplier staff becoming non-compliant with security clearance requirements and security training requirements if they are out of date by thirty (30) days.

Client shall provide access to training records and expiration date(s) of training required for Supplier staff on a recurring basis.

23.10 PII PROCESSING AND TRANSPARENCY

The Supplier will operate systems and procedures that process Client Personally Identifying Information and Personal Health Information in accordance to the requirements solutioned and approved by the Client and transitioned to the Supplier sustainment organization.

Requests from the Client Privacy Office for data acquisition and investigations will be handled in the same manner as those from Client IT Security.

The Supplier will have a Privacy Officer role assigned and filled to provide investigative assistance and coordinate the activities of Supplier teams in the event of a privacy breach, and to identify and communicate privacy risks, threats, vulnerabilities and incidents to the Client Privacy Office and/or Client IT Security.

23.11 RISK ASSESSMENT

The Supplier security team will participate in Change Management processes, including change reviews and participation in the TAB and CAB.

The Supplier security team will participate in Problem Management processes, including review and approval of RCAs.

The Client is accountable and responsible for cybersecurity risk management and will develop action plans to address any identified risks identified by the Client or Supplier.

The Client will operate a risk, audit and compliance management process that includes systems, services and processes supported by the Supplier.

The Client will provide its requirements to 'harden' stock product configurations when new products are installed (ex: server and desktop operating systems, databases)

Cybersecurity risks identified by the Supplier will be communicated to the Client and evaluated by the Client for integration into the Client risk log; the Supplier does not otherwise contribute to the Client security risk management program.

The Supplier will manage any security or operational risks due to security software product configurations that deviate from the product default settings.

The Client will manage its risk profile with inputs from its national and international security, industry and regulatory sources.

The Client will monitor industry, vendor and internal threat and intelligence feeds.The Client is accountable and responsible for cybersecurity threat intelligence and monitoring cybersecurity industry trends, recommendations and best practices.

The Client will communicate threat intelligence related to systems and services managed by the Supplier to the Supplier, or will authorize the Supplier as a delegate for threat intelligence feeds (ex: E-ISAC) where deemed appropriate by Client.

With the Client's approval, the Supplier may take proactive measures to mitigate emerging risks to systems it supports.

The Client security team will participate in projects that involve Client-owned, Supplier-managed systems to assess and manage risk to the Client.

The Supplier will deliver to the Client its assessments of any cybersecurity risk to operations, assets and practices, for formal evaluation and possible action by the Client.

The Supplier shall not, without Client's prior approval, implement changes that are expected to change the Client's security risk profile.

The Supplier will operate at its discretion an independent internal security risk, audit and compliance management program aligning with Client's security and regulatory requirements.

23.12 SYSTEM AND COMMUNICATIONS PROTECTION

The Supplier will manage systems it uses to remotely deliver services to the Client, or will use systems managed by the Client or third parties.

Client- or third-party managed system configurations will be defined and approved by the Client.

The Client will monitor data communications in its environments using its Security Incident and Event Management (SIEM) system.

The Supplier will configure systems as requested by Client to provide system log and events to Client SIEM system.

The Supplier and Client security personnel will be provisioned with access to Client-owned and Client-operated security systems to review configuration and conduct monitoring and reporting, as approved by Client where approval will not be unreasonably withheld. The Client will select software products to be installed and operate on, and interact with, Client-owned Supplier-managed systems.

Security software products may include endpoint anti-virus, anti-malware, anti-spam, intrusion detection, data loss prevention, event detection and monitoring, process telemetry, threat protection, and encryption products.

The security products to be operated by the Supplier or Client are listed in Exhibit 1 Attachment L (Software Assets). Any products not listed in Exhibit 1 Attachment L (Software Assets) will be brought into service under project management, transitioned to sustainment, and Exhibit 1 Attachment L (Software Assets) will be modified through a contract change order.

Any addition of a new tool or application system shall follow the rebalancing system detailed within Exhibit 3 (Pricing).

Where applicable, for each security product selected by the Client to be managed by the Supplier and to be installed on systems managed by the Supplier,

- the Client will manage the purchase, acquisition, licensing and vendor relations
- the Client will define the scope and extent of deployment
- the Client will specify the product configuration such that it
    - Meets the Client's interoperability needs,
    - Conforms with the Client security policies,

- Meets regulatory and legal requirements,
- Maintains and updates the product automatically if required, and
- Reduces security risk

- The Supplier may make recommendations on the scope, configuration and operation of products it manages for the Client

Where practicable, the Supplier will implement, integrate and operate Client-owned Supplier-managed security products according to the Client's stated requirements, and will identify cases where the Client's requirements are incompatible with the product's capabilities or existing processes, or contrary to industry normal practice or appropriate due care. The Supplier may provide ongoing recommendations on system configurations and operations, which must be approved by the Client prior to implementation.

The Client will approve the configuration of all products and systems in operation, and changes to those configurations.

If changes from the initial Client-approved security product configuration are required, the Supplier will evaluate the feasibility, and contractual and operational impacts, and advise the Client of the applicability and adoptability of the change required. The assessment, implementation and transition of changes to meet new requirements will handled using request management, change management, project or contract change processes, with appropriate transition to the sustainment team for operation.

HYDRO ONE

ATTACHMENT B

DISASTER RECOVERY PLAN DESCRIPTION

TO COMMON EXHIBIT 2.0

CROSS FUNCTIONAL SERVICES

Table of Contents

1 Introduction 4

2 Hydro One Disaster Recovery plan 4

2.1 Background 4

2.1.1 Purpose 4

2.1.2 Goals and Objectives 4

2.1.3 Benefits 5

2.2 Scope 5

2.2.1 Policies 5

2.3 IT Disaster Declaration Criteria 5

2.3.1 Operational Priorities 6

2.3.2 Levels of Response 6

2.3.3 Procedures for Invoking Contingency Mode 6

2.3.4 Required Authorizations 6

2.3.5 Notification Procedures 6

2.3.6 Media Handling Procedures 6

2.4 IT Call-Out Procedure 7

2.5 Contingency Mode Resource Plan 7

2.5.1 Functional Organization Chart 7

2.5.2 Teams Roles and Responsibilities 7

2.5.3 Recovery Team Director 7

2.5.4 Command Center Coordinator 7

2.5.5 Recovery Team Leaders 8

2.5.6 Recovery Teams 8

2.5.7 Key Personnel Emergency Contact List 8
2.5.8 Key Suppliers and Vendors Contact List 8
2.5.9 Manpower Recovery Strategy 8
2.6 Key Documents and Procedures 8
2.6.1 Documents and Records Vital to IT Processes 8
2.6.2 Off-Site Storage Information 9
2.6.3 Emergency Stationery and Office Supplies 9
2.6.4 Emergency Office Equipment 9
2.7 Notification and Reporting 9
2.7.1 Notifying and Mobilizing the Teams 9
2.7.2 Notifying Management and Key Employees 9
2.7.3 Handling Personnel Family Notification 9
2.7.4 Handling Media 9
2.7.5 Maintaining Event Log 10
2.7.6 Phase Reporting 10
3 Infrastructure Management Recovery Activities and Procedures 10
3.1 Server Recovery Activities and Procedures 10
3.1.1 Power and Other Utilities 10
3.1.2 Premises, Fixtures and Furnishings 10
3.1.3 IT Systems 11
3.1.4 Human Resources 11
3.1.5 Information and Documentation 11
3.2 Service Desk Recovery Activities and Procedures 11
3.2.1 Power and Other Utilities 11
3.2.2 Premises, Fixtures and Furnishings 11

3.2.3 IT Systems 12
3.2.4 Human Resources 12
3.2.5 Information and Documentation 12
3.3 ADM Recovery Activities and Procedures 12
3.3.1 Power and Other Utilities 12
3.3.2 Premises, Fixtures and Furnishings 12
3.3.3 IT Systems 13
3.3.4 Human Resources 13
3.3.5 Information and Documentation 13
3.4 Other Cross-Functional Recovery Activities and Procedures 13
3.4.1 Power and Other Utilities 13
3.4.2 Premises, Fixtures and Furnishings 13
3.4.3 IT Systems 14
3.4.4 Human Resources 14
3.4.5 Information and Documentation 14
3.5 Return to Normal Operating Mode 14
3.5.1 Criteria for Returning to Normal Operating Mode 14
3.5.2 Procedures for Returning to Normal Operating Mode 14
3.5.3 Procedures for Recovering Lost or Damaged Information 14
3.5.4 Detailed Lists, Inventories and Services Required 15
3.6 Training and Test Procedures 15
3.6.1 Managing the Training Process 15
3.6.2 Training Process and Schedule 15
3.6.3 Risk Management 15
3.6.4 Testing of Recovery Plan 15

1 Introduction

The supplier will support Hydro One in the development of a Disaster Recovery Plan, which will become an integral part of its Supplier Business Continuity Plan, that conforms to the principles and requirements set out in the ITIL Framework.

The Disaster Recovery Management Services that the Supplier will be responsible for delivering are set out in Exhibit 2.0 (Cross-Functional Services). The Supplier's responsibilities include:

1. Supporting the Client's efforts in their maintenance of their Disaster Recovery Plan and Business Continuity Plan throughout the Term
2. Scheduling and testing all components of the Disaster Recovery Plans at least annually in cooperation with Hydro One
3. Executing the Disaster Recovery Plans in accordance with the disaster declaration processes as directed by Hydro One

This Attachment 2.0-B describes the procedures associated with the Supplier's Disaster Recovery Plan and delineates the recovery of IT Services only, when affected by an Outage.

The Supplier will document and perform the procedures specified herein and will conduct all reasonable effort necessary to accomplish the resumption of IT Services.

2 Hydro One Disaster Recovery plan

The purpose of the Disaster Recovery Plan is to ensure that the Hydro-One service is protected from unplanned outages and that the situation to recover from a significant outage is managed and planned correctly.

2.1 Background

2.1.1 Purpose

The purpose of this plan is to ensure that there is an agreed process in place to cater for the Disaster Recovery capabilities of Hydro-One in the event of a disaster type scenario occurring.

2.1.2 Goals and Objectives

The goal and objectives is to ensure that there a documented and known process for dealing with disaster type scenarios. The disaster recovery plan will be made available to all stakeholders.

2.1.3 Benefits

In having documented and agreed procedures in place this makes for the faster and smoother recovery from any significant outages and will help to ensure that the affected service(s) are restored and available to the business as quickly as possible.

2.2 Scope

The scope of this plan will be to include those IT services as being identified as being in-scope and the Business Continuity capability required to continue to provide support to those services from a delivery point of view.

2.2.1 Policies

There will be an ITSC Policy created and this will form the basis of the delivery of ITSC to Hydro-One.

A policy is typically described as a deliberate plan of action to guide decisions and achieve rational outcome(s).

ITIL Definition *Formally documented management expectations and intentions. Policies are used to direct decisions, and to ensure consistent and appropriate development and implementation of processes, standards, roles, activities, IT infrastructure etc.*

This document will detail the Hydro-One policy for the Information Technology Service Continuity Management (ITSCM) process.

Compliance of this policy will be as follows:

All Hydro-One staff, Hydro-One Service Providers and 3rd party suppliers engaged by Hydro-One Service Providers must adhere to these policies.

In those instances where it is not possible or feasible to meet the agreed ITSC policies as defined requests for exceptions can be raised. Exceptions shall only be permitted through an agreed authorisation process with Hydro-One Management.

Where there is conflict between these policies and contracted obligations the contract will always take precedence.

2.3 IT Disaster Declaration Criteria

This will be agreed in greater detail, however this will involve authorised staff from all relevant stakeholder companies and will take into account the outage, current impact, likely impact, time to recover and time to return to base after performing an invocation.

2.3.1 Operational Priorities

These will be defined beforehand and so Capgemini SE will have a clear priority order with which to address the invocation of multiple services.

2.3.2 Levels of Response

Capgemini SE will respond according to the agree level of service for those systems affected. This response will also include the engagement of the appropriate technical support staff based on the services impacted.

2.3.3 Procedures for Invoking Contingency Mode

Technical Recovery Procedures and Work Instructions will be developed for the in-scope services and will include all relevant detail as to what actions are required, and by who, to invoke and stand up a fully operational ITSC service.

These technical recovery procedures will be subject to regular review (at least once every 6 months) and will be tested annually subject to test scope agreement.

These documents will be shared with all appropriate stakeholders and will be stored in a secure area away from the Production services.

2.3.4 Required Authorizations

Capgemini SE will agree appropriate invocation authorisations with Hydro-One to ensure that suitable controls are in place – the decision to invoke a particular service should not be taken lightly and all appropriate stakeholders must be included in the decision.

2.3.5 Notification Procedures

All relevant stakeholders will be notified of the intention to invoke some or all or the services. This will be a documented procedure that will be created in conjunction with Hydro-One.

2.3.6 Media Handling Procedures

Appropriate media handling procedures (including emergency recalls) will be developed in conjunction with the technical teams to ensure that the right processes are in place in order to recall media and have it delivered to the correct location in a disaster type scenario. Appropriate staff authorisations will also be included in this process to ensure that media can only be recalled by authorised staff.

2.4 IT Call-Out Procedure

There will be a relevant technical support call-out process in place to ensure that all services can be appropriately supported out of hours.

This callout process will also include a rota for the ITSCM who will be engaged as part of the Major Incident Management (MIM) process. This will be an empowered individual who will have appropriate skills and knowledge to manage and deliver an invocation in the event of a disaster type scenario.

2.5 Contingency Mode Resource Plan

An appropriate resource plan will be developed to ensure that appropriate technical and management cover is provide for the delivery of the non impacted and impacted services.

2.5.1 Functional Organization Chart

See above. This organisation chart will be developed as a result of agreeing the appropriate contingency resource plan.

2.5.2 Teams Roles and Responsibilities

This will remain largely similar to that of the roles and responsibilities that exist in the delivery of the standard Production service from the primary site.

2.5.3 Recovery Team Director

The senior person taking overall control of the Major Incident and the Recovery Team. The responsibility for performing this role may change as more senior members of the management team become involved but this must be via an official handover.

2.5.4 Command Center Coordinator

This person will manage the overall command Center and will insure that all communications activities (verbal and written) are maintained as well as ensuring that all involved are kept up to date with current events.

2.5.5 Recovery Team Leaders

A pre-defined or selected team of resource managers who have been chosen to co-ordinate the subject matter specialists who will be engaged in activities to recover from a Major Incident. Additional personnel may be selected to join the team as further understanding of the incident is established.

2.5.6 Recovery Teams

Appropriate SME's covering all technical areas to be recovered i.e. DBA's, SMG, Wintel, Unix, Linux, Networks, etc.

2.5.7 Key Personnel Emergency Contact List

Capgemini SE will maintain an emergency contact list that includes all key support staff as well as authorised stakeholders.

2.5.8 Key Suppliers and Vendors Contact List

Contact details will be maintained and available along with all other processes and procedures AND will be available in the event of a DR type situation arising.

2.5.9 Manpower Recovery Strategy

Capgemini SE will review the staffing levels and skillsets required and ensure that the relevant staff are made available in the event of an invocation.

2.6 Key Documents and Procedures

All relevant information and documentation will be made available via the sharepoint portal by Supplier – this will be maintained by Hydro one on the Hydro One Network, where access can be provided to relevant Supplier staff.

2.6.1 Documents and Records Vital to IT Processes

All relevant information and documentation will be made available via the sharepoint portal by Supplier – this will be maintained by Hydro one on the Hydro One Network, where access can be provided to relevant Supplier staff.

2.6.2 Off-Site Storage Information

The details of this will be held long with all other processes and procedures and will be available in the event of a DR type situation occurring.

2.6.3 Emergency Stationery and Office Supplies

The details of this will be held long with all other processes and procedures and will be available in the event of a DR type situation occurring.

2.6.4 Emergency Office Equipment

The details of this will be held long with all other processes and procedures and will be available in the event of a DR type situation occurring.

2.7 Notification and Reporting

The details of this will be held long with all other processes and procedures and will be available in the event of a DR type situation occurring. All reporting will be performed as per an agreed schedule defined at the start of the invocation and will be to all staff and stakeholders.

2.7.1 Notifying and Mobilizing the Teams

This process should be part of the Major Incident Management process and should, in the first instance, be the responsibility of the oncall Major Incident Manager (MIM).Once the incident is better understood then appropriate resources will be contacted and engaged as deemed necessary to effect service resumption.

2.7.2 Notifying Management and Key Employees

This will be via the available oncall rotas and should be via the MIM Process.

2.7.3 Handling Personnel Family Notification

This should be handled by the HR and Marketing teams – they should have their own processes and procedures for communications of this nature.

2.7.4 Handling Media

The handling of client sensitive media with be as per the media handling procedures which need to be developed in conjunction with Hydro-One management.

2.7.5 Maintaining Event Log

The ITSCM will be responsible for managing an appropriate event log of all ITSC related actions/decisions and agreements made/taken as a result of their engagement in a disaster type scenario.

2.7.6 Phase Reporting

Reporting will be as per that agreed during appropriate MIM conference calls/meetings. The usual process is that the MIM acts as the hub of the wheel and manages all communication. The spokes of the wheel are made up of all the technical/management teams engaged in the resolution of the incident and all will report activities, actions and progress to the MIM as agreed on the initial call.

3 Infrastructure Management Recovery Activities and Procedures

3.1 Server Recovery Activities and Procedures

Server recovery activities will commence upon receiving the appropriate authorisation to proceed and will be delivered to the technical teams via the MIM process. The technical teams will then follow their documented procedures and work instructions to recover the affected systems – throughout the recovery process the technical teams, via their recovery team leader, will provide regular updates to the MIM who in turn will share with all appropriate stakeholders.

3.1.1 Power and Other Utilities

The power and utilities will be protected as far as practically possible. The power and utility services provided will be based upon requirements in order to support the hosted services and onsite support staff and management.

3.1.2 Premises, Fixtures and Furnishings

The premises, fixtures and furnishings provided will be based upon requirements in order to support the hosted services and onsite support staff and management.

3.1.3 IT Systems

Using their technical recovery procedures the technical teams will recover the failed IT systems and in the order specified. Upon completion the recovered services need to be tested before being released back to the business. Hydro-One will be engaged throughout this recovery process and should prepare appropriate testers to approve the recovered services before release to the general business community. The co-ordination of the handover from 'recovery' to 'testing' to 'release to business' should be managed via the MIM.

3.1.4 Human Resources

The management and allocation of all staff will be via local team management and be appropriate to the situation based on it being a normal BAU service or an invocation type scenario requiring staffing from more than one location.

3.1.5 Information and Documentation

All relevant information and documentation will be made available via the sharepoint portal by Supplier – this will be maintained by Hydro one on the Hydro One Network, where access can be provided to relevant Supplier staff.

3.2 Service Desk Recovery Activities and Procedures

The Service Desk recovery processes and procedures will be developed by the Service Desk and tested as part of the annual test process and according to test scope. These procedures will be developed and tested over a period of time and will be used by each business department during planned testing and any unplanned invocations. These procedures will be retained with all other DR related processes and procedures.

3.2.1 Power and Other Utilities

The power and utilities will be protected as far as practically possible. The power and utility services provided will be based upon requirements in order to support the hosted services and onsite support staff and management.

3.2.2 Premises, Fixtures and Furnishings

The premises, fixtures and furnishings provided will be based upon requirements in order to support the hosted services and onsite support staff and management.

3.2.3 IT Systems

Using their technical recovery procedures the technical teams will recover the failed IT systems and in the order specified. Upon completion the recovered services need to be tested before being released back to the business. Hydro-One will be engaged throughout this recovery process and should prepare appropriate testers to approve the recovered services before release to the general business community. The co-ordination of the handover from 'recovery' to 'testing' to 'release to business' should be managed via the MIM.

3.2.4 Human Resources

The management and allocation of all staff will be via local team management and be appropriate to the situation based on it being a normal BAU service or an invocation type scenario requiring staffing from more than one location.

3.2.5 Information and Documentation

All relevant information and documentation will be made available via the sharepoint portal by Supplier – this will be maintained by Hydro one on the Hydro One Network, where access can be provided to relevant Supplier staff.

3.3 ADM Recovery Activities and Procedures

The ADM recovery processes and procedures will be developed by the ADM and tested as part of the annual test process and according to test scope. These procedures will be developed and tested over a period of time and will be used by each business department during planned testing and any unplanned invocations. These procedures will be retained with all other DR related processes and procedures.

3.3.1 Power and Other Utilities

The power and utilities will be protected as far as practically possible. The power and utility services provided will be based upon requirements in order to support the hosted services and onsite support staff and management.

3.3.2 Premises, Fixtures and Furnishings

The premises, fixtures and furnishings provided will be based upon requirements in order to support the hosted services and onsite support staff and management.

3.3.3 IT Systems

Using their technical recovery procedures the technical teams will recover the failed IT systems and in the order specified. Upon completion the recovered services need to be tested before being released back to the business. Hydro-One will be engaged throughout this recovery process and should prepare appropriate testers to approve the recovered services before release to the general business community. The co-ordination of the handover from 'recovery' to 'testing' to 'release to business' should be managed via the MIM.

3.3.4 Human Resources

The management and allocation of all staff will be via local team management and be appropriate to the situation based on it being a normal BAU service or an invocation type scenario requiring staffing from more than one location.

3.3.5 Information and Documentation

All relevant information and documentation will be made available via the sharepoint portal – this will be on the Supplier network where access can be provided to relevant Hydro-One staff. To ensure that the documentation is available in the event of network failures, then COLLIGO should be installed on certain laptops and appropriate syncing of the sharepoint site should be performed to specific laptops on a regular (at least daily) basis.

3.4 Other Cross-Functional Recovery Activities and Procedures

All cross functional recovery processes and procedures will be developed under the management of the ITSCM and tested as part of the annual test process and according to test scope. These procedures will be developed and tested over a period of time and will be used by each business department during planned testing and any unplanned invocations. These procedures will be retained with all other DR related processes and procedures.

3.4.1 Power and Other Utilities

The power and utilities will be protected as far as practically possible. The power and utility services provided will be based upon requirements in order to support the hosted services and onsite support staff and management.

3.4.2 Premises, Fixtures and Furnishings

The premises, fixtures and furnishings provided will be based upon requirements in order to support the hosted services and onsite support staff and management.

3.4.3 IT Systems

Using their technical recovery procedures the technical teams will recover the failed IT systems and in the order specified. Upon completion the recovered services need to be tested before being released back to the business. Hydro-One will be engaged throughout this recovery process and should prepare appropriate testers to approve the recovered services before release to the general business community. The co-ordination of the handover from 'recovery' to 'testing' to 'release to business' should be managed via the MIM.

3.4.4 Human Resources

The management and allocation of all staff will be via local team management and be appropriate to the situation based on it being a normal BAU service or an invocation type scenario requiring staffing from more than one location.

3.4.5 Information and Documentation

All relevant information and documentation will be held securely and treated with the appropriate levels of confidentiality.

3.5 Return to Normal Operating Mode

This will have to be discussed after the completion of the recovery activities as the discussion need will be centered around the reason why the invocation was authorised.

3.5.1 Criteria for Returning to Normal Operating Mode

As above - this will form part of the discussions upon completion of the recovery to the secondary site.

3.5.2 Procedures for Returning to Normal Operating Mode

This will be included in the technical recovery procedures used to perform the recovery to the secondary site.

3.5.3 Procedures for Recovering Lost or Damaged Information

Capgemini SE will develop relevant processes and procedures in order to recover lost or damaged information. These process and procedures must take into account data sensitivity and security levels.

3.5.4 Detailed Lists, Inventories and Services Required

Capgemini SE will develop and maintain the relevant details in order to build detailed lists for all relevant service components.

3.6 Training and Test Procedures

Capgemini SE will assist Hydro-One in building relevant training and testing schedules specifically for DR. This will also include a relevant presentation to all stakeholders.

3.6.1 Managing the Training Process

In conjunction with Hydro-One, Capgemini SE will develop appropriate training presentations for key users in each business area.

3.6.2 Training Process and Schedule

Hydro-One will work with Capgemini SE to deliver a training process and schedule for all relevant Hydro-One business areas. This will not only outline the process that Capgemini SE will take from a hosting PoV, but will also address what is expected from each business area at time of disaster and how the process will flow.

3.6.2.1 User Training

Capgemini SE will work with Hydro-One in their delivery of a training process and schedule for all relevant Hydro-One business areas. This will not only outline the process that Capgemini SE will take from a hosting PoV, but will also address what is expected from each business area at time of disaster and how the process will flow.

3.6.3 Risk Management

Capgemini SE will review the current infrastructure and service and document known and identified risks. This document will be presented to Hydro-One with recommendations.

3.6.4 Testing of Recovery Plan

The recovery plan will be tested annually by Supplier. The scope of each test will be carefully planned and agreed with Hydro-One.

3.6.4.1 Planning the Tests

Hydro One will manage the entire planning cycle of all tests. This will include agreement of the scope and objectives and then documenting all agreed points within the test Terms Of Reference. Hydro One will chair (and record) all planning meetings and will ensure that all senior management (Hydro-One and Capgemini SE) are kept up to date with all relevant detail.

3.6.4.2 Scheduling the Tests

Capgemini SE will work with Hydro-One to develop and agree to a test schedule – this will take into account other scheduled work, public holidays, the business schedule and other possible pinch points.

3.6.4.3 Conducting the Tests

The Supplier will manage all aspects of test execution. Not only will this include the management of all involved staff, but it will also include the management of communication and progress vs. the schedule and Terms of Reference. The ITSCM will record all test activities, timings, issues, successes, etc. and will issue a full test report.

3.6.4.4 Test Schedule

Capgemini SE will work with Hydro-One to develop and agree a test schedule – this will take into account other scheduled work, public holidays, the business schedule and other possible pinch points.

3.6.4.5 Test Scenario

This will be agreed as part of the test planning phase and will be fully documented in the test Terms of Reference which will be made visible to Capgemini SE and Hydro-One staff and management.

3.6.4.6 Test Monitoring

This will be managed and recorded by the Supplier. For the curation of the test all involved staff will report progress, delays and issues to the Hydro One BCP/DR team who will act as the hub for the test duration. Other Hydro-One staff may also be invited to monitor the test, however this will need to be agreed in advance of each test and the numbers need to be kept realistic.

HYDRO ONE

ATTACHMENT C

BUSINESS IMPACT ASSESSMENT DESCRIPTION

TO COMMON EXHIBIT 2.0

CROSS FUNCTIONAL SERVICES

Table of Contents

1.0 Introduction 1

2.0 Supplier Business Impact Assessment Services 1

2.1 Overview 1

2.2 Supplier Business Impact Assessment 2

1.0 Introduction

Hydro One requires the Supplier to develop a Supplier Business Impact Assessment ("SBIA") prior to the development of the Supplier Business Continuity. The SBIA is based on the Supplier's review of the Client Business Impact Assessment and the Supplier's analysis of the criticality and the risks for the business functions that are identified in the Client Business Risk Assessment.

This Attachment 2.2-C requires the Supplier to describe their methodology associated with the Supplier's Business Impact Assessment process and delineates the steps required to close any gaps identified by the Supplier.

The Supplier will document and perform the procedures specified herein and will conduct all reasonable effort necessary to accomplish the resumption of business processes

2.0 Supplier Business Impact Assessment Services

2.1 Overview

Supplier will provide detail on its Business Impact Assessment approach and procedures.

2.1.1 Capgemini Response

Our Business Impact approach and procedures is explained as follows:

Business Impact Assessment (BIA) – We will analyze the business functions or processes performed by each department taking into context the business aims and objectives. Our method deployed will include interviews, questionnaires and workshops. All the systems, hardware, documents, location, Network, single points of knowledge, single points of failure will be defined for each process. This stage is typically completed by answering questions like - What is the impact to the business hour1, day1, day 21 etc. How long before is the process running desired? How many resources are required on hour1, day1, day 21 etc?

Maximum Tolerable Period of Disruption (MTPD) – It is the longest period of time before the business's viability would be irrevocably threatened if a product or service could not be resumed, this could be either financial or loss of reputation / brand damage. We will define MTPD for each process based on the assessments done during Business Impact Assessment.

Maximum tolerable data loss / Recovery point objective (RPO) - It will be equal to or greater than the RPO, which will be the minimum target for the technical recovery of data.

Continuity Requirements Analysis (CRA) – In this stage the actual requirements for all resources needed to run a business process will be captured. The three levels considered will be Continuity, Recovery and Resumption levels. Continuity level is the minimum requirement to get the process running post disaster whereas, Resumption is the amount required to achieve 'business as usual'.

Risk Assessment – We will assess the critical business functions and processes for risks or threats such as the loss of staff IT systems/data, telephony or utilities, site denial, loss of suppliers, transport disruption, terrorist activity or

environmental issues. Each will be assessed on the likelihood of occurring together with the impact defined in the BIA stage

Determine the Business Continuity Strategy

The information then taken from the BIA / CRA & Risk assessments and decision will be made as to what solutions the business will adopt & implement. The Recovery Time Objective (RTO) will also be set at this stage. The strategy will include reference to people, premises, technology, information, supplies, stakeholders, emergency services and costs.

Develop & Implement the BCM Response

After which, the Business Continuity Strategy will be transformed into a formal plan - the BCM response. Depending on the structure of the organization this will typically be made up of several individual plans, for example by department or business process plus an overarching invocation plan.

Testing, Maintaining & Reviewing

In order to maximize the effectiveness of the planning we will do tests (rehearsals) in order to prove that the plan delivers, and to refine and improve the recovery processes.

Client will specify continuity requirements and priorities. This information will be in the Client Business Impact Assessment.

2.2 Supplier Business Impact Assessment

Supplier will maintain a Business Impact Assessment approach to study of the risks associated with a disruption would have on Client's business operations, brand, profitability and regulatory compliance.

The SBIA and its approach will be in accordance with good industry practice. The approach must be approved by the Client. If the proposed SBIA approach is not acceptable, then the Client will specify the required SBIA approach.

The SBIA will include but not be limited to the following components:

1. Business unit profile
2. Threat identification
3. Risk assessment
4. Qualitative and quantitative impact assessment
5. Inter-dependencies
6. Alternate work location considerations
7. Technology dependencies.

HYDRO ONE

ATTACHMENT D

BUSINESS CONTINUITY PLAN DESCRIPTION

TO COMMON EXHIBIT 2.0

CROSS FUNCTIONAL SERVICES

Contents

1.0 Introduction 1

2.0 Supplier Business Continuity Management Services 1

2.1 Overview 1

2.2 Supplier Business Continuity Plan 2

2.3 Updating the Supplier Business Continuity Plan 3

2.4 Business Continuity Testing 4

3.0 Business Continuity Execution 4

3.1 Response Times 4

4.0 Governance 4

4.1 Reporting 4

1.0 Introduction

Hydro One requires the Supplier to support the development of a Business Continuity Management Plan, which will become an integral part of its Supplier Business Continuity Management, that conforms to the principles and requirements set out in the ITIL Framework. The Supplier Business Continuity describes how the Supplier will defend the business against a range of potential risks and to be able to rebuild the business organization after the occurrence of continuity or disaster events

This Attachment 2.0-D describes the procedures associated with the Supplier Business Continuity Plan and delineates the steps required to restore business processes following a disruption, when affected by an Outage.

The Supplier will document and perform the procedures specified herein and will conduct all reasonable effort necessary to accomplish the resumption of business processes

2.0 Supplier Business Continuity Management Services

2.1 Overview

This Business Continuity Plan will include, but not be limited to the following:

- An overview of the Capgemini SE BCP contractual obligations
- An overview of the support and management staff profile necessary to provide the contractual service – this will also include the infrastructure that staff from different teams require to support the service and perform their day-to-day role i.e. Exchange, ITSM, AD, etc
- An overview of the IT Services and the current recovery status
- An overview of the processes and procedures that each team will develop in order to resume and provide a service in the event of an invocation occurring
- An overview of Hydro-One's responsibilities in order for Capgemini SE to provide their service
- An Overview of the Business Impact Assessment process and how it will be executed
- Support of an annual testing plan with proposed scope and objectives
- Most importantly we want to ensure that hydro-One understand our response and are involved appropriately, and that Capgemini SE understands Hydro-Ones' concerns. Any communication required to Hydro-One is managed through the relevant account and engagement teams
- Invocation logistics – for the movement of staff and technology (where relevant) to alternative locations.

The Supplier Continuity Plan ("SBCP") will comprehensively document Supplier's Business Continuity Management obligations as for all operations directly or indirectly engaged in providing the Services. The SBCP will specify defined plans to ensure a controlled and coordinated response to business interruptions or disasters in order to minimize the impact and duration of any reduction of the quality or interruption of the Services, and comprehensive audit and testing regimes for all

elements of the SBCP to demonstrate their adequacy and efficacy. The Continuity Plan will include but not be limited to the following contents:

1. Identification of roles and responsibilities during an event
2. Immediate response procedures
3. Event declaration and communication protocol
4. Contact and Command Centre information
5. Recovery and Alternate work location logistics
6. Return and rebuild components

The continuity plan will also include activation of manual workarounds in the event of business process disruptions, or business technology failures and/or until technology planned to be invoked in a disaster event or continuity event, is invoked.

To the extent that it is reasonably practicable, all Supplier's Business Continuity Management strategy, planning, implementation of processes, and resource utilization shall be integrated with those of Client to minimize planning interfaces and to develop effective and coordinated responses to Client's business recovery requirements.

Client will specify continuity requirements and priorities. This information will be in the Client Business Impact Assessment.

2.2 Supplier Business Continuity Plan

Supplier will utilize the Client Business Impact Analysis to study of the risks associated with a disruption would have on Client's business operations, brand, profitability and regulatory compliance ("Supplier Business Impact Analysis"). Supplier will prepare a SBCP as defined in the Agreement for Services based on the Business Impact Analysis and the requirements set out in this schedule and provide it to Client for review and approval.

In preparing and implementing the SBCP, Supplier will ensure that the SBCP provides Client with at least the equivalent business continuity that Client had in place before the Effective Date, regardless of where the Services are being provided from.

The SBCP will be in accordance with good industry practice and at a minimum, will:

1. Contain business impact analysis and prioritize critical business processes.
2. Set out an appropriate framework, structure and continuity plan components that best addresses Client's business continuity and resumption requirements.
3. Set out risks, mitigation strategies and control.
4. Identify the common elements of plausible disruptions that might severely disrupt critical or important business operations and anticipating the effect of such disruptions.
5. Identify and analyse the various recovery strategy alternatives for the priority business processes based on the findings of Client Business Impact Analysis.

6. Provide a list of key contacts and notification procedures for Client, Supplier and Third Party vendor personnel, and provide a single point of contact for SBCP related communications and other activities that are the Supplier's responsibility.
7. Define a Supplier Business Continuity organization structure with roles and responsibilities.
8. Provide details of an awareness and training program.
9. Set out the resources requirements to deploy, conduct, supervise and administer the operation and implementation of the SBCP.
10. Assist the Client with their communication plan.
11. Assist the Client coordination plan – internal and with Third Parties.
12. Provide testing processes which address:
    a. The establishment of joint test objectives with Client for SBCP.
    b. Detailed testing procedures including frequency of conducting such tests.
    c. Scheduling of Disaster simulation testing dates with Client's prior approval and giving Client and its representatives have the opportunity to observe and participate in the tests. and
    d. Reporting test results.
13. Sets out a process for conducting post-Disaster Analysis in order to understand the cause of the Disaster, and develop plans to eliminate or mitigate future occurrences.
14. Document contingent responses so that recovery from these interruptions can occur as quickly as possible.

The SBCP as well as future modifications to such plans are subject to approval by Client before implementation.

2.3 Updating the Supplier Business Continuity Plan

The SBCP will be reviewed and updated at least once per annum.

Supplier shall ensure that the SBCP satisfies and continues to satisfy all relevant Regulatory Requirements for disaster recovery and business continuity for those systems under Supplier support. Supplier shall regularly and promptly review and update the SBCP in response to the following:

1. Changes in process or strategy in:
    a. Business processes or priorities
    b. Technology and support requirements OR
    c. Disaster recovery strategy or resumption chronologies
2. Changes in supporting information in:
    a. System or data inventories
    b. Plan-supporting data OR
    c. Personnel details

3. Changes to remedy deficiencies in the SBCP, including those identified in testing the SBCP.

2.4 Business Continuity Testing

Supplier shall support the Client's plan for a comprehensive testing and exercising regime, to ensure continued adequacy and efficacy, which shall take place at reasonable regular intervals and in any event, at least once in every calendar year.

Supplier will support the Client's development of a SBCP test plan at least annually that will include and that is not limited to the frequency, scope, dates, testing periods, and test success criteria for each SBCP test.

Supplier will support the Client's production of a draft SBCP test plan within one (1) month of the SBCP being finalized (as described in Section 2.2 above).

Supplier shall support the Client's tests of the SBCP at times outside of Client's normal business hours, and ensure that such tests will not affect the Services, which will continue to be provided in accordance with the Service Levels.

Supplier shall deliver to Client the test results of each SBCP test against the test success criteria within ten (10) Business Days of the conclusion of the test.

Supplier shall, within four weeks of the conclusion of each test:

1. Deliver to Client an action plan for Supplier to fulfil each of the criteria which was not achieved during the testing ("Exceptions"); and
2. Repeat the parts of the SBCP tests to which the Exceptions relate in accordance with a new agreed testing plan.

If, following the repeat of that part of the SBCP tests to which the Exceptions relate, the relevant criteria are still not fulfilled, then Supplier shall re-test the SBCP within four weeks or subject to agreement with Client.

3.0 Business Continuity Execution

3.1 Response Times

Supplier will restore all affected parts of the Services in accordance with the business priority response times documented within the Client Business Impact Assessment and in accordance with the agreed SBCP. These Attachments are subject to further review and revision.

4.0 Governance

4.1 Reporting

This will include, but not limited to,

- Details of any testing/invocation performed in the last quarter – this is to include scope, objectives, performance against objectives, issues (and resolution action/timescales) and any recommendations
- Details of planned project work and the impact it will have on any existing ITSC solutions
- Any significant delays to planned ITSC implementations and the potential risk to the business
- A review of the test schedule for the next 12 months – what is planned and are the dates still relevant based on other work requirements/pressures

HYDRO ONE

COMMON EXHIBIT 3

CLIENT POLICIES AND GUIDELINES

HYDRO ONE CONFIDENTIAL

Table of Contents

1.0 GENERAL 3

2.0 CLIENT POLICIES AND GUIDELINES 3

1.0 GENERAL

A current listing of and copies of Client's policies and guidelines may be accessed through the Hydro One Document System (HODS). Client reserves the right to make changes to Client's policies and guidelines from time to time.

2.0 CLIENT POLICIES AND GUIDELINES

1. Intentionally Blank.

HYDRO ONE

COMMON EXHIBIT 4

INVOICING REQUIREMENTS

TABLE OF CONTENTS

1.0 INTRODUCTION 3
2.0 INVOICING REQUIREMENTS 3
2.1 Timing of Payments 6
2.2 Timely Invoicing 6
2.3 Form of Invoice 6

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

1. Non-Volume Metric SOWS

a. 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.

b. A Base Charges/ARC/RRCS invoice shall have line item detail for, but not limited to, the following:

   i. 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).

   ii. The Change Orders for the previous calendar month.

   iii. 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). For the IS and AS SOW's, the ARC/RRC Charges will be calculated monthly but only invoiced in arrears at the end of every three (3) month period as part of the Re-balancing process.

   iv. One-Time Charges that have been approved for billing in the previous calendar month.

   v. Pass-Through Charges for the previous calendar month.

   vi. Service Level Credits and Critical Deliverable Credits, if any, incurred in the previous 60 calendar days.

   vii. ECA percentage and amount.

   viii. Service Level Earnback amounts, if any, earned back and due.

   ix. Applicable taxes by type.

   x. Any other Charges to be invoiced as agreed upon by both parties.

c. A Billable Project Charge invoice shall have line item detail for, but not limited to, the following:

   i. Billable Project Charges for the previous calendar month.

   ii. Service Level Credits and Deliverable Credits, if any, incurred in the previous calendar month.

   iii. Taxes by type.

iv. Any other Charges to be invoiced as agreed upon by both parties.

d. 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:

i. Purchase Order Number

ii. Service Description by line item

iii. Applicable Taxes

iv. Payment Terms

v. Due Date

vi. Billing period

vii. Vendor Number

viii. Project identifier for project invoices

e. Supplier shall invoice Client in CAD.

f. 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.

i. Client reserves the right to request additional detail pursuant to the Change Control Procedures.

g. 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.

h. 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.

i. 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.

i. 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.

ii. 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. Volume Metric SOWS

a. 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 and an invoice for complying with the requirements set forth below.

b. The invoices shall have line item detail for, but not limited to, the following:

   i. Service Level Credits and Critical Deliverable Credits, if any, incurred in the previous 60 calendar days

   ii. Service Level Earnback amounts, if any, earned back and due

   iii. Applicable taxes by type

   iv. Any other Charges to be invoiced as agreed upon by both parties

c. 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:

   i. Purchase Order Number

   ii. Service Description by line item

   iii. Applicable Taxes

   iv. Payment Terms

   v. Due Date

   vi. Billing period

   vii. Vendor Number

d. Supplier shall invoice Client in CAD.

e. 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.

   i. Client reserves the right to request additional detail pursuant to the Change Control Procedures.

f. 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.

g. 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.

h. 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.

i. 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.

ii. 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

1. APPLICATION SERVICES AND INFRASTRUCTURE SERVICES SOWS

a. 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).

b. 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.

c. The bill to addresses for Supplier monthly invoices are:

i. Hydro One Networks Inc.

ii. Accounts Payable

iii. Billing addresses to be determined and provided at a later date

d. 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):

i. Base Charges

ii. ARC/RRC Charges

iii. Hardware Charges

iv. Software Charges

v. Billable Projects (separate project summary specific to Project invoiced)

vi. Other Optional Services

vii. Change Order Controls

viii. Pass-through Charges

ix. One-Time Charges

x. Cumulative total of all Service Level Credits and Earnbacks

xi. Applicable Economic Change Adjustments (ECA)

e. 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.

f. Contract Change Orders will be invoiced in the month following their final approval.

i. 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.

g. Detailed reporting, separate from invoice submission, may be required to identify the following items:

i. For Base and Variable Charges:

a. Unit of Measure

b. Resource Baselines

c. Base Charges

d. Actual consumption of resources

e. ARC/RRC unit rates

f. Additional and/or reduced usage over and/or under baselines, and applicable ARC or RRC charges

g. Total Base and Variable Charges for this invoice

h. Invoice Number

ii. For Hardware and Software Charges:

a. Description of services provided

b. Asset identification (e.g., Serial No., Manufacture, Make, Model, Asset No., etc.)

c. In service date

d. Service life

e. Hardware and Software charges for this invoice

f. Invoice Number

iii. For One-Time Charges:

a. Transition/Transformation Milestone

b. Period of performance

c. Nature of charge

d. One-Time charges for this invoice

e. Invoice Number

iv. For Service Level Credit summary:

a. Performance Category

b. Critical Deliverable / Service Level name

c. Measurement Period

d. Expected Service Level

e. Minimum Service Level

f. Actual performance for the period

g. Default (Y/N)

h. Credit amount due to Client

i. Invoice Number

v. For Pass-through Charges:

a. Name of Third Party

b. Description of services provided

c. Period services received

d. Third-Party invoice number

e. Third-Party invoice date

f. Third-Party invoice amount

g. Invoice Number

Hydro One

ATTACHMENT A
FORM OF INVOICE

TO EXHIBIT 4
INVOICING REQUIREMENTS

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HONI CONFIDENTIAL

DOCUMENT WILL BE UPDATED BASED ON FINAL ISSUED PO

VENDOR NAME

123 Vendor Street, City, Ontario Canada Z1Z 1Z1

INVOICE

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: Provide a general description of the Invoice

Line Item	Description of Line Item		
10	*Infrastructure Services* Monthly Base Charges for *Month Year*	$	10.00
15	*Application Services* 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	One Time Credit	$	(1.00)
80	Transition & Transformation Charges		
90	Pass-Through Charges		
100	Tools Costs		

Note:
Non-Taxable: $ -
Taxable: $ 23.00

Subtotal	$	23.00
HST (13%)	$	2.99
Total	$	25.99

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

123 Vendor Street, City, Ontario Canada Z1Z 1Z1

INVOICE

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: Provide a general description of the Invoice

Line Item	Description of Line Item	
60	Project # - Project Labour Charges	$ -
70	Project # - Project Material Charges	$ -
90	Project # - Pass-Through Charges	

Note:
Non-Taxable: $ -
Taxable: $ -

Subtotal	$ -
HST (13%)	$ -
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 :

HYDRO ONE

COMMON EXHIBIT 5

TRANSITION PLAN

TABLE OF CONTENTS

1. INTRODUCTION 2

2. DRAFT TRANSITION PLAN 3

3. TRANSITION SCOPE AND KNOWLEDGE TRANSITION 4

3.1 Security Program for Hydro One Risk/Recommendations 7

4. TRANSITION MILESTONES AND DELIVERABLES 8

5. SUPPLIER/CLIENT RESPONSIBILITIES DURING TRANSITION 12

5.1 Transition Change Management 12

5.2 Primary Transition 13

5.3 Client Transition Obligations 13

5.4 Program Management – Transition 14

5.5 Transition Start-Up 14

5.6 Knowledge Transfer 15

5.7 Handover 16

5.8 Task Closure 16

6. TRANSITION GOVERNANCE 16

6.1 Roles and Responsibilities 17

7. CLIENT RESPONSIBILITIES 19

7.1 Client Facilities Requirement during Transition 20

8. GLOSSARY OF TERMS 20

EXHIBIT 5 – Transition Statement of Work

1. INTRODUCTION

This Exhibit 5 – Transition Statement of Work outlines the tasks and activities required to complete effective and timely Transitions of Services and activities.

Supplier will plan, prepare for and complete the orderly transition of the Services. Upon completion of the Transition, Client shall receive Services in the same manner in which Client received the Services prior to the Effective Date. Such Transition shall include pre-migration planning, identification and transfer or assignment of affected resources, preparation of Supplier Locations for the Services, transition of Service delivery to such Supplier Locations, acquisition of equipment and resources for the Services and coordination with third party vendors.

As further described in this Exhibit, Transition comprises activities as work streams required for Supplier to continue or assume service delivery responsibility for services from Client and/or for Client to continue or assume services from Supplier or one of its partners. These activities may include setup of the management system, workplace logistics, knowledge acquisition, and the associated activities required for Supplier to assume updated accountability for Client's current operating environment.

This Exhibit 5 describes the Transition of Services to Supplier. Supplier will perform Transition as set forth in this Exhibit 5 and as per the applicable guide rails from MSA Schedule 3.1(b). Supplier will commence, proceed with, and complete Transition pursuant to the Transition Milestones and Deliverables set forth below. The objective of Transition Services is to transfer the in-scope functions to the managed services model as defined in AS SOW - Exhibit 1 - SOW Services Description, PS SOW – Exhibit 1 – SOW Services Description and IS SOW - Exhibit 1 - SOW Services Description.

To maintain operational stability of Services during the Transition period, the Parties agree to implement a manage in place model consistent with the framework documented in Exhibit 5 Attachment A (Manage in Place). The Parties will work in good faith to include the attached framework into the overall Transition plan.

Supplier shall use commercially reasonable efforts to preserve the operational stability during the Transition of Services period. During the Transition of Services period, Supplier shall continue to manage the delivery of Services that remain part of Supplier scope and Services which are being transitioned to Client.

In addition, during the Transition period, each Party may request of the other Party, and at no cost to either Party, access to specific, existing, skilled resources or management resources to fill capability or capacity gaps which neither party shall unreasonably deny.

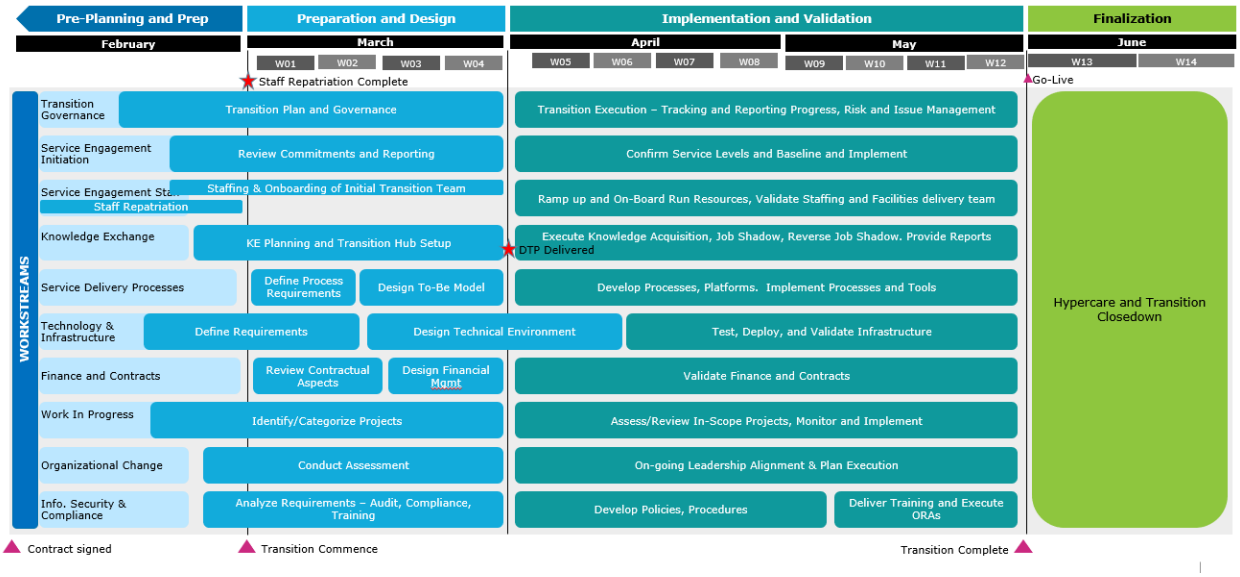
Neither Party currently contemplates that the need for management or specific skilled resources would extend beyond the end of the Transition of Services period, but if an unforeseen need requires Supplier's management or specific skilled resources beyond the end of the Transition of Services period Supplier resources would be priced/invoiced at their Rate Card rate set forth in AS-IS-PS SOW Exhibit 3 – Attachment A Pricing Form.

If Supplier requires Client specific skilled resources beyond the end of the Transition of Services period to provide and manage the Services, such resources shall be priced and invoiced at the $133/hr Rate.

2. DRAFT TRANSITION PLAN

The diagram below shows the high-level consolidated Transition timeline. Section 4 lists key Transition milestones and deliverables which will override any inconsistency between the high-level illustrative Transition timeline and Section 3. A more detailed Transition Plan will be developed during the planning phase of Transition.

High Level Illustrative Transition Timeline

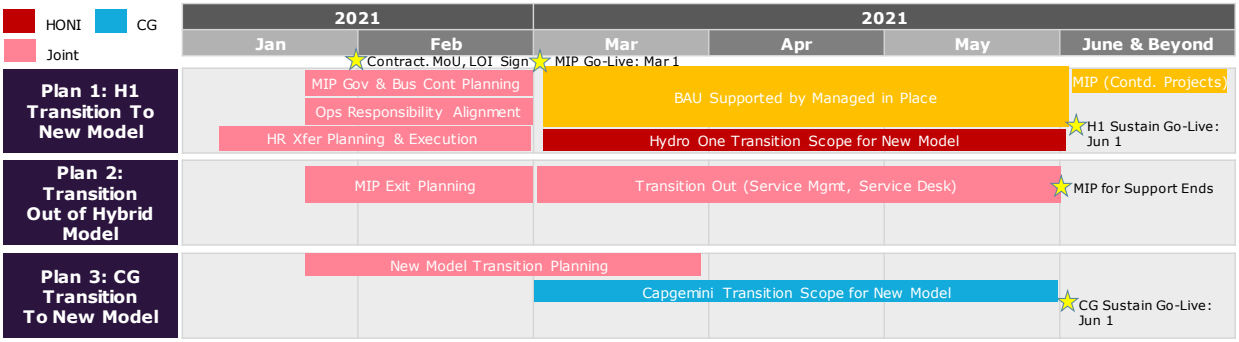


3. TRANSITION SCOPE AND KNOWLEDGE TRANSITION

The transition scope is segregated in to three main phases as described below with the aim to provide business continuity for ongoing operations during transition. The tables that follow define the specific scope items and the flow of knowledge transition.

- **Plan 1**: **Transition Services to Hydro One.** Scope is on:
  - Hybrid governance and Business Continuity Planning
  - Operational responsibility alignment
  - Knowledge transition to Hydro One
  - Resource skills and gap analysis
  - New operating model adjustments for Hydro One
  - In-flight projects disposition
- **Plan 2: Continued performance and scale down of Inergi services and controlled handover of services to Capgemini.** Scope is on:
  - Hybrid exit planning to end the hybrid support model for ongoing operations.
  - Transition of support for service management, service desk and associated tools
- **Plan 3: Transition of Services from Inergi to Capgemini.** Scope is on:
  - Transition to Capgemini for any hybrid Inergi/Capgemini support items
  - Tools transition (as required)
  - In-flight projects disposition

Below is a forecasted schedule of key transition activities for above tracks.



Plan 1 (Transition Services to Hydro One)	
Workstream	**Areas in scope for knowledge acquisition from Capgemini**
Data Services	DC Space and DC Hands/Feet Service - DC access mgmt. process - Facility mapping NSX - NSX operational mgmt. - NSX maintenance Backup Service & Backup monitoring (assets, licensing, labor) - Administration, allocation, and management - Monitoring and maintenance - Backup and restore - Admin / user level access
Service Management and Service Desk	SLIM (Software License Management & Reporting), IT Asset & Configuration management (SACM) - Process documentation - Tool – Access in place - BCS – Contract Information
End User Services	Workplace services - AD Policy Administration - Image build, software packaging, patching and maintenance - Trend Micro AV admin Mobility Services - Mobility support process - Corporate wireless requests - Mobility mailbox management - SIM card activation - Line suspension - Reporting Deskside services - Imaging and shipment - Appointment scheduling FEC updates

People Treatment	HR transfer of transferee resources Email and system access Pay and Benefits
IT Governance and Process	Operational processes Leadership/management requirements
Infrastructure Tools	As set forth in AS-IS-SOW-Exhibit 1-Attachment L – Software Assets

Plan 2 (Controlled Handover of Inergi Services to Capgemini)	
Workstream	**Areas in scope for knowledge acquisition from Inergi to Capgemini**
Service Management and Service Desk	Service performance & reporting, incident, problem & change governance - Process documentation – validate and understand - Tools – training - Meetings and reporting **Service Desk** - Agent workstation build - Account provisioning - Telecom IMAC - iCAM termination - Remote support tools - Reporting
Infrastructure Tools	As set forth in AS-IS-SOW-Exhibit 1-Attachment L – Software Assets

Plan 3 (Transition of Services from Inergi to Capgemini)		
Workstream	**Areas in scope for knowledge acquisition from Inergi**	
Data Services	**Data Services** Servers (Unix / Linux & Wintel) - Administration and management - Patching and maintenance - Admin / user level access Non SAP Database - Administration and management - Patching and maintenance - Admin / user level access WebLogic - Administration and management	- Patching and maintenance - Admin / user level access Storage - Administration, allocation, zoning, and management - Admin / User level Access ISMC (via GCC Global Command Center) - Monitoring, alerting and communication - Admin / user level access **Batch support** - Batch configuration management - Batch monitoring management

Infrastructure Applications	TFIM - Tivoli Federated Identity Management Identity Access Management and Maintenance
Infrastructure Tools	As set forth in AS-IS-SOW-Exhibit 1-Attachment L – Software Assets
Applications	As set forth in AS-IS-PS SOW-Exhibit 1- Attachment G – Application Portfolio

Above transition work streams will be confirmed with Hydro One to align with the MSA and related Statement of Works, including assessment of any impacts from in-flight projects for additional knowledge acquisition (KA) needs.

3.1 Security Program for Hydro One Risk/Recommendations

As part of the Transition effort, Capgemini will facilitate the effort to start the following Hydro One security initiatives under the Work in Progress workstream:

1. **Project Name:** Network Segmentation

   Description: A technical assessment and subsequent action plan for network segmentation and ensuring adequate security controls between Capgemini and Hydro One as well as within Hydro One environment to isolate the access points and the environment supported by Capgemini.

   The Supplier and Client will collaboratively work to define and develop a proposal with cost and effort estimates.

2. **Project Name:** Personal Identifiable Information (PII) Masking and access control

   Description:

   - Client and Supplier shall collaborate for a period of twenty (20) days from the Effective Date to review and define an interim process to remove Capgemini access to PII data/tables for named userid's in production, while establishing new operational process to gain elevated privilege when there is an operational requirement. The main objective of this effort is to remove named user access to PII and only grant access through the user of fire fighter Id at the earliest.
   - Establish a schedule and timeline for completion of the agreed upon activities.
   - Supplier to conduct assessment of SAP environment for Client PII and propose a solution and work schedule to remediate findings and/or concerns including the risks identified by Client. Develop a project proposal including effort, schedule and timeline for testing and Implementation of commercially available tools to mask PII on SAP within ninety (90) days from the Effective Date.

3. **Project Name:** IAM Enhancement
Description: Enhance Hydro One's Identity and Access Management controls to actively manage Capgemini's access to Hydro One systems.

- Client and Supplier shall collaborate to establish a process to appropriately authorize all Supplier access to Hydro One environment and that the elevated privilege is only authorized when there is an operational requirement.

4. TRANSITION MILESTONES AND DELIVERABLES

The following table provides a summary of Transition milestones and deliverables with their brief description, timing, Client interactions and roles, and acceptance criteria.

"Transition Start Date" is defined as the date of official Transition Kickoff commencing Month 1 activities.

"Service Commencement Date" is defined as the agreed to "Go-Live Date" and commencement of run phase activities.

ID	Name	Description	Start	Finish	Client Interaction and Roles	Acceptance Criteria
1.	**Transition Governance**					
1.1.	Milestone: Transition Start Date	Date that begins Month 1 Transition activities	March 1, 2021		Review and accept agendas and kick-off meeting material. Client stakeholders, App Owners, Key SMEs and Client transition team to attend kick-off session (that could last up to 3 days).	N/A
1.2.	Deliverable: Detailed Transition Plan (DTP) and Transition Governance Model	Supplier to deliver Detailed Transition Plan (DTP) in Microsoft Project format describing specific transition activities, milestones and deliverables to be performed by Supplier and Client during transition. Supplier to deliver transition governance structure, roles and responsibilities.	Effective Date	Effective Date + 45 days	Inputs on Client transition work stream SMEs on work plan. Inputs on other dependencies (Client Internal, Incumbent Vendor and Joint activities). Inputs on SMEs and assistance to engage vendors as needed. Review and respond to any action items within 5 days of receiving the draft/finalized plan.	Client's Acceptance of the Detailed Transition Plan per the agreed Statement of work.

ID	Name	Description	Start	Finish	Client Interaction and Roles	Acceptance Criteria
1.3.	Deliverable: Transition Quality Gating Criteria Checklist	Transition gating is a mutually agreed checklist that runs through each Transition work stream and Transition phases capturing key Transition activities, milestones and deliverables.	Transition Start Date	Transition Start Date + 30d	Review and accept Transition Quality Gating Criteria Checklist	Final Transition Quality Gating Criteria Checklist is complete per the agreed Statement of work
1.4.	Milestone: Transition Complete	Supplier completes all Transition activities defined in the Detailed Transition Plan (DTP) and the Quality Gating Criteria Checklist.	Transition Start Date	Transition Start Date + 3 months		Confirmation by Supplier and Client that all Transition activities in Transition Plan and Quality Gating Criteria Checklist are complete and open items are identified in a mutually agreed upon action plan to be executed post transition.
2.	**Engagement Management Set Up**					
2.1.	Deliverable: Operations Procedure Manual (OPM)	Supplier to update OPM that describes how Services will be delivered and how Supplier will engage with Client.	Transition Start Date	Service Commencement Date	Provide reasonable access to Client process owners/SMEs for process review workshops.	OPM is complete for ongoing maintenance during steady state.
3.	**HR, Staffing and OCM**					
3.1.	Milestone: Inergi Represented Staff Transfers Complete	Payroll Setup / HR Benefits	TBD	Transition Start Date		Payroll/HR/Benefits has changed from Inergi to Hydro One.
3.2.	Milestone: Inergi Represented Staff onboarding complete	User Access / Employee # / Email Changes/ Network Connectivity	Transition Start Date	TBD	Any open items related to facilities, system access, email, tools usage are mutually agreed for remedial action.	Executed and completed as per schedule.
3.3.	Milestone: Capgemini Staff onboarding complete	Supplier support functions for cutovers are fully staffed at designated delivery locations.	-	20 days prior to Service Commencement Date	Timely onboarding of staffed resources. Open items related to staffing are mutually agreed for remedial action	Confirmation by Supplier of that all positions have been onboarded
4.	**Knowledge Transfer**					
4.1.	Milestones: Knowledge Acquisition	KAKA Plan (Knowledge Acquisition Plan or	-	Within 30 days of Knowledge Transfer Kick-Off	Incumbent App Owners/Key SMEs availability for	KA Plans are complete for ongoing

ID	Name	Description	Start	Finish	Client Interaction and Roles	Acceptance Criteria
	Plans (KAP) Complete	KAP) carrying details on knowledge objects and names of SME and scheduling in place		for each workstream group	reviews/workshop sessions to finalize KAPs.	maintenance during KA execution.
4.2.	Deliverables: Updated OPM (application, infrastructure, service management)	Supplier to update existing OPM documentation used to deliver the Services	Transition Start	Within 30 days each workstream group's completion of KA	Deliver existing run books, support documentation and operational procedures to Supplier. Provide reasonable access to Client process owners/SMEs for review workshops/sessions.	Support documentation for ongoing maintenance is updated.
5.	**Technology and Infrastructure**					
5.1.	Deliverable: Network Connectivity	Connectivity (from Supplier service centers to Client) to enable Transition team and steady state support and development activities.	Transition Start Date	Transition Start Date +45 days	Client will provision required connectivity between its data centers, cloud and Supplier data center in Canada to new Capgemini offshore delivery centers. Client Network and Security teams assist with set-up, validation and ongoing maintenance tasks at Client end as requested both for long term and/or interim connectivity solution (if any).	Connectivity tested and functioning as per Client and Supplier accepted design and plan.
6.	**Finance & Contractual**					
6.1.	Deliverable: Updated Finance and Invoicing Process	Finance and Invoicing process describing specific activities with respect to invoicing and finance processes to be performed by Supplier and Client.	Transition Start Date	Service Commencement Date	Client process for vendor management and invoicing.	
7.	**Projects & Service Take On**					
7.1.	Milestones: Cutover for In-Scope Applications (Supplier)	Supplier cuts over all scope elements and Transition activities defined in the detailed transition plan for this group.	-	Service Commencement Date	Client support of KA planning and execution which includes providing reasonable access to Client employees or contractors for knowledge acquisition activities. Ticketing tool is configured and operationalized for Supplier assignment groups, and routing of Incidents, Problems, and Changes to the appropriate teams within	Performance of Supplier responsibilities as set forth in the Transition Plan and as validated through the Transition Quality Gating Criteria checklist . Client may choose to move an

ID	Name	Description	Start	Finish	Client Interaction and Roles	Acceptance Criteria
					Supplier, Client and other Suppliers.	application to a different subgroup or to a different cutover timing (e.g., due to regulatory constraints), in which case the completion of this subgroup will no longer depend on cutover of that application.
7.2.	Milestones: Cutover for In-Scope Applications (Client)	Client cuts over all scope elements and Transition activities for this Group.	-	Service Commencement Date	Client support of KA planning and execution and overall transition management of their scope.	As per the guidance issued by Client to their Transition Team. Client may choose to move an application to a different subgroup or to a different cutover timing (e.g., due to regulatory constraints), in which case the completion of this subgroup will no longer depend on cutover of that application.
7.3.	Milestones: Cutover for Supplier in-scope Service Management, Infra Services (Data Services, Tools, Service Management, End User Services, Security)	Supplier cuts over all scope elements and Transition activities defined in the detailed transition plan for this Group.	-	Service Commencement Date	Client support of Knowledge Acquisition (KA) planning and execution which includes providing reasonable access to Client employees or contractors for knowledge acquisition activities.	Performance of all Supplier responsibilities as set forth in the Transition Plan and as validated through the toll gates Client may choose to move an service to a different subgroup or to a different cutover timing (e.g., due to regulatory constraints), in which case the completion of this subgroup will no longer depend on cutover of that service.
7.4.	Milestones: Cutover for Client In-scope Service Management, Infra Services	Client cuts over all scope elements and Transition activities for this Group.	-	Service Commencement Date	Client support of KA planning and execution and overall transition management of their scope.	As per the guidance issued by Client to their Transition Team.

ID	Name	Description	Start	Finish	Client Interaction and Roles	Acceptance Criteria
	(Data Services, Tools, Service Management, End User Services)				Ticketing tool is configured and operationalized for Client assignment groups, and routing of Incidents, Problems, and Changes to the appropriate teams within Supplier, Client and other Suppliers.	Client may choose to move a service to a different subgroup or to a different cutover timing (e.g., due to regulatory constraints), in which case the completion of this subgroup will no longer depend on cutover of that service.
7.5.	Deliverable: Inflight Projects Assessment	Review in-flight (work in progress) projects for disposition at service commencement	Transition Start Date	Service Commencement Date	Provide list of existing in-flight projects and associated information. Participate in identifying end-state responsibility for each project at Service Commencement	Final and agreed to inflight project disposition

5. SUPPLIER/CLIENT RESPONSIBILITIES DURING TRANSITION

The following describes certain interactions and roles for Client associated with Transition milestones and deliverables. Details around these Transition milestones and deliverables will be specified in the mutually agreed detailed transition plan (DTP). The detailed list of KA (Knowledge acquisition) activities and their schedule and required effort for incumbent SMEs will be detailed out in the Knowledge Acquisition Plans (KAPs) during the Transition/KA planning phase.

Additional responsibilities and dependencies triggered by any in-flight project or support take-over during transition will utilize Supplier's transition methods around build to build or build to run.

Additional responsibilities around governance and associated roles and responsibilities and facilities during Transition are listed in Section 7.

5.1 Transition Change Management

To facilitate a smooth Transition, Client and the Supplier shall comply with the responsibilities set out in the following table.

Transition Change Management Responsibility Matrix

No.	Task	Supplier	Client
1.	Work to reach agreement concerning Change Management roles and responsibilities with Client.	X	
2.	Review and approve proposed baseline task plan.		X

5.2 Primary Transition

Client and the Supplier shall comply with the responsibilities set out in the following table.

Primary Transition Responsibility Matrix

No.	Task	Supplier	Client
1.	Plan the Transition Services.	X	
2.	Manage the Supplier Transition resources.	X	
3.	Manage the Supplier production resources.	X	
4.	Manage escalations associated with Transition.	X	X
5.	Collaborate with Supplier to integrate the Detailed Transition Plan into Client's overall operations plans		X
6.	Assess the in-flight projects and collaborate with Client to disposition each in-flight project (staffing, schedule, commercial change).	X	
7.	Update the OPM for each Service in compliance with the requirements of the Agreement and the applicable exhibits.	X	
8.	Suggest a framework for Client approval of Transition Governance and principles within the requirements of the Agreement.	X	
9.	Review the Transition milestones achieved.	X	
10.	Conduct the toll-gate readiness reviews.	X	
11.	Deploy the Services and processes.	X	
12.	Hand over to the Supplier's steady-state team.	X	
13.	Conduct the task/program closure for Supplier.	X	
14.	Conduct the task/program closure for Client.	X	X

5.3 Client Transition Obligations

The Supplier shall have overall responsibility for the Transition Services. Client resource assignments will be identified in the Transition Plan.

In supporting the Transition Services, Client shall also fulfill the following obligations.

Client Transition Obligations Responsibility Matrix

No.	Task	Supplier	Client
1.	Client resources will be provided by Client as set forth in the accepted Detailed Transition Plan		X
2.	Provide access and usage to the Client tools where applicable and as set forth in Attachment L – Software Assets.		X
3.	Accept or reject the Transition deliverables within the mutually agreed acceptance review Period.		X

5.4 Program Management – Transition

Client and the Supplier shall comply with the responsibilities set out in the following table.

Program management – transition responsibility matrix

No.	Tasks	Supplier	Client
1.	Update and baseline the initial risk log.	X	
2.	Manage the risk log.	X	
3.	Provide timely status updates on assigned responsibilities within the risk log.		X
4.	Provide timely status updates on assigned responsibilities within the risk log.	X	
5.	Maintain the Transition Plan.	X	
6.	Produce the status report.	X	

5.5 Transition Start-Up

The Supplier shall conduct formal start-up and initiate the Transition Services and appropriate tasks. Client and the Supplier shall comply with the responsibilities set out in the following table.

Transition start-up responsibility matrix

No.	Task	Supplier	Client
1.	Facilitate the joint Client and Supplier kick-off meeting.	X	
2.	Participate in joint Client and Supplier kick-off meeting.		X
3.	Update and finalize the Transition Plan.	X	
4.	Review the updated and finalized Transition Plan for Acceptance as set forth in the Agreement.		X

No.	Task	Supplier	Client
5.	Assign Supplier personnel to transition positions as described by the accepted Transition Plan.	X	
6.	Assign Client resources to Transition positions as described in the accepted Transition Plan.		X

5.6 Knowledge Transfer

During the Transition Period, the Supplier shall develop a Knowledge Acquisition Plan (KAP) within the Transition, tailored for Client, to address the knowledge transfer of the current environment and baseline the knowledge base for Service delivery.

This documented information will then be gathered and maintained in a shared environment. Client and the Supplier shall comply with the responsibilities set out in the following table.

Knowledge Transfer Responsibility Matrix

No.	Task	Supplier	Client
1.	Work with Client to define the knowledge elements needing to be transferred to deliver the Services and maintain Service continuity.	X	X
2.	Participate in identifying and making available the existing knowledge elements.	X	X
3.	Identify the knowledge areas and key expectations to be met.	X	
4.	Identify the procedures and standards.	X	
5.	Review and provide guidance to the Supplier regarding the Knowledge Transfer Plan.		X
6.	Document the knowledge elements to be added into the operations manual.	X	
7.	Provide a structured Knowledge Transfer for all involved parties.	X	
8.	Complete fine-tuning to the processes and skills, ensure fallback scenarios are ready to be initiated, preventing disruption of Service Levels.	X	
9.	Validate supplier's list of critical Client personnel, Third Party Vendors and Subcontractors with the roles and responsibilities of each.	X	X
10.	Identify critical Supplier personnel and Client personnel, Third Party Vendors and Subcontractors with the roles and responsibilities of each.	X	

No.	Task	Supplier	Client
11.	Implement measures for the Knowledge Transfer.	X	
12.	Monitor the Knowledge Transfer progress.	X	

5.7 Handover

After transition is accepted, both Parties will transfer responsibility for Services and service management to the appropriate organization. Client and the Supplier shall comply with the responsibilities set out in the following table.

Handover responsibility matrix

No.	Task	Supplier	Client
1.	Hand over the final Supplier Service responsibility to the steady-state organization to Supplier account management and service management.	X	
2.	Declare the Supplier internally handed over.	X	
3.	Hand over the final Client Services responsibility to the steady-state organization.		X
4.	Declare Client internally handed over.		X

5.8 Task Closure

Client and the Supplier shall comply with the responsibilities set out in the following table.

Task closure responsibility matrix

No.	Task	Supplier	Client
1.	Evaluate and confirm completion and acceptance of all Transition deliverables	X	X
2.	Complete Transition shut-down activities.	X	
3.	Release the Supplier transition resources.	X	
4.	Release Client transition resources.		X

6. TRANSITION GOVERNANCE

The Supplier Transition Team will operate across three governance levels as detailed below to drive Transition execution and evolve into steady state engagement governance and delivery.

Transition Governance Layer	Frequency	Supplier Participants	Client Participants	Agenda
Transition Steering Committee (Program Level)	Bi-Weekly or Monthly	▪ Account Exec /Delivery Exec ▪ Transition Exec/Mgr. ▪ OCM Lead* (*Selected Meetings)	▪ Client Project Sponsor ▪ Client Workstream Directors ▪ Client Transition Manager ▪ HR Lead (selected meetings) ▪ Other Invitees per Agenda	▪ Transition Oversight & Decisions ▪ Assess Overall Progress ▪ Issue Resolution
Transition Management Committee (Workstream Level)	Weekly	▪ Transition Manager ▪ Workstream Delivery Leads ▪ Workstream KA Leads ▪ Service Mgmt Lead* ▪ Compliance & Connectivity* (*Selected Meetings)	▪ Client Transition Manager ▪ Client Workstream Directors ▪ Client Application Owners ▪ Key 3rd Party POCs (selected meetings) ▪ Other Invitees as per Agenda	▪ Monitoring transition milestone progress against plan ▪ Risk, Dependencies & Issues management ▪ Identifies items for Bi-weekly Transition Governance
Transition Operational Teams	As per interaction defined in KAP (Knowledge Acquisition Plan) and DTP (Detailed Transition Plan) plus any ad-hoc meetings	▪ AD&M Knowledge Recipients (Future delivery team members) ▪ KA leads ▪ Other Cross-Functional Leads (as needed)	▪ App or Infra Owners ▪ Incumbent SMEs ▪ Cross-Function SMEs (Process, ITSM Tool, N/W, Compliance, Reporting, Finance, Contract Management, Other Supporting functions)	▪ Start Up activities ▪ KA topics ▪ Day to day operational matters

6.1 Roles and Responsibilities

The Supplier roles and responsibilities during Transition are listed below. Client will provide counterparts and additional roles as needed to help co-ordinate Transition activities that are executed jointly with Supplier or internal to Client.

Supplier Role	Responsibility Area	Transition Responsibility	Supplier Estimated Client Counterpart Involvement
Account Executive	Overall responsibility for Supplier's activities	▪ Primary point of contact for all matters relating to the Services and responsible for overall relationship development and strategy alignment ▪ Overall responsibility for directing all of Supplier's activities under the Agreement and will be vested by Supplier with all necessary authority to act for Supplier in connection with all aspects of the agreement	10-15% during Transition
Delivery Executive	Overall operations and delivery responsibility	▪ Primary contact point for all matters relating to day-to-day operations and delivery of the Services across all Service Areas ▪ Overall responsibility for service delivery both onsite and offshore	
Workstream and Operational Delivery Leads	Primary contact point for all matters relating to the Transition of each workstream	▪ Work closely with Client Service Delivery Managers to review the future delivery model ▪ Assist in staffing and on-boarding of Supplier Technical resources ▪ Build the service quality plan during Transition	25% during Transition
Transition Manager	Overall responsibility for the Transition	▪ Chair Transition Governance Meetings ▪ Develop and Agree on milestone acceptance criteria ▪ Collaboration with Client representatives during Planning and Execution phase of Transition ▪ Monitor status and completion of Transition activities on schedule to meet the Transition Plan ▪ Escalation management, resolution of key Transition issues and manage operational risks ▪ Manage the change requests to the contract, if any, during Transition ▪ Coordinate with the Service Delivery team towards establishment of Organization structure and Service Quality plan to deliver the Services	100% during Transition
Offshore Transition Manager	Runs Transition Management Office, on and offshore	▪ Manage the detailed oversight of all Transition streams and sub-projects ▪ Provide detail direction to stream leads ▪ Create, monitor and track the Transition Plan in collaboration with Client and third parties ▪ Escalation management, resolution of key Transition issues and manage operational risks	N/A

Supplier Role	Responsibility Area	Transition Responsibility	Supplier Estimated Client Counterpart Involvement
Workstream SME	Responsible for KA planning and tracking for a particular Service	▪ Identify recommendations of acceptance criteria for the Knowledge Transfer stream ▪ Design the knowledge acquisition approach ▪ Build the knowledge acquisition plan for knowledge acquisition areas in scope ▪ Execute the knowledge acquisition plan and track and report progress appropriately until service take-on criteria achieved ▪ Responsible to implement and maintain Supplier's knowledge acquisition tools e.g.: Transition Portal, Inventory and Design Portal ▪ Responsible for creation of application overview documentation by the KA team	15-25% of Application/Infra Sub-Groups Owners time during Transition

7. CLIENT RESPONSIBILITIES

The list of Client responsibilities for additional areas during Transition are listed below:

Area	Responsibility
Client Software licenses	Client will retain or procure as needed the Software licenses required per ADM-IM-SOW-Exhibit 1-Attachment L-Software Assets for supporting Client applications and systems and provide Supplier with the right to use authorizations and access rights. The initial list of tools needed for application maintenance, application development, server monitoring and QA/testing and any necessary virtual desktops for these tools are listed in AS-IS-SOW-Exhibit 1-Attachment L – Software Assets and financial responsibility as documented in FRM Exhibit XX.
Client Facilities during Transition	Client will provide access, office space (if in-person) and connectivity for Supplier transition team/s to Client sites/offices (as required) during Transition.
3rd Party IP	Client will provide a mechanism for Supplier to engage the support team for 3rd Party IP towards necessary process & tool integration tasks.
Resources	Client will make available required resources according to the schedule and demand requirement during transition
In-Flight Projects	Client and Supplier will mutually agree on disposition of all in-flight projects. Client will also allow availability of project resources to assist with any knowledge transfer which will be critical to future production support. Any additional agreed scope, transition timing and roles & responsibilities will be part of post transition ongoing arrangement.

Area	Responsibility
OCM	Client will design, develop and execute a change management program within Client for affected employees including their onboarding and integration into the new future state framework.
Transferees: HR, Facilities and Technology Enablement	Client will provide the transferees with the required HR onboarding, support, technology (desktop/VDI/Tools/System Access, etc.) and facilities to allow their smooth participation in transition activities with Supplier.
Transition Management for Client Internal Transition	In addition to supporting the transition activities that Supplier team will undergo, Client will stand up Transition Management to support its own transition to future state delivery.

7.1 Client Facilities Requirement during Transition

Transition will be executed using work-from-home and collaborative meeting capabilities and, for Supplier personnel located in the Greater Toronto Area, meet in person where and when required.

8. GLOSSARY OF TERMS

Acronym/Term	Description
DTP	Detailed Transition Plan – A Microsoft Project plan that contains all the transition activities, milestones and deliverables with their start and end dates.
TM	Transition Manager.
KA	Knowledge Acquisition refers to the process of acquiring run knowledge from existing service teams or incumbent Suppliers, documenting it, and assuming ownership of the processes and knowledge discovered.
SME	Subject Matter Expert. Someone from whom knowledge sharing/transfer/acquisition is possible during transition to assist with planning and execution activities.
KAP	Knowledge Acquisition Plan is a comprehensive document that captures the KA objects to be covered as a part of knowledge acquisition sessions. The dates, time and duration of each session is mentioned against each knowledge object after discussing and in agreement with the SME. It would be prepared for each service module.
OPM	Operations Procedure Manual. A document from Supplier that is prepared/updated for operational details including key IT processes for ongoing maintenance reference.

HYDRO ONE

ATTACHMENT A

MANAGE IN PLACE

TO COMMON EXHIBIT 5

TRANSITION PLAN

Contents

1. Introduction 3
2. Application of MIP during IT Transition – AS and IS Scope 3
3. Financial Aspect of MIP during Transition – AS and IS Scope 5
4. Application and Financial Aspect of MIP during Transition – PS Scope 5
5. MIP after the IT Transition of Services Period Ends 6

This document and its contents are included for background purposes only and do not constitute binding obligations of Capgemini.

Manage in Place for IT Transition

This description of Manage in Place is valid for the IT Transition contemplated for March-May 2021.

1. INTRODUCTION

The concept of Manage In Place [MIP] is premised on the preservation of operational stability [Sustainment/Project] during the IT Transition of Services period. MIP can be viewed through (2) primary dimensions;

1. Who has *administrative responsibility*?
2. Who has *functional responsibility*?

Effective March 1:

1. Hydro One assumes "administrative responsibility" for represented employees returning to Hydro One. "Administrative responsibility" means Hydro One is responsible for salary, benefits, collective bargaining interface, work schedules (vacation approval, sick time), discipline, etc.

2. Capgemini assumes "functional responsibility" for represented employees who have returned to Hydro One and who will continue to perform either sustainment or project work (or both) during the transition of services period. "Functional responsibility" means Capgemini is responsible for the continued coordination of delivery activities of the ITO Sustainment and Project Services using represented employees.

2. APPLICATION OF MIP DURING IT TRANSITION – AS AND IS SCOPE

The IT Transition Services SOW document breaks down the IT transition into three plans. This section describes how MIP is applied to each plan. The overriding principle to all this is that both parties collaborate in a partnership to make the transition as smooth as possible.

Plan 1: **Transition Services to Hydro One**

This plan addresses the scope that is returning to Hydro One, as called out in the IT Transition Services SOW.

During the IT Transition of Services period:

- Hydro One may request that Capgemini continue to provide functional management capability over these scope areas until such time as Hydro One can put in place their long-term functional management layer over these scope areas.
- Hydro One may request that Capgemini continue to provide access to specific skilled Capgemini resources to fill skill gaps/capacity gaps in the Hydro One resource base, until those skills gaps go away (though knowledge transfer activities as part of the Transition plan and/or through Hydro One staffing up to fill those gaps).
- These requests will surface during the detailed transition planning activity and need to be formalized as of the transition plan acceptance date, because some of the Capgemini resources that Hydro One may request would otherwise be removed from the account. The request will need to include an estimate of how long Hydro One will need each person. We will need to establish some protocol for notice period for extension of time or early dismissal, in line with Capgemini process for employee reassignments.
- Both parties are motivated to minimize the need for MIP in Plan 1. Hydro One scope will operate smoothest when it is 100% Hydro One staffed and managed, and Capgemini is motivated to align their staffing to the long-term model.

Plan 2: **Continued performance and scale down of Inergi services and controlled handover of services to Capgemini**

This plan addresses the big block scope areas that are retained by Capgemini but will be delivered in whole by repatriated staff until Service Commencement Date, as called out in the IT Transition Services SOW. The service desk falls into this category.

During the IT Transition of Services period:

- Capgemini will retains functional responsibility over what will at that point be Hydro One staff, effectively managing the delivery of Service Desk services using Hydro One staff until the Commencement Date of the new Global Service Desk, at which point all Capgemini functional responsibility over Hydro One staff ends.
- Unlike in Plan 1 where the use of MIP by Hydro One is optional, the application of MIP in Plan 2 not optional. Capgemini must manage the service desk delivery using Hydro One staff until Service Commencement Date of the new global service desk.

Plan 3: **Transition of Services from Inergi to Capgemini**

This plan addresses scope that is retained by Capgemini and will be either entirely or partially delivered by Capgemini during the IT Transition of Services Period, the IT Transition Services SOW.

Application of MIP in Plan 3 is essentially the mirror image of MIP in Plan 1, with the exception that the “management capability layer” ask is not present, only the “skilled resource to do some work” ask is present.

During the IT Transition of Services period:

- Capgemini may request that Hydro One continue to provide access to specific skilled Hydro One resources to fill skill gaps or capacity gaps in the Capgemini resource base, until those skills gaps/capacity gaps go away (though knowledge transfer activities as part of the Transition plan and/or through Capgemini staffing up to full capacity).
- These requests will surface during the detailed transition planning activity and need to be formalized as of the transition plan acceptance date, so that Hydro One can effectively plan the for the future use of those resources (i.e, "when will that resource be 100% free to be assigned to something without Capgemini wanting to continue to have access to them to do work"). The request will need to include an estimate of how long Capgemini will need each person. We will need to establish some protocol for notice period for extension of time or early dismissal.
- Both parties are motivated to minimize the need for MIP in Plan 3. Capgemini scope will operate smoothest when it is 100% Capgemini staffed and managed, and Hydro One is motivated to align their staffing to the long-term model.

3. FINANCIAL ASPECT OF MIP DURING TRANSITION – AS AND IS SCOPE

MIP for Plan 2 is a Capgemini obligation. As reflected in Exhibit-3A, charges for scope included in Plan 2 do not begin until Commencement Date. There is also a Critical Deliverable tied to achieving the Commencement Date for Service Desk.

The use of MIP in Plan 1 and Plan 3 is optional (although expected in both Plans), variable, and tied to a common motivation to use as little of it as necessary, but also tied to a common motivation to use as much of it as necessary to enable operational stability during the IT Transition of Services period. We would mutually agree to call it a presumptive "wash" and neither party would seek to record actual time used nor seek to recover any fees for resource time used for MIP.

4. APPLICATION AND FINANCIAL ASPECT OF MIP DURING TRANSITION – PS SCOPE

On day 1 of the new deal, there will be N Projects in flight. Each of those projects is currently staffed by a mix of Capgemini people and to-be-Hydro One people. The IT Transition SOW calls for an In-Flight Project Assessment as one of its deliverables. Each project needs to be looked at, collaboratively, and dispositioned into one of several categories:

Category 1: Let the project run its course using a hybrid staffing model (either retain existing staff or make some incremental changes to staffing, but still a mix of Capgemini and Hydro One staff).

- Convert the Capgemini staff over to the rate card model for the remaining effort on the project
- Remove the Hydro One staff from the Project
- This would be a form of MIP for this project since it could be either a Capgemini Project Manager running the project out to close (over a hybrid staff) or a Hydro One Project Manager running the project out to close (over a hybrid staff)
- The revised Project Order would capture the go-forward pricing

Category 2: Convert the project to 100% Hydro One within the IT Transition of Services period

- While the staffing swaps are happening, it is a form of Category 1
- After the staffing swaps are complete (during the IT Transition of Services period), the Project would be closed (from a Capgemini viewpoint)

Category 3: Convert the project to 100% Capgemini within the IT Transition of Services period

- While the staffing swaps are happening, it is a form of Category 1
- After the staffing swaps are complete (during the IT Transition of Services period), the Project continues

5. MIP AFTER THE IT TRANSITION OF SERVICES PERIOD ENDS

AS and IS – neither party currently contemplates that the need for MIP would extend beyond the end of the IT Transition of Services Period, but it an unforeseen need requires Plan 1 or Plan3 MIP beyond the end of transition, then the Capgemini resources would be priced/invoiced at their rate card rate and the Hydro One resources would be priced/invoiced at the old deal $133/hr rate.

For Plan 2, the use if MIP is tied to the Commencement Date for Service Desk and the associated Critical Deliverable, and will continue until the Critical Deliverable is met.