

## SCHEDULE 2 – CUSTOMER-SUPPLIER AGREEMENT

**THIS CUSTOMER-SUPPLIER AGREEMENT ("CSA")**, made in duplicate, for **Networking Products and Related Services** as outlined in Request for Proposals **#2019-340** is effective as of the **12th day of November, 2020** (the "**CSA Effective Date**")

**BETWEEN:**

**Town of Fort Frances**

(the "Customer")

- and -

**Compugen Inc**  
(the "Supplier")

**WHEREAS** the Supplier entered into a Master Agreement with OECM referred to as **OECM-2019-340-07** for the provision of Resources;

**AND WHEREAS** the Customer has decided to become a Customer as defined under the Master Agreement by entering into this Customer-Supplier Agreement (the "CSA");

**NOW THEREFORE** in consideration of the mutual covenants, rights, obligations, and respective agreements set out below, the receipt and sufficiency of which is hereby acknowledged, the parties intending to be legally bound hereby covenant and agree as follows:

### ARTICLE 1 - DEFINITIONS

Unless otherwise specified in the CSA, capitalized words and phrases shall have the meaning set out in the Master Agreement. When used in the CSA, the following words and phrases have the following meanings:

**"Business Day"** means Monday to Friday between the hours of 8:00 a.m. to 5:00 p.m., except when such a day is a public holiday, as defined in the *Employment Standards Act (Ontario)*, or as otherwise agreed to by the parties in writing;

**"CSA Term"** means the period of time from the CSA Effective Date first above written up to and including the later of:

- (a) June 14, 2023, or,
- (b) the Expiry Date of any extension to the CSA; which in any event shall be no later than the final Expiry Date of June 14, 2025, if Master Agreement extensions are exercised;

**"Rates"** means the applicable price for the Resources, as defined in the Master Agreement.

### ARTICLE 2 – THE MASTER AGREEMENT

**2.1** This CSA is entered into pursuant to, incorporates by reference and is governed by the Master Agreement reference OECM-2019-340-07.

**2.2** All terms and conditions of the Master Agreement apply with the appropriate modifications to this CSA. In the event of a conflict or inconsistency between this CSA and the Master Agreement, the Master Agreement shall govern (unless the Master Agreement provides otherwise) provided that the Rates payable pursuant to a Customer-Supplier Agreement executed by the Supplier and a Customer may be less than the Rates set out in the Master Agreement.

### ARTICLE 3 – REPRESENTATIVES FOR CUSTOMER-SUPPLIER AGREEMENT

**3.1** The Supplier's representative for purposes of this CSA shall be:

- Augustin Milandu, Account Executive
- Email: [amilandu@compugen.com](mailto:amilandu@compugen.com)

- Phone: 1.800.387.5045

or

- **Sami Qureshi** | Account Associate – Public Sector
- Email: [squreshi@compugen.com](mailto:squreshi@compugen.com)
- Phone: 1.800.387.5045

**3.2** The Customer representative for purposes of this CSA shall be:

- **Jeremy Hughes**
- *Information Technology Manager*
- Email: [jhughes@fortfrances.ca](mailto:jhughes@fortfrances.ca)
- Telephone: [\(807\) 274 5323 x 1219](tel:(807)2745323x1219)
- Mobile: [\(807\) 271 2409](tel:(807)2712409)
- Fax: [\(807\) 274 8479](tel:(807)2748479)

**3.3** The OECM representative for purposes of this CSA shall be:

- Customer Relationship Management
- Email: [Customersupport@oecm.ca](mailto:Customersupport@oecm.ca)
- Phone: 1-844-OECM-900 (1-844-632-6900)

#### ARTICLE 4 – CSA TERM

**4.1** This CSA is effective as of the CSA Effective Date, and will, unless terminated earlier in accordance with the provisions of the Master Agreement or this CSA, terminate on the same day that the Master Agreement terminates (the “**Term**”). If the Term of the Master Agreement is extended, then the CSA Term shall automatically be extended for the same period and upon the same terms and conditions as the Master Agreement is extended.

#### ARTICLE 5 – RESOURCES, RATES AND PAYMENT PROCESS

- 5.1** The Supplier agrees to provide the Resources to the Customer as described in the Master Agreement and as more particularly specified in Schedule 2 Appendix A – Resources and Supplementary Provisions to this CSA in accordance with the Rates set out in Schedule 1 of the Master Agreement.
- 5.2** The Supplier shall adhere to the time lines set out in Schedule 2 Appendix A – Resources and Supplementary Provisions to this CSA.
- 5.3** The Customer hereby consents to the use by the Supplier of the Supplier’s Subcontractors and personnel (if any) named in Schedule 2 Appendix A – Resources and Supplementary Provisions to this CSA.
- 5.4** The Customer may request changes to the particular CSA, which may include altering, adding to, or deleting any of the Resources in order to reflect an increase or decrease in the kind, amount, or frequency of Resources to be rendered. The Supplier shall comply with all reasonable Customer change requests and the performance of such request shall be in accordance with the terms and conditions of the Master Agreement and CSA, including the Rates for such Resources set out in the Master Agreement. Any changes requested must be authorized in writing by the Customer and accepted by the Supplier in writing in accordance with Article 12.3 of this CSA.

#### ARTICLE 6 – RATES AND PAYMENT

- 6.1** The Customer shall pay the Supplier in accordance with the Rates set out in the Master Agreement. For convenience, the applicable Rates are set out in Schedule 2 Appendix B – Rates of this CSA.
- 6.2** The Customer will pay the Supplier by way of **Purchasing Cards, cheque, electronic funds transfer**. The CSA payment terms are net thirty (30) days.
- 6.3** The Supplier shall bill the Customer for Resources in accordance with Article 4 of the Master Agreement, unless otherwise set out in Schedule 2 Appendix B – Rates to this CSA or in Article 6.1 above.

#### ARTICLE 7 – INSURANCE

**7.1** The Supplier shall furnish a Certificate of Insurance to the Customer in accordance with the insurance requirements set out in Article 7 of the Master Agreement prior to commencing performance under the CSA.

- 7.2** The Supplier shall ensure that the Customer is named as an additional insured party under the Supplier's insurance policy put in effect and maintained pursuant to Article 7.03 of the Master Agreement.

## **ARTICLE 8 - NOTICES**

- 8.1** Notices shall be in writing and shall be delivered by email, postage-prepaid envelope, personal delivery or facsimile and shall be addressed to, respectively, the Customer address to the attention of the Customer Representative and to the Supplier address to the attention of the Supplier Representative. The parties may change such addresses by notice in writing delivered to the other in accordance with this paragraph.
- 8.2** Notices shall be deemed to have been given:
- (a) in the case of postage-prepaid envelope, five (5) Business Days after such notice is mailed; or,
  - (b) in the case of personal delivery or facsimile, or email, one (1) Business Day after such notice is sent in accordance with this paragraph.
- 8.3** In the event of a postal disruption, notices must be given by personal delivery or by facsimile or email, unless the parties expressly agree in writing to additional methods of notice. Notices may only be provided by the methods contemplated in this Article.

## **ARTICLE 9 –TERMINATION**

### **9.1 Termination by Either Party**

Either party may terminate this CSA upon prior written notice of one-hundred and twenty (120) days to the other where such other party neglects or fails to perform or observe any material term or obligation of the CSA and such failure has not been cured within thirty (30) days of written notice being provided.

### **9.2 Termination by Customer**

The Customer shall be entitled to terminate the CSA, without liability, cost or penalty:

- (a) on written notice to the Supplier, if any Proceeding in bankruptcy, receivership, liquidation or insolvency is commenced against the Supplier or its property;
- (b) on written notice to the Supplier, if the Supplier makes an assignment for the benefit of its creditors, becomes insolvent, commits an act of bankruptcy, ceases to carry on its business or affairs as a going concern, files a notice of intention or a proposal or seeks any arrangement or compromise with its creditors under any statute or otherwise;
- (c) on written notice to the Supplier, following the occurrence of any material change in the Customer's requirements which results from regulatory or funding changes or recommendations issued by any government or public regulatory body;
- (d) at any time, without cause, by giving the Supplier at least sixty (60) days written notice; or,
- (e) in accordance with any provision of the Master Agreement or the CSA which provides for termination.

### **9.3 Supplier's Obligations on Termination**

The Supplier shall, in addition to its other obligations under the Contract and at law:

- (a) provide the Customer with a report detailing (i) the current state of the provision of Resources by the Supplier at the date of termination; and, (ii) any other information requested by the Customer pertaining to the provision of the Resources and performance of the CSA;
- (b) execute such documentation as may be required by the Customer to give effect to the termination of the CSA; and,
- (c) comply with any instructions provided by the Customer, including but not limited to instructions for facilitating the transfer of the Supplier's obligation to another person.

### **9.4 Supplier's Payment Upon Termination**

A Customer shall only be responsible for the payment for the Resources supplied on or before the CSA Effective Date of any termination of the CSA and for any Customer-unique Resources in Supplier's inventory ordered at the specific request of the Customer (which such inventory shall be immediately delivered to the Customer). Termination shall not relieve the Supplier of its warranties and other responsibilities relating to the Resources performed or money paid prior to termination. In addition to its other rights of hold back or set off, the Customer may hold back payment or set off against any payments owed if the Supplier fails to comply with its obligations on termination.

#### **9.5 Termination in Addition to Other Rights**

The express rights of termination in the CSA are in addition to and shall in no way limit any rights or remedies of the Customer or the Supplier under the CSA, at law or in equity.

#### **9.6 Survival upon Termination**

In the event that OEMC terminates the Master Agreement with the Supplier prior to the expiry of this CSA but does not terminate this CSA at the same time, the terms of the Master Agreement shall survive and continue to apply to this CSA.

### **ARTICLE 10 – PUBLICITY**

- 10.1** Any publicity or publications related to this CSA or the provision of the Resources shall be at the sole discretion of the Customer. The Customer may, in its sole discretion, acknowledge the Resources of the Supplier in any such publicity or publication. The Supplier shall not make use of its association with the Customer without the prior written consent of the Customer.

### **ARTICLE 11 – LEGAL RELATIONSHIP BETWEEN CUSTOMER, SUPPLIER AND THIRD-PARTIES**

#### **11.1 Supplier's Power to Contract**

The Supplier represents and warrants that it has the full right and power and all necessary licences, authorizations and qualifications to enter into and perform its obligations under this CSA and that it is not a party to any agreement with another Person which would in any way interfere with the rights of the Customer under this Contract.

#### **11.2 Representatives May Bind the Parties**

The parties represent that their respective signatories have the authority to legally bind them.

#### **11.3 Independent Contractor**

This CSA is for a particular and non-exclusive service. The Supplier shall have no power or authority to bind the Customer or to assume or create any obligation or responsibility, express or implied, on the Customer's behalf, or to hold itself out as an agent, employee or partner of the Customer. Nothing in the CSA shall have the effect of creating an employment, partnership or relationship between the Customer and the Supplier. For the purposes of this paragraph, the Supplier includes any of its directors, officers, employees, agents, partners, affiliates, volunteers or the Supplier's Subcontractors.

#### **11.4 Subcontracting or Assignment**

The Supplier may subcontract or assign this CSA in whole or any part to any corporation or other business entity that is controlled by or is under common control of the Supplier. Control exists when an entity owns or controls directly or indirectly the outstanding equity representing the right to vote for the election of directors or other managing authority of another entity. If this CSA is subcontracted or assigned to such a corporation or business entity, the Supplier shall remain jointly and severally liable with such corporation or business entity for all obligations hereunder.

The Supplier shall not subcontract or assign the whole or any part of the CSA or any monies due under it, other than as outlined above without the prior written consent of the Customer, not to be unreasonably withheld. Such consent shall be in the sole discretion of the Customer and subject to the terms and conditions that may be imposed by the Customer. Without limiting the generality of the conditions which the Customer may require prior to consenting to the Supplier's use of a Supplier's Subcontractor, every contract entered into by the Supplier with a Supplier's Subcontractor shall adopt all of the terms and conditions of the Master Agreement and the CSA as far as applicable to those parts of the Resources provided

by the Supplier's Subcontractor. Nothing contained in the Master Agreement or the CSA shall create a contractual relationship between any Supplier Subcontractor or its employees and the Customer.

## **ARTICLE 12 – GENERAL**

### **12.1 Severability**

If any term or condition of the CSA, or the application thereof to the parties or to any Persons or circumstances, is to any extent invalid or unenforceable, the remainder of the CSA, and the application of such term or condition to the parties, Persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby.

### **12.2 Force Majeure**

Neither party shall be liable for damages caused by delay or failure to perform its obligations under the CSA where such delay or failure is caused by a Force Majeure Event beyond its reasonable control. The parties agree that an event shall not be considered beyond one's reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in the CSA would have put in place contingency plans to either materially mitigate or negate the effects of such event. Without limiting the generality of the foregoing, the parties agree that Force Majeure Events shall include without limitation any cause beyond the reasonable control of either party including, without limitation, fire, explosion, power failure, acts of God, pandemics, epidemics, quarantines or civil disturbances caused by severe medical emergencies or diseases, government declared emergencies, military actions or actions of public enemies, any act or omission under any law, order, regulation, rule or requirement of any court, governmental or public authority or legal body having jurisdiction, labour action (such as strikes, slowdowns, picketing or boycotts), natural disasters and acts of war, insurrection and terrorism and labour disruptions but shall not include shortages or delays relating to supplies or services. In no event shall lack of money, insolvency, any act of bankruptcy or any act or omission of a party be a Force Majeure Event. If a party seeks to excuse itself from its obligations under this CSA due to a Force Majeure Event, that party shall immediately notify the other party of the delay or non-performance, the reason for such delay or non-performance and the anticipated period of delay or non-performance. If the anticipated or actual delay or non-performance exceeds fifteen (15) Business Days, the other party may immediately terminate the CSA by giving notice of termination and such termination shall be in addition to the other rights and remedies of the terminating party under the CSA, at law or in equity.

### **12.3 Changes By Written Amendment Only**

Any changes to the CSA shall be by written amendment signed by both parties. No changes shall be effective or shall be carried out in the absence of such an amendment.

### **12.4 *Section 217 Education Act et. Al.***

The Supplier represents and warrants that it has not employed, and that it will not during the CSA Term employ, any teacher, supervisory officer or other employee of an Ontario district school board or of the Ontario Ministry of Education to promote, offer for sale or sell, directly or indirectly, any book or other teaching or learning materials, equipment, furniture, stationery or other article to any Ontario district school board, provincial school or teachers' college, or to any pupil enrolled therein, and that it has not given or paid, and will not during the CSA Term give or pay, directly or indirectly, compensation to any such teacher, supervisory officer or employee for such purpose.

The Supplier further represents and warrants that it has not employed, and that it will not during the CSA Term employ, any member of faculty or other employee of an Ontario college or university to promote, offer for sale or sell, directly or indirectly, any book or other teaching or learning materials, equipment, furniture, stationery or other article to any Ontario college or university, or to any student enrolled therein, and that it has not given or paid, and will not during the CSA Term give or pay, directly or indirectly, compensation to any such member of faculty or employee for such purpose where such employment or compensation would place the member of faculty or employee in a Conflict of Interest with the college or university by which he or she is employed.

### **12.5 Criminal Records Check**

The Supplier covenants and agrees that it will not engage any employee or other person to perform services for the Supplier who may come into direct contact with students and/or other vulnerable person on a regular basis, or who may have access to student and/or other vulnerable person's information to provide services hereunder, where such Supplier's employee or other person has been charged with or convicted of an offence the nature of which may be construed as jeopardizing the safety and well-being of the students and/or other

vulnerable person of the Customer. For the purposes of this CSA, the Customer shall determine in its sole and unfettered discretion whether an employee of the Supplier or such other person may come into direct contact with students and/or other vulnerable persons on a regular basis or have access to student and/or other vulnerable person's information and whether or not any such offence is of a nature which may be construed as jeopardizing the safety and well-being of students and/or other vulnerable persons.

The Supplier covenants and agrees to retain on file at its head office a criminal background check covering convictions, charges and occurrences under the Criminal Code, the *Controlled Drugs and Substances Act*, the *Cannabis Act* (Canada) and any other convictions, charges and occurrences which would be revealed by:

- (a) the criminal record and judicial matters check of the automated Criminal Records Retrieval System maintained by the Royal Canadian Mounted Police ("RCMP System"); and,
- (b) a vulnerable sector check of the RCMP System

for every employee of the Supplier or other person who will perform services for the Supplier who may come into direct contact with students and/or other vulnerable persons on a regular basis or who may have access to student and/or other vulnerable person's information. A "Criminal Background Check"), together with an Offence Declaration, in a Customer approved form, prior to the occurrence of such possible direct contact or prior to having access to student and/or other vulnerable person's information and on or before September 1<sup>st</sup> each year thereafter with respect to Offence Declarations.

The Supplier agrees to indemnify and save harmless the Customer from all claims, liabilities, expenses and penalties to which it may be subjected on account of: the Supplier engaging an employee or other person to perform services in contravention of this paragraph 12.5; or the Supplier's failure to retain a Criminal Background Check or an Offence Declaration on file, as aforesaid. This indemnity shall survive the expiration or sooner termination of this CSA. In addition to and notwithstanding anything else herein contained, if the Supplier engages an employee or other person to perform services in contravention of this paragraph 12.5, or fails to retain a Criminal Background Check and an Offence Declaration for any employee of the Supplier or other person who performs services for the Supplier who may come into direct contact with students and/or other vulnerable persons on a regular basis, or who may otherwise have access to student and/or other vulnerable person's information prior to the occurrence of such possible direct contact, or prior to having access to student and/or other vulnerable person's information with respect to Offence Declarations, then the Customer will have the right to immediately terminate this CSA without prejudice to any other rights which it may have in this CSA, at law or in equity.

The Customer shall be entitled, on forty-eight (48) hours prior written notice to attend at the head office of the Supplier for the purposes of reviewing the Criminal Background Checks and Offence Declarations. The parties acknowledge and agree that it is contemplated that the Customer may attend to such reviews at least twice per year during the CSA Term, and any renewal thereof.

In the event that either the Criminal Background Check or an Offence Declaration reveals a charge or a criminal conviction which is not acceptable to the Customer in the circumstances and in its sole and unfettered discretion, then the Customer will have the right to request that the Supplier prohibit the employee of the Supplier or other person who performs services for the Supplier from providing services to the Customer hereunder. Upon such request, the Supplier will forthwith effect such removal, without prejudice to any other rights which the Customer may have in this CSA, at law or in equity.

The Supplier will use a third party to conduct criminal reference checks for onsite employees or contractors supporting this CSA and will cause any such employee or contractor to wear identification badges.

The Supplier will provide thirty (30) days written notice to OECM and the Customer should the third-party provider be changed to another provider.

## **12.6 Purchasing Policies and Guidelines**

The Supplier agrees to comply with the Customer's purchasing or administrative policies and guidelines which apply to the provision of Resources under this CSA. Copies of the applicable policies and guidelines are attached as Schedule 2 Appendix C – Customer's Policies and Guidelines to this CSA.

## **12.7 Harassment and Assault**

Without limiting the generality of the foregoing, the Supplier is required to comply with the Customer's policies with respect to sexual harassment, workplace harassment, workplace violence, prohibited

discrimination and harassment, and health and safety. The Supplier must cooperate with the Customer in any investigation undertaken by the Customer pursuant to such policies.

**IN WITNESS WHEREOF** the parties hereto have executed this Customer-Supplier Agreement as of the date first above written.

**Town of Fort Frances**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

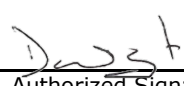
\_\_\_\_\_  
Contact Email

\_\_\_\_\_  
Contact Phone

\_\_\_\_\_  
Date

I have authority to bind the Customer. By signing this Customer-Supplier Agreement, I also consent to receive email communications from OEMC, which may include announcements related to changes in Resources, services and pricing on this and other OEMC Master Agreements.

**COMPUGEN INC.**

  
\_\_\_\_\_  
Authorized Signature

David Austin

\_\_\_\_\_  
Name

CFO

\_\_\_\_\_  
Title

November 20, 2020

\_\_\_\_\_  
Date

I have authority to bind the Supplier

## SCHEDULE 2 APPENDIX A – RESOURCES AND SUPPLEMENTARY PROVISIONS

The Supplier and Customer, when executing a CSA, may mutually agree to additional terms and conditions (e.g. Customer's business hours, locations, insurance coverage/requirements, reporting, invoice formatting, security clearance checks, etc.). Additionally, Customers will work with the Supplier to finalize the list of specific Resources and Rates based on the Customers requirements.

### 1. Networking Resources

The Supplier will provide appropriate licensed network physical (hardware), virtual (software-based system that performs the function of a physical Resources) and software.

All proposed Resources must be newly manufactured.

The Supplier shall maintain the Authorized Reseller status for HPE Aruba and Palo Alto throughout the Term.

The Supplier will provide Resources from the following OEM's as per the table below:

No.	Resource Description	HPE Aruba	Palo Alto
1.1	Access Point Resources	✓	
1.2	Router Resources	✓	
1.3	Switch Resources	✓	
1.4	Security Resources	✓	✓
1.5	Hybrid Networking Resources	✓	✓
1.6	Wireless LAN Controller Resources	✓	
1.7	Additional OEM Resources managed through the multi-functional networking Resources	✓	

The following are out of scope of this Master Agreement:

- (a) Application security;
- (b) Cloud hosting/security;
- (c) Non-networking Resources and/or services (e.g. smart phones devices); and,
- (d) Security training (for e.g. training for security as a practice, such as a Certified Information Systems Security Professional ("CISSP") certification, however training for security Resources as specified in Section 1.4 will be in scope).

#### 1.1. Access Points Resources

Physical and, where available, virtual access points Resources that support 802.11a/b/g/n/ac Wave 2 wireless standards and 802.11ax.

#### 1.2. Router Resources

Physical and virtual router Resources including, but not limited to:

- (a) Branch
- (b) Core; and,
- (c) Edge.

#### 1.3. Switch Resources

Physical and, where available, virtual switch Resources including, but not limited to:

- (a) Modular/expandable and fixed switches;



- (b) Power over Ethernet ("PoE"), PoE Plus ("PoE+") and non-PoE;
- (c) Varying number of ports (e.g. four (4) to forty-eight (48)); and,
- (d) Varying speeds (e.g. Fast Ethernet (10/100 Mbps), Gigabit Ethernet (10/100/1000 Mbps), Ten Gigabit (10/100/1000/10000 Mbps), and 40/100 Gbps speeds);

The switch Resources should be compliant with current established open internet standards.

#### **1.4. Security Resources**

Physical and virtual security Resources, including, but not limited to:

- (a) Application-level gateway (proxy firewall);
- (b) Circuit-level gateway;
- (c) Next-generation firewall;
- (d) Packet filtering firewall;
- (e) Reverse proxy server;
- (f) Stateful inspection firewall; and,
- (g) Unified threat management Resources.

#### **1.5. Hybrid Networking Resources**

Physical and virtual Resources with two (2) or more combined functionalities that are typically provided by single function networking Resources (e.g. SD-WAN, security and routing functionality within one (1) hybrid networking Resources).

#### **1.6. Wireless LAN Controller Resources**

Physical and virtual wireless Local Area Network ("LAN") controller Resources.

#### **1.7. Additional Resources**

The Supplier will make available to Customers all Resources from awarded OEMs, that are managed through the multi-functional networking Resources.

#### **1.8. License Subscriptions for Resources**

The Supplier will provide license subscriptions for Resources including, but not limited to:

- (a) Right to use ("RTU");
- (b) Firmware and/or software updates during the life of the Resources; and,
- (c) The Supplier will provide Customers the option for all license subscription for Resources to co-terminate regardless of when the Customer purchased the Resources. The Rate will be prorated appropriately.

### **2. Related Services for Physical Resources**

#### **2.1. Technical Support Services**

The Supplier will provide help desk support (technical support) to Customers for the Resources purchased Technical Support Services, such as:

- i. Access to Resource technical assistance 24/7 via a toll-free telephone number, either through its own help desk or through the OEM help desk;
- ii. Troubleshooting process; and,
- iii. Issue tickets and transfer the Customer's request to the OEM help desk.

Technical online self-help Support with access to self-service materials in a variety of formats (e.g. online manuals, FAQs, forums and instructional videos) that allow the Customer to identify problems and potential solutions; and,

(a) The Supplier's levels of technical support capability are as listed below:

- i. Level 1 – initiates first level troubleshooting. Over 90% of tickets are resolved at this level. If deeper troubleshooting is required, escalates the ticket to Level 2
  - Bilingual support generalists;
  - Specializing in "Off the Shelf" application and hardware support;
  - Resolving complex technical issues;
  - Identify Trends;
  - Incidents/Request via phone, email, portal, voicemail;
  - Coverage through three support centers nationally; and,
  - 24 X 7 X 365 Support.
- ii. Level 2 - subject matter experts take over the ticket and work directly with the Customer to resolve complex technical issues. Escalation to category subject matter expert ("SME"), Level 3 if required
  - Bilingual SMEs;
  - Deeper level troubleshooting;
  - Resolving complex technical escalations;
  - Remote Support Tools to diagnose and resolve issues virtually;
  - Resolution of complex issues that cannot be resolved at level 1; and,
  - Over 10 years collective Managed Services Experience.
- iii. Level 3-Operations category SME takes over the ticket directly from Level 2. Works as the category SME (Network, Storage, Telecom, etc.) or OEM until issue is resolved.
  - Defined incident escalation process; and,
  - Leadership and executive engagement as required.

(b) With complex networking and security Resources, rather than offering self-help tools the Supplier will work with OEMs and Customers to ensure that correct level of support is provided to meet Customer's business requirements and following augmentation will be provided as required by the Customer:

- i. Access to OEM diagnostic tools when available;
- ii. Access to Supplier's integrated knowledge base to provide quick fixes on common issues;
- iii. Review of service reporting to proactively address issues and trends;
- iv. Remote control tools to remote diagnostic and issue repair; and,
- v. Regular reviews to drive continuous improvement in service delivery and overall Customer satisfaction.

## **2.2. Standard OEM Warranty**

The Supplier will provide the standard OEM warranty for all Resources provided and manage OEM warranty coverage upon Resources delivery to the Customer, including, but not limited to:

- (a) Registration of Customer Resources;
- (b) Facilitation of Resources repair including parts as needed, labour, and shipping to and from the Customer's location as applicable; and,
- (c) Next Business Day replacement of defective Resources.

At a minimum, the Supplier is responsible for initiating and/or acting as a liaison with the OEM on behalf of the Customer on a warranty claim, upon request.

- (a) Palo Alto provides support options and 24/7 availability, along with many support centers and parts-replacement depots. Customers will receive a range of support and maintenance options to choose from to meet their needs.
- (b) HPE Aruba care service is composed of hardware and software services. For hardware Resources the service includes remote diagnosis and support, as well as on-site hardware repair if required to resolve an issue.

Customers will have option to choose the appropriate service level from the OEM in order to meet their business needs. This will ensure that warranty claims and service support calls are responded to in a timely matter. The service and support timelines associated with each OEM will range from four hours, same day, or the next business day depending on the priority level of the outage.

### **2.3. Repeat Call Resolution**

During any warranty period where a Resource has been repaired three (3) times and requires a fourth repair, the Supplier will replace the Resources with a new Resources of the same or better quality within a maximum period of fifteen (15) Business Days at no additional cost to the Customer.

If a Resource experiences repeated failure, the OEM will take extra measures and initiate an Assurance Program to correct the problem. Along with the internal processes that exist to deal with repeatable Resource failures, Customers will also have the option to choose support options from specific OEMs that deliver proactive services that would allow Customers to receive incident reporting intended to help identify problem trends and prevent repeat problems.

### **2.4. Extended Warranty Coverage**

The Supplier will, if requested by the Customer, provide extended warranty Resources offered by the OEM of the Resource or an Authorized Service Provider, at the time of purchase or on/before the expiry of the standard OEM Resources warranty. The terms and conditions of the optional extended warranty Services should be equal to or better than the standard OEM warranty at a Rate this is mutually agreed upon between the Customer and the Supplier.

### **2.5. Onsite Support Resources**

The Supplier will provide the Customer with onsite support Resources for the resolution of issues that cannot be resolved through remote diagnostics and repair.

### **2.6. Preventative Maintenance Resources**

The Supplier will provide preventative maintenance Resources offered by the OEM of the Resource or an Authorized Service Provider, if required by the Customer, at a Rate mutually agreed upon by the Customer and Supplier.

## **3. Related Resources**

### **3.1. Proactive Diagnostics Resources**

The Supplier should provide the Customer, if requested, with the option for a proactive diagnostic program offered by the OEM of the Resources or an Authorized Service Provider that includes real-time alerts for any existing and/or potential Resources failures and recommended steps for resolution, at a Rate this is mutually agreed upon between the Customer and the Supplier.

### **3.2. Block Resource Hours**

The Supplier will provide the Customer with the ability to purchase blocks of Resource hours as required. Block Resource hours will be valid for a minimum of twelve (12) months from the date of purchase.

The Supplier will provide the Customer with reporting that details how many of the block Resource hours have been used, the Resource provided and the date the hours were used.

### **3.3. Professional Resources**

The Supplier will provide personnel to complete professional Resources including but not limited to,

- (a) Network administrator – junior;

- (b) Network administrator – senior;
- (c) Network architect – junior;
- (d) Network architect – senior;
- (e) Penetration tester – junior;
- (f) Penetration tester – senior;
- (g) Project manager – junior;
- (h) Project manager – senior;
- (i) Security analyst – junior;
- (j) Security analyst – senior;
- (k) Security architect – junior; and,
- (l) Security architect – senior.

Certification, skills, experience, and Rate for the personnel are to be mutually agreed upon between the Customer and the Supplier. No work will begin by the Supplier's personnel without the Customer's written approval.

### **3.3.1. Network Design and Planning Resources**

Upon Customer request, network design and planning Resources will include at a minimum:

- (a) Network architecture;
- (b) Network expansion;
- (c) Network migration;
- (d) Network performance management;
- (e) Network realization;
- (f) Network-synthesis;
- (g) The Resources selection and placement; and,
- (h) Topological design.

### **3.3.2. Installation and Implementation Resources**

Upon Customer request, installation and implementation Resources will include at a minimum:

- (a) Configuration Resources, before or after delivery of the Resources, as requested;
- (b) Fully enable the Resources within the Customer's environment with the inclusion of broadband connection;
- (c) The Resources rollout;
- (d) Testing Resources during and/or after implementation; and,
- (e) Training Resources and knowledge transfer to Customer.

Supplier's deployment process covers the following aspects of deployment as detailed below:

- (a) A detailed Statement of Work will be developed to outline all aspects of the installation activities as required by the Customer, which will include;

- i. Detailed process documentation;
  - ii. A process record for every unit - Installation Checklist;
  - iii. Progress reporting against scheduled targets; and,
  - iv. Monitoring of key indicators for ongoing process improvement.
- (b) Resources will be received and inspected at Supplier's engineering facility;
- (c) Supplier's project control office will be engaged (if required);
- (d) Required items (switches, routers, firewalls etc.) will be configured as per the Customer's specifications;
- (e) Once complete, Supplier's project control office will coordinate delivery and physical access of the Resources to be deployed;
- (f) Resources will be assembled and securely packaged for shipment and installation;
- (g) Supplier's installation process will include:
  - i. Reviewing schedules and developing a project plan to achieve objectives;
  - ii. Producing a detailed schedule with tasks and milestones;
  - iii. Scheduling installation dates and communicating to the Customer;
  - iv. Developing a detailed installation procedure;
  - v. Assigning installation tasks and start work assignments;
  - vi. Reviewing the installation checklist (for each individual system) as assigned;
  - vii. Coordinating all equipment requirements and arriving at the Customer site at the appointed time;
  - viii. Removing and replacing old unit (record asset information, if the original asset is part of Supplier's warranty database and the replacement device is purchased from or provided by the Supplier, the Supplier will update the asset information with the replacement device information as required);
  - ix. Performing functional testing;
  - x. Performing network logon to domain;
  - xi. Verifying existence of network shares and drive mappings;
  - xii. Client sign off;
  - xiii. Submitting completed paperwork to project manager; and,
  - xiv. Producing Reporting.

Any functional test failure of the installed system will be escalated and resolved before the installation is considered complete. If repair is not feasible, a replacement unit will be installed and tested at no additional cost to the Customer under the terms of the OEM warranty.

### **3.3.3. Training Resources**

Upon Customer request, training Resources at no additional cost will include at a minimum:

- (a) Implementation training;

- (b) The Resource training;
- (c) Related software training; and/or,
- (d) Other related training, as requested.

The Supplier may provide the training Resources in person and/or remotely via internet with supporting materials and/or videos.

#### **4. Order Management**

The Supplier will provide a variety of ways for Customers to order Resources, including but not limited to the following:

- (a) Via purchase order through the Customer's system;
- (b) Electronic Data Interchange ("EDI");
- (c) Email;
- (d) Fax;
- (e) Toll free phone; and/or,
- (f) Supplier's online ordering process.

Where applicable, Customers may need to perform integration testing on the Supplier's online ordering system to ensure it is compatible with the Customers' systems, policies and procedures.

Supplier's secure and reliable online managed platform is called 'eMerge'. eMerge is offered as free value-added toolset. Integration into a Customer's system may result in additional costs depending on the scope and complexity of the requirements.

eMerge features includes:

- (a) Real time availability and pricing;
- (b) Order tracking and proof of delivery;
- (c) Integration to SciQuest, Ariba, SAP, Peoplesoft, Oracle, etc. Integrations can utilize a .cif catalogue format, EDI, cXML or Catalogue Punchouts;
- (d) Standards and bundling capability (in eMerge a Customer can set up their user view to show their device standards for each user profile and then make only those items available for viewing. Bundling capability enables a Customer to create a single Stock Keeping Unit ("SKU") or view that includes everything needed for a user profile, for example a network bundle may include a switch, sensor and OEM extended warranty);
- (e) Technology specifications, images and comparisons;
- (f) End to end Workflow (to facilitate approvals);
- (g) Role-based security and privileges;
- (h) Generic user access and procurement from Customer intranet; and,
- (i) Full B2B integration including invoice processing

##### **4.1. Order Acknowledgement**

The Supplier will acknowledge the receipt of an order by Customer within four (4) business hours. The Supplier will include in this acknowledgement, any Resources ordered that cannot be fulfilled (e.g. back orders). The Customer, at its sole discretion may:

- (a) Cancel some or all of the order;
- (b) Ask the Supplier to ship only available Resources and cancel any backorders; and/or,

(c) Agree to an alternative delivery schedule based on anticipated Resources and Resources availability.

#### **4.2. Order Changes and/or Cancellation**

The Supplier will accept new orders, order changes and/or cancellation as may be required based on Customer's requirements, at no additional cost to the Customer. For Resources already shipped, or custom Resources, the Supplier will provide support for order change and cancellation policies and any specific expectations as agreed to by the Customer and the Supplier.

Supplier will allow for order changes on in stock items that have not been opened within 30 days for a full credit and refund.

#### **4.3. Online Order Tracking**

The Supplier will provide the Customer with access to an online order tracking system that allows the Customer to see detailed tracking, location and expected delivery time for each order.

Tracking, waybill and packing slip information is available via the Supplier's eMerge website or from the Supplier's inside sales representative ("ISR").

#### **4.4. Electronic Commerce**

Customers currently use a variety of ERP, e-Procurement or financial systems (e.g. PeopleSoft, Jaggaer (formerly SciQuest)) for processing orders and payments. To support these processes, the Supplier will provide reasonable technology and implementation support, at any time during the Term, at no additional cost to the Customer.

#### **4.5. Delivery**

All Resources will be Delivered Duty Paid ("DDP") to inside the door or the dock of the Customer's location as requested by the Customer and the title of the Resources will pass to the Customer upon receipt of the Resource at Customer's location.

The Supplier will deliver orders with correct Resources and quantities within the lead times as specified in Section 4.6.

The Resources will be packaged appropriately to ensure safe delivery. All deliveries must include a packing slip specifying the Customer's required information (e.g. name of the employee who placed the order, purchase order number, Resources and quantities ordered, OEM Resources code, Supplier catalogue code, Resources and quantities shipped, back ordered Resources and quantities, if any).

The Supplier will, if installing the Resources for the Customer, remove all packaging and recycling the packaging in an environmentally friendly manner.

Deliveries must be made by the Supplier's own transportation fleet or a reputable transportation company that allows for tracking of the shipments.

Special delivery options are available. Including special white glove (which are customized offering for Customers at a mutually agreed rate), expedited, air, overnight air etc. at an additional cost.

Prior to large orders, Supplier will assign a project coordinator to:

- (a) Detail delivery requirements;
- (b) Schedule/plan timed deliveries;
- (c) Contact sites in advance of the delivery to ensure the sites are ready to receive the equipment;
- (d) Resolve any irregularities in shipping; and,
- (e) Provide a report of the project.

#### **4.6. Delivery Lead Times**

The maximum lead time for delivery of any Resources is ten (10) Business Days from the date of order acknowledgement to Customer, unless otherwise agreed upon between Supplier and Customer.

#### **4.7. Back Orders**

Back orders should be confirmed at the time of the order acknowledgement with an estimated delivery date. Customers will have an option to cancel or keep the back orders at no additional cost.

#### **4.8. Demo Resources**

The Supplier will provide Resources and allow Customers to demo and/or test them at the Customer's location for up to ninety (90) days at no charge to the Customer (including no charge for delivery, installation, removal or return).

The quantity of demo Resources will be mutually agreed upon between the Customer and Supplier.

The Supplier may offer an additional discount-off the purchase price of the demo/tested Resources should the Customer decide to purchase

#### **4.9. Resource Substitution**

The Supplier will only substitute Resources with prior approval from Customer's designated personnel.

#### **4.10. Damaged or Defective Shipment**

The Customer may not accept the delivery of the Resources if they are:

- (a) Damaged (or the packaging is damaged);
- (b) Not delivered as agreed; or,
- (c) Substituted without prior approval of the Customer.

The Supplier will be responsible for all shipping costs related to the return and replacement of any damaged or defective Resources from the Customer's location. Customers will not be responsible for any additional costs, (e.g. re-stocking charges) due to damaged or defective Resources received.

Damaged or defective or DOA Resource should be returned to the Supplier within ten (10) to thirty (30) days depending on the Resource. The return conditions, which vary by OEM are included on the RMA documentation that is sent to the Customer upon receipt of a return request.

#### **4.11. Dead-on-Arrival Resources**

The Supplier will provide an exchange for any dead-on-arrival ("DOA") Resources that do not work when tested at the Customer's site.

The Supplier will deliver replacement Resources within ten (10) Business Days of notification by the Customer at no additional cost to the Customer.

The Customers must report DOA Resources directly to the Supplier's dedicated Inside Sales Representative ("ISR"). Upon notification of a DOA request the dedicated ISR will submit to the appropriate OEM manufacturer a Return Merchandise Authorization number ("RMA"). This RMA review process takes 24-48 hours. Upon approval by the OEM manufacturer, Supplier's ISR will forward a shipping label indicating the return destination address, contact person and shipping information. Customers will have to attach this label to the package being returned with all original packing material, cables, software and manuals.

During the return authorization process the Supplier's ISR will ship the replacement unit for the DOA request in an expedited fashion to the designated location so that downtime is minimized to the Customer.



#### **4.12. Returns**

The Supplier will accept all Resources returned by the Customer that were not used and were ordered incorrectly under the Master Agreement within thirty (30) days from delivery date, at no additional cost (e.g. restocking or shipping fee) to the Customer.

#### **4.13. Recalls**

The Supplier will ensure that Resources meet current safety standards and regulations and will advise OEM and Customers of any changes with regulatory agencies related to the Resources, which may impact the future availability of Resources, or Resources.

The Supplier will immediately report on recalled Resources to OEM and Customers advising applicable details (e.g. model number, serial number). Supplier will comply with the requirements of any Applicable Law in respect to recalled Resources and repair or replace the Resources at no additional cost to Customers.

- (a) Identify how many units are affected at the Customer's site, and provide a complete list by serial number and shipping location to determine where each unit is located; and,
- (b) Establish a formal action plan with Supplier's Customer service team who will work with the Customer to implement the fix, replace or repair, in the quickest possible time and while minimizing the impact to the Customer's business.

#### **4.14. Discontinued Resources**

The Supplier will not arbitrarily discontinue a Resources, unless it is deemed to be at an end-of-life cycle by the OEM. When discontinuing a Resources, the Supplier will provide a written notice to OEM and the affected Customer within ten (10) Business Days of receiving an official notice from the OEM.

Further, the Supplier will ensure that in the event a Resources becomes unavailable and a replacement is proposed, the replacement Resources will have equal or greater functional capabilities/specifications than those of the retiring Resources.

The Supplier's account management team will interface with OEM and Customers on a regular basis and will work proactively to communicate Resource announcements, future technology roadmap information and identify innovative ways to help achieve increased cost savings.

The assigned account executive and technical consultant will act as the main interface to provide support by delivering the following:

- a) Communicating industry short-term and long-term trends to help with future technology requirements and possible impact on implementation, transition, and migration;
- b) Providing Resource roadmaps and transitions. Typically performed on a quarterly basis, these roadmaps will let Customers know well in advance of technology refreshes that will be occurring as well as end of life dates on the various Resource lines and their successors;
- c) Co-ordinating technical evaluations, proof of concepts, and provide access to early evaluation Resources;
- d) Working in conjunction with Customers to determine best course of action for transitioning to new technology.

### **5. Invoicing**

Flexibility in invoicing processes is required. The Customer and Supplier can mutually agree to invoicing details when executing a Customer-Supplier Agreement ("CSA").

The Supplier will, for Customers using Jaggaer (formerly known as SciQuest), support cXML and/or portal invoicing functionality.

The invoices, in either paper or electronic format, as detailed in the Customer's CSA will be itemized and contain, at a minimum, the following information:

- (a) Customer name and location;

- (b) Shipped to the attention of;
- (c) Supplier contact information;
- (d) Customer purchase order number (if applicable) and order date;
- (e) OEM Resources code;
- (f) Supplier catalogue code;
- (g) Description of Resources provided;
- (h) Unit of measure and order quantity;
- (i) Rate per unit of measure; discount; discounted Rate and sub-total;
- (j) Invoice number and date; and,
- (k) HST and total cost.

#### **5.1. Payment Terms and Methods**

The Customer's common payment terms are net thirty (30) days.

The Supplier will accept payment from Customers by cheque, Purchasing Card, Visa Payables Automation (via ghost card) or Electronic Funds Transfer ("EFT") at no additional cost to the Customer.

Different payment terms may be agreed to when executing a CSA (e.g. 2%/10 early payment discount for Customers).

Note – Customer's payment terms will not be in effect until the Supplier provides an accurate invoice.

If the Resources being delivered require other Resources, i.e. installation or implementation, the invoice will be in effect at the completion of the Resource or as mutually agreed upon between the Customer and Supplier.

#### **5.2. Expenses or Additional Charges**

There shall be no expenses or other charges payable to the Supplier under the Contract other than the Rates established under the Contract. Applicable expenses incurred for travel, meals and/or accommodation, if any, to perform Services must be approved by the Customer in advance. Any such expenses must be charged in accordance with the Customer's travel policy, as may be amended from time to time. All such pre-approved expenses, where applicable, must be itemized separately on invoices. Customers shall not be responsible for expenses incurred by the Supplier and the Supplier's resource/personnel while travelling or otherwise, including, but not limited to:

- (a) Gratuities;
- (b) Laundry or dry cleaning;
- (c) Valet services;
- (d) Dependent care;
- (e) Home management;
- (f) Personal telephone calls; and,
- (g) Other hospitality and incidental expenses.

#### **5.3. Electronic Fund Transfer**

The Supplier will provide the Customer with the necessary banking information to enable EFT, at no additional cost to the Customer, for any related invoice payments including, but not limited to:

- (a) A void cheque;
- (b) Financial institution's name;
- (c) Financial institution's transit number;
- (d) Financial institution's account number; and,
- (e) Email address for notification purposes.

## **6. Support to Customers**

The Supplier will provide effective support to Customers including, but not limited to:

- (a) Providing a responsive account executive (with applicable back-up) assigned to the Customer to support their needs by providing day-to-day and ongoing administrative support, operational support and issue resolution;
- (b) Managing issue resolution in a timely manner;
- (c) Complying with agreed upon escalation processes to resolve outstanding issues;
- (d) Responding to Customer's inquiries (e.g. to day-to-day activities) within one (1) Business Day;
- (e) Ensuring minimal disruption to the Customer;
- (f) Providing easy access to the Supplier (e.g. online, toll free telephone number, email, voicemail, chat or fax);
- (g) Providing training/demonstrations, knowledge transfer, and no-charge educational events (e.g. webinars), if available;
- (h) Establishing an ongoing communications program with the Customer (e.g. new initiatives, innovation, sustainability);
- (i) Adhering to the Customer's confidentiality and privacy policies (e.g. related to student's private information);
- (j) Providing written notice to Customers on any scheduled shut down that would impact services (e.g. inventory count, relocation of warehouse, website maintenance);
- (k) Provide Customer reporting (e.g. block Service hours usage); and,
- (l) Attending meetings with Customers, as requested.

### **6.1. Transition**

The Supplier should provide Customers support on account setup at no additional cost, ensuring seamless transition towards utilizing the OEM Master Agreement Resources with minimal disruption.

### **6.2. Financial Incentive to Customers**

Where feasible, the Supplier should offer financial incentives to Customers to promote additional cost savings resulting from better operational efficiencies including, but not limited to:

- (a) Increased online ordering including electronic commerce;
- (b) Use of Purchasing Card for immediate payment ("P-Card");
- (c) Early payment discount for Customers;
- (d) Trade in of old equipment;
- (e) Higher volume purchase discounts; and,
- (f) Overall growth.

In consultation with OEM, the Customer may negotiate specific details related to one (1) or more financial incentive.

The financial incentives the Supplier and Customer agree to will be incorporated into the Customer-Supplier Agreement and reviewed and adjusted (e.g. annually) as required and reported to OEM as part of the sales reporting.

The financial incentive to Customers can be reviewed and adjusted annually as required.

## **7. Environmental Considerations**

OEM and its Customers are committed to reducing their carbon footprint. The Supplier should keep Customers informed about any environmentally friendly processes, new technologies and/or green initiatives. The Supplier should, in consultation with OEM, make any environmentally friendly processes, new technologies and/or green initiatives, related to Schedule 2 – Appendix A, available to Customers as required.

The Supplier:

- Is a member of the EPEAT Reseller Program and works with Clients to encourage inclusion of sustainability criteria in procurement decisions; leveraging preferred access to EPEAT data to help Clients make more environmentally sustainable procurement choices;
- Has developed Green4Good Program which helps organizations dispose of their IT assets in an environmentally responsible way and eliminate asset disposition costs. Rather than sending used IT assets to a landfill, this program ensures that end of life equipment is either resold or 100% recycled; and,
- Is able to provide secure, environmentally responsible reuse and recycling through partnerships with recyclers & through the Supplier's ISO 9001:2008 Quality Management System that ensures the Supplier's processes achieve their published objectives for security and sustainability.

## **8. Social Procurement**

OEM and its Customers are committed to social procurement. The Supplier should keep OEM and Customers informed about social procurement processes.

## **9. Disaster Recovery and Business Continuity**

The Supplier will possess and provide to OEM and/or Customers upon request, information about disaster recovery and business continuity programs including processes, policies, and procedures related to safety standards, preparing for recovery or continuation of Resources availability critical to Customers.

## **10. Licences, Right to Use and Approvals**

The Supplier will obtain all licences, right to use and approvals required in connection with the supply of the Resources and provide them at Customer and OEM request. The costs of obtaining such licences, right to use and approvals will be the responsibility of, and will be paid for by, the Supplier.

Where a Supplier is required by Applicable Law to hold or obtain any such licence, right to use and approval to carry on an activity contemplated in its Proposal or in the Master Agreement, neither acceptance of the Proposal nor execution of the Master Agreement by OEM will be considered an approval by OEM for the Supplier to carry on such activity without the requisite licence, right to use or approval.

## **11. Electrical Requirements**

The Supplier will ensure electrical Resources are energy efficient and authorized or approved by the Customer and in accordance with the Ontario Electrical Safety Code and with the Canadian Standards Association ("CSA Group") or Underwriters Laboratories of Canada ("ULC") and will bear the certification organization's mark identifying the goods certified for use in Canada. Certification will be to the standard that is appropriate for the intended use of the electrical equipment/Resources at Customer's facilities.

## SCHEDULE 2 APPENDIX B – RATES

[Insert applicable Rates or refer to Appendix B of the Master Agreement]

### Resource Rates

The three (3) type of Resource Rates applicable are as listed below:

- (a) Minimum percentage discount off MSRP Rates, per OEM, for Resources are firm Rates for the initial Term;
- (b) Minimum percentage discount off the Supplier's Canadian List price for Authorized Service Provider Rates are firm Rates for the initial Term; and,
- (c) Maximum hourly Rates for Resources are firm Rates for the first year of the Master Agreement.

The Supplier may, however, lower its Rates for specific Customer Resources without affecting the Rates in the Master Agreement.

The Supplier will invoice Customers at the lowest Rate if a Resource is offered on multiple OEM Master Agreements then currently in place with Supplier.

In extenuating circumstances, OEM may consider a Rate adjustment substantially effecting the provision of Resources resulting from new or changed municipal, provincial, or federal regulations, by-laws and fluctuations in foreign exchange rates as published by the Bank of Canada, tariffs, or ordinances. OEM may use a third-party index (e.g. Consumer Price Index ("CPI")) in its Rates review. Any such request from the Supplier must be accompanied by documentation deemed appropriate by OEM. The Supplier must submit documentation demonstrating the request effects the Resources in this Master Agreement. OEM will not consider any fixed costs or overhead adjustments in its review of the Supplier's documentation.

### Optional Second Stage Selection Process

The optional Second Stage Selection Process is managed by the Customer or by OEM on the Customer's behalf and is focused on the Customer's specific needs. Depending on the Customer's internal policies, and potential dollar value of the Resources a Customer may select a Supplier, or seek Rates and other relevant Resource information specific to a Customer's organization (e.g. by issuing a non-binding request via an Optional Second Stage tool (e.g. Request for Services ("RFS"), Quick Quote ("QQ"), or Customer's process (e.g. directly or via an online e.tendering platform) from the Supplier for their specific Resource requirements. If selected by the Customer, the Supplier will provide the Resources in accordance with the specifications stated in the Master Agreement and in the Customer's Customer-Supplier Agreement.

When an Optional Second Stage request is issued, which does not constitute a contract A, contract B situation, it will identify the required Resources, or it may request the Supplier to propose appropriate Resources to fulfill the Customer's requirements and any other applicable information. The Customer may negotiate their unique requirements with the Supplier and mutually agree to additional terms and conditions (e.g. reporting, Rates, payment terms) ensuring the additional terms and conditions are not in any way inconsistent with this Master Agreement.

The Supplier must respond to an Optional Second Stage Selection Process request and, at minimum, the response should set out the following:

- (a) Proposed Resources;
- (b) Timelines for Resources; and,
- (c) Final, net Rates (the Rates should be valid for a period of not less than ninety (90) days). Limited time offer Rates and/or promotional Rates must be specified by the Supplier, if applicable to the specific Optional Second Stage request.

Customers are not obligated to sign a Customer-Supplier Agreement to obtain specific Resources Rates. However, a Customer-Supplier Agreement must be signed before the provision of any Resource commences.

### Optional Rate Refresh

OEM's goal is to keep Rates as low as possible for Customers. However, the Supplier may request a Rate refresh according to the following type of Rates:

- (a) For minimum percentage discount off MSRP for Resources and minimum percentage discount off the Supplier's Canadian List price for Authorized Service Provider Rates, the Supplier will provide a written notice with supporting documentation at least one hundred and twenty (120) days prior to the expiry date of the initial Term. If a Rate refresh is not requested, for Resources, the Rates from the initial Term will remain in effect until the final expiry of the Master Agreement, including any extension period that is exercised; and,
- (b) For maximum hourly Rates for Resources the Supplier will provide a written notice with supporting documentation to OEMC at least one-hundred-and-twenty (120) days prior to the Master Agreements' anniversary date if requesting a Rate refresh. If a Rate refresh, for Resources, is not requested, the Rates shall remain in effect until the next anniversary of the Master Agreement.

As part of any review OEMC will consider Rate adjustments that reflect changes in operational adjustments due to new or changed municipal, provincial, or federal regulations, by-laws, substantial fluctuations in foreign exchange Rates as published by the Bank of Canada, tariffs, or ordinances. OEMC may use a third-party index (e.g. Consumer Price Index ("CPI") in its Rates review. Any such request from the Supplier must be (supported by the original equipment manufacturer ("OEM") and) accompanied by documentation deemed appropriate by OEMC. OEMC will not consider any fixed costs or overhead adjustments in its review.

A substantial exchange rate fluctuation between the Canadian dollar ("CAD") and the United States dollar ("USD") will be based on the following:

- (a) A baseline rate will be established by using the applicable six (6) month average USD-to-CAD exchange rate. For example, the six (6) month average for the period October 2019 – March 2020 was one-point-three-three-two-one-one-seven (1.332117);
- (b) Where the applicable six (6) month average USD-to-CAD exchange rate has a variance of a plus or a minus five percent (+/- 5%) or greater to the baseline rate, a downward or upward adjustment in Rates may be considered; and,
- (c) The applicable six (6) month average USD-to-CAD exchange rate used will be as published by the Bank of Canada.

Any such request from a Supplier to increase Rates due to substantial fluctuations in the USD-to-CAD exchange rate, at the times set out above, must be accompanied by sufficient supporting evidence, as determined by OEMC, which demonstrates that the fluctuation in the exchange rate had direct impact on the Rates of the Resource.

Volumes and Master Agreement management performance (i.e. Performance Management Scorecard and/or Supplier Recognition Program evaluation results) will be considered by OEMC when contemplating the approval or rejection of a Supplier's Rate refresh request.

If a proposed Rate refresh was agreed upon between OEMC and the Supplier, the new Rates would only be applicable to the Resources ordered after the effective date of the new Rates. The effective date of the Rate change must allow Customers a minimum of thirty (30) day prior notice. If, however, a proposed Rate increase is not accepted by OEMC the Master Agreement will be terminated within one-hundred and twenty (120) days unless the Supplier agrees to withdraw its request for a Rate increase and continue the provision of the Resources at the lower agreed upon Rates.

If a Rate refresh request is not requested by the Supplier, the Rates from the previous period will remain in effect.

Decreases to the maximum Rates and/or increases to the minimum percentage discount off Manufacturer's Suggested Retail Price ("MSRP") will be accepted at any time during the Term.

Based on the above, the Master Agreement will be amended, if needed.

### **Optional Process to Add other Resources**

The Supplier will provide written notice to OEMC of at least one hundred and twenty (120) days, prior to the addition of the Resources, if requesting a product and/or service refresh.

Additional Resource requests from the Supplier must be accompanied by appropriate documentation (e.g. Resource description, and rationale for the addition).

Volumes and Supplier's performance (i.e. Performance Management Scorecard and/or Supplier Recognition Program evaluation results) will be considered when contemplating adding Resources or new OEM to the Master Agreement. In the event the Supplier's performance is poor and/or unacceptable, OEMC may not agree to the Supplier's Resources refresh request. All other Resources will remain unchanged.

Rates, for newly added Resources, will be negotiated at the time ensuring Rate alignment with similar Resources currently available on the Master Agreement.

Based on above, the Master Agreement will be amended, if needed.

### **Savings**

OECM tracks, validates, and reports on savings on all of its agreements. Collaborative procurement processes generate various opportunities for savings including direct discounts and indirect savings (e.g. process improvement, lead time reduction, standardization, economies of scale, cost avoidance).

Upon Customer's approval to OECM, the Supplier will provide OECM with the Customers' historical spend (e.g. baseline information) prior to the Effective Date of this Master Agreement if applicable to facilitate savings calculations and develop analysis.

Supplier will calculate savings as a delta between the MSRP and actual sales price offered to the Customers.

### **No Minimum Volumes**

The Supplier will not be permitted to charge a minimum volume and/or dollar amount value for orders during the Term.

### **Pricing Audit and Management**

The Customer, OECM, or OECM on behalf of a Customer, may request Rate audits on Resources provided during the Term (including all Rates) of the Master Agreement. The Supplier will provide supporting documents as deemed acceptable by the Customer, OECM, or OECM on behalf of a Customer within thirty (30) calendar days from the date of the request. The supporting documents for pricing audits may include but are not limited to quotations and final invoices, as applicable.

## **SCHEDULE 2 APPENDIX C - CUSTOMER'S POLICIES AND GUIDELINES**

[Customers may wish to insert their purchasing policies and guidelines under the Customer-Supplier Agreement. For example, the Customer's Accessibility for Ontarians with Disabilities policy (e.g. including but not limited to – WCAG 2.0 Accessibility Standard for Information compliance for all online content, and accessibility training for all employed staff), environmental policy, diversity policies/practices, social procurement, travel expense management, insurance, *FAA* Section 28 information, etc.].



## **SCHEDULE 2 APPENDIX D - PERFORMANCE MANAGEMENT**

[Customers may insert their key performance indicators ("KPIs") applicable to the Supplier under the Customer-Supplier Agreement. For example, Customer satisfaction, lead times, invoice accuracy, etc.].

### **Penalties and Rewards**

[The Supplier will be responsible for all liquidated damages incurred by the Customers as a result of Supplier's failure to perform according to the Master Agreement and/or CSA. Additional penalties for failure to meet or rewards for exceeding the Master Agreement and/or CSA requirements may be mutually agreed upon between the Customer and the Supplier, at the time of CSA execution. Any penalty and/or reward will be reported to OEMC.]

## SCHEDULE 2 APPENDIX E – ESCALATION PROCESS AND CONTACT INFORMATION

[Supplier to insert the Contact Information of the identified escalation points for every Customer during the CSA signing, in the table below]

### Contact Information:

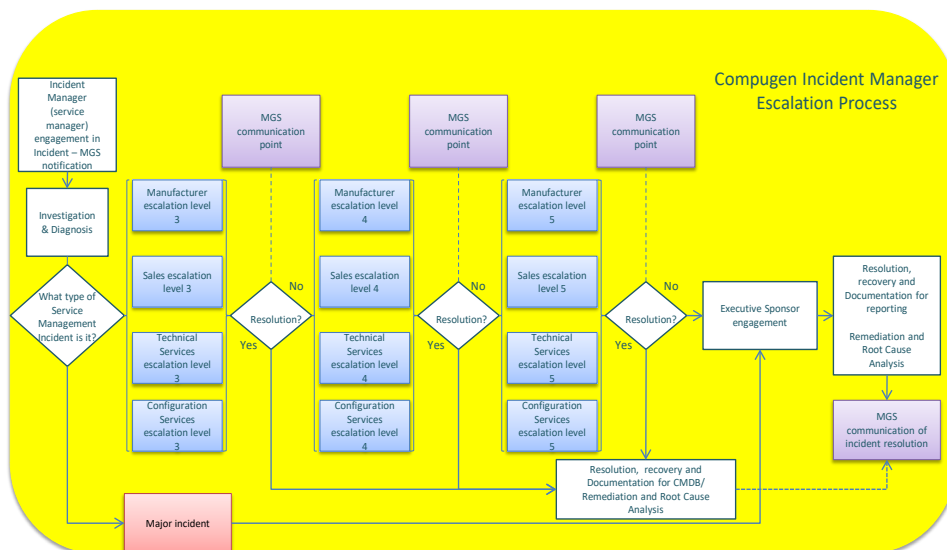
Department or Person of Contact	Service Hours	Email	Telephone

### Escalation Description:

Supplier already has well established incident and problem escalation processes in place to allow for the efficient and effective management and delivery of Customer service level agreements. All of Supplier's incident and escalation management processes that are in place were developed and designed on a proactive notification system, the ITIL framework and ISO standards. In combination, these processes are leveraged by various resources including the delivery manager and departments within Supplier's organization to facilitate, manage and escalate incidents. The delivery manager is responsible for administering / providing the following, but not limited to, services under this agreement:

- Resolution of any and all issues arising under the Agreement;
- Participation in meetings with (CUSTOMER NAME) representatives;
- Service Level management;
- Customer relationship management;
- Meeting logistical requirements for performance of the deliverables; and,
- Day to day communication with the Customer.

In order for the delivery manager to successfully deliver on the above responsibilities, it is imperative that structured incident and escalation processes are in place to support the day to day management and delivery of services including the handling of any escalations that may occur due to a service breach. Specific to escalations (brought to the attention of the account manager) the following describes and illustrates the established process the account manager will specifically follow when an incident/problem is brought to his/her attention:



The above escalation flow chart identifies the various steps a delivery manager would take in handling an escalation. This chart also illustrates the various levels of who he would interact with and the level of authority he has in moving an escalation all the way through to the executive sponsor (if required).

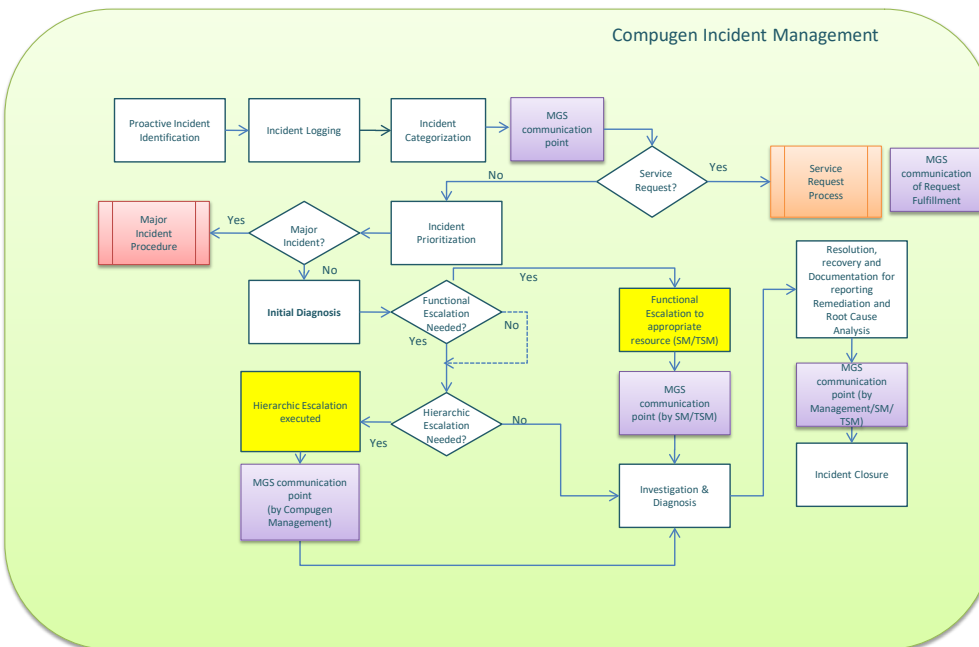
The first step performed by the service manager is to fully understand the incident and notify the Customer of the

escalation plan. It is at this point that the service manager moves the incident to the first level of escalation. In the event that the incident is not resolved at this point it continues through to the next levels of escalation until resolved. If an escalation has been brought to the attention of the service manager by the Customer, Supplier will communicate and provide updates to the Customer at every level of escalation (purple boxes in above flow chart). The Customer will be notified at every level of escalation on the status until closure.

An important piece to the above process flow chart is the ability for the delivery manager and the Supplier technical resources to escalate to and engage with the OEM (manufacturer or publisher) for technical support. Supplier holds certifications on many OEM's but often Customers procure upgrades OEM support directly, in these cases Supplier may troubleshoot the call or may direct the Customers call directly to the OEM for technical support, depending on the agreed upon support model for that Customer.

It is important to note, that the above described process is a component within Supplier's well-defined and structured incident management process highlighted in YELLOW in the below flow charts:

### Incident Management Process:



In addition to the processes described above, Supplier has developed and implemented a proprietary proactive notification system that automates alerts and escalations to the appropriate Supplier resources, including the account manager prior to an actual service breach or escalation. This process allows for proactive insight into the status of SLAs, the ability to monitor them closely and for the immediate automated notification to the account manager of a potential service level failure. This proactive notification helps minimize the number of incidents escalated since the account manager would be aware of the potential service failure before it actually occurs and have the ability to resolve the incident in advance.

This proprietary notification system is described in detail below:

### Supplier's Proactive Notification System

Supplier's service call management system proactively monitors the status of each outstanding request and incident but is also leveraged as an escalation medium for ensuring that proper resources are engaged in a timely manner as service levels approach a breach. Proactive notifications are sent to various resources or teams based upon the following predefined notification levels. Given that SLA's vary from Customer to Customer, the timelines below are expressed as a percentage of the overall service level agreement timeline.

- First Notification - resolution time at 50% of the Service Level Agreement (SLA)
- Second Notification - resolution time at 75% of the SLA
- Third Notification - resolution time at 100% of the SLA
- Fourth Notification - resolution time at 125% of the SLA
- Fifth Notification - if the issue is still outstanding or unresolved at 150% of the SLA

With these automated system generated notifications in place, all designated levels of service delivery at Supplier and senior management are notified and made accountable to resolve outstanding Customer service requests and incidents. Once an issue has been identified that has the potential to miss Supplier's commitment, an escalation procedure is initiated.

**For non-service-related escalations:** Supplier assigns an Account Manager who is responsible for leading the internal staff to support Customer needs by providing day-to-day and ongoing ordering, administrative, operational support and issue resolution.

Supplier's assigned account manager supporting the Customer will be the first point of contact for all escalation purposes. Supplier's account manager will provide each Customer with a detailed contact list, when executing the Customer-Supplier Agreement which includes:

- Service Delivery Manager
- Technical Support Manager
- Sales Director

[End of Customer-Supplier Agreement]