



The Corporation of the
Municipality of St.-Charles
AGENDA
Special Meeting of Council

November 27, 2024, 6:00 p.m.
Council Chambers (Municipal Office)
2 King Street East
St.-Charles, Ontario P0M 2W0

YouTube Link to Watch Live
www.youtube.com/@StCharlesCouncil

Pages

1. **MEETING CALLED TO ORDER & ROLL CALL**
 - 1.1 Resolution to Open the Meeting
Recommended Resolution
BE IT RESOLVED THAT Council for the Corporation of the Municipality of St.-Charles hereby opens the Special Meeting of Council at 6:00 p.m. on November 27, 2024.
 - 1.2 Indigenous Land Acknowledgement
2. **ADOPTION OF AGENDA**
 - 2.1 Resolution to Adopt the Agenda
Recommended Resolution
BE IT RESOLVED THAT the agenda for the Special Meeting of Council held November 27, 2024 be adopted as presented.
3. **DISCLOSURE OF PECUNIARY INTEREST**
4. **ANNOUNCEMENTS AND INQUIRIES BY MEMBERS OF THE GENERAL PUBLIC AND BY COUNCIL**
5. **NOTICE OF MOTIONS**
6. **STANDING COMMITTEE RECOMMENDATIONS / REPORTS - MOTIONS**
 - 6.1 **GENERAL GOVERNMENT COMMITTEE**
Chair Mayor Paul Branconnier / Council
 - 6.1.1 Report to Council - Service Ontario Contract 3
Prepared by: Tammy Godden, Clerk
7. **BY-LAWS**
 - 7.1 First and Second Reading 61
Recommended Resolution

BE IT RESOLVED THAT Council for the Corporation of the Municipality of St.- Charles hereby gives first and second reading to the following By-Law:

- **By-Law 2024-48 - Being a By-Law to Enter into an Amending Agreement No. 1 with His Majesty the King in Right of Ontario as represented by the Minister of Public and Business Service Delivery and Procurement (formerly the "Ministry of Government and Consumer Services" or "MGCS")**

7.2 Third and Final Reading

Recommended Resolution

BE IT RESOLVED THAT Council for the Corporation of the Municipality of St.-Charles hereby gives third reading to and finally passes By-Law 2024-48.

8. ADDENDUM (If Required and by Resolution)

9. CLOSED SESSION

10. RECONVENE TO OPEN SESSION

11. ADJOURNMENT

11.1 Resolution to Adjourn the Meeting

Recommended Resolution

BE IT RESOLVED THAT Council for the Corporation of the Municipality of St.-Charles hereby adjourns the Special Meeting of Council at **: ** p.m. on November 27, 2024.

Report to Municipal Council



| | |
|--|--|
| Meeting Date: November 27, 2024 | Report Date: November 25, 2024 |
| Reason Before Council: Policy Direction / Approval | Priority: Urgent |
| Department: General Government | Type of Meeting: Special Meeting |

Report Title: Service Ontario Contract

Recommended Resolution:

That Council review the Amending Agreement with Service Ontario and authorize the CAO and Clerk to execute the Agreement on behalf of the Municipality.

Analysis & Background:

In early 2023, shortly after a presentation to Council of the Service Delivery review by KPMG, the Chief Administrative Officer and Clerk began discussions with representatives from the Ministry of Public and Business Service Delivery (in short – Service Ontario) regarding the contracted services being offered through the Municipality. We were expressing concerns to the Ministry that under the current contract and service model, the Municipality was losing a considerable amount of money annually in offering Provincial Services to its residents and the residents of several surrounding municipalities.

During discussions with the Ministry representative, several options were discussed, but the option that was most favourable to all was keeping the office open and the services available without the Municipality and its ratepayers having to make up the loss. This solution would ultimately require the approval of the Minister.

On November 19, 2024, the Clerk finally received an Amending Agreement from Service Ontario. Under this agreement, we would be following a different service model, whereby the Municipality would be paid in full over the course of 12 months for all expenses relating to Service Ontario to a maximum of \$67,587.49.



Under the current service model, the Municipality receives commissions for transactions completed and a monthly stipend provided we maintained full-time hours of operation. Under the new model, the Municipality will receive a monthly payment of \$5,364.08. In the 11th month of the 12-month cycle, we will reconcile to ensure that all costs for the year are recovered.

The Ministry is wanting this new service model to take effect on December 1, 2024, which is why a Special Meeting was required.

Further we are requesting that the CAO and Clerk be authorized to sign the Agreement as it must be signed by individuals who have received security clearance from the Ministry.

Council should also be aware that with the new service model, there will be additional “back office” work coming to our Service Ontario counter employee. We are not exactly sure what work is coming as this will be starting sometime in the new year. However, with the introduction of new work, this will further restrict this employee’s ability to perform municipal duties.

Attachments:

- Proposed Amending Agreement No. 1
- Service Ontario – Issuing Services Agreement, effective December 21, 2015

Prepared By: Tammy Godden, Clerk

AMENDING AGREEMENT No. 1

This Amending Agreement No. 1 is effective as of December 1, 2024

BETWEEN:

HIS MAJESTY THE KING in right of Ontario
as represented by the Minister of Public and Business
Service Delivery and Procurement (formerly the “Ministry of
Government and Consumer Services” or (MGCS”)

(hereinafter “the Ministry”)

AND:

**THE CORPORATION OF THE MUNICIPALITY OF ST.
CHARLES**

(hereinafter the “Service Provider”)

This amending agreement amends the Issuing Services Agreement dated December 21, 2015, between the Ministry and the Service Provider for the provision of Issuing Services at the St. Charles’ office (the “Agreement”) as follows:

1. The Term of the Agreement is extended from December 1, 2024, to December 20, 2025.
2. Effective December 1, 2024, the schedule “Schedule 4 - Compensation” attached as Appendix “A” to this amending agreement is added to the Agreement.
3. Effective December 1, 2024, Section 10.01 of the Agreement is deleted in its entirety and replaced as follows:

10.01 Compensation for Issuing Services

For performance of the Issuing Services, the Service Provider shall receive compensation from the Ministry in the following manner:

(a) Monthly compensation in the amount set out in Schedule 4 or as may be determined in accordance with the provisions of Schedule 4 to cover the actual operational expenses the Service Provider has incurred to providing Issuing Services.

(b) Any other additional compensation identified by the Ministry and as set by the Ministry, in its sole discretion, from time to time,

all as articulated by the Ministry in the Instructions of the Ministry and the

Operational Directives, as applicable.

4. All other terms and conditions of the Agreement remain unchanged except where amendment is implied *mutatis mutandis* to give effect to this Amending Agreement.

The parties having agreed to the amendments contained herein have executed same on the date first above written.

**THE CORPORATION OF THE
MUNICIPALITY OF ST. CHARLES**

Per: _____

Name: _____

Position: _____

I have authority to bind the Municipality

**THE CORPORATION OF THE
MUNICIPALITY OF ST. CHARLES**

Per: _____

Name: _____

Position: _____

I have authority to bind the Municipality

**HIS MAJESTY THE KING
in right of Ontario as
represented by the Minister of Public
and Business Service Delivery and
Procurement**

Per: _____

Name: _____

Position: _____

Appendix A

SCHEDULE 4 – COMPENSATION

1) Defined Terms

In this Schedule the following words or expressions have the following meanings:

“Eligible Expenses” means expenses incurred directly related to the delivery of Issuing Services, including salaries, wages and benefits, and are limited to the following, unless agreed to by the Ministry in writing:

- Lease Costs
- Office Supplies
- Utilities
- Insurance
- Bookkeeping/Accounting Services
- ServiceOntario Marketing and Advertising
- Building Maintenance and Repair

For greater certainty, “Eligible Expenses” shall only include the portion of the costs that are directly attributable to the Service Providers’ delivery of Issuing Services, any costs that are shared among other services or programs provided by the Service Provider shall be excluded on a pro-rated basis.

“Monthly Payment” a payment for a monthly period to the Service Provider for Eligible Expenses that is either set out or calculated in accordance with this Schedule 3.

“Payment Term” a 12 month period of time beginning on December 1, 2024.

2) Monthly Payments

2.1 The Ministry will pay the Service Provider a Monthly Payment in the amount of **\$5364.08** for the initial Payment Term.

2.2 In the 11th month of the first and any subsequent Payment Term, the Service Provider shall provide the Ministry a report of actual Eligible Expenses for the first ten months of that term and a forecast of projected Eligible Expenses for the remaining two months of that Payment Term.

2.3 The Ministry will assess the report described in Section 2.2, to confirm the Service Provider’s compensation is being paid in a manner that reflects the actual operational expenses it has incurred to provide Issuing Services. If the Service Provider has underestimated or overestimated the actual Eligible Expenses incurred to provide

the Issuing Services, the Ministry shall adjust the remaining Monthly Payments in that Payment Term accordingly to account for the difference.

For greater certainty, in the event the Service Provider has underestimated the actual costs to provide the services under this Agreement, the Ministry shall adjust the remaining Monthly Payments in the Payment Term to account for the difference up to a maximum annual reimbursement of \$67,587.49.

2.4 At the conclusion of each Payment Term, the Service Provider shall provide the Ministry a forecast of projected Eligible Expenses for the subsequent Payment Term.

2.5 The Ministry will assess the forecast described in Section 2.4 and will adjust the Monthly Payment described in Section 2.1 for the applicable Payment Term to reflect that forecast. The maximum reimbursement for each Payment Term shall remain \$67,608.49 unless otherwise approved by the Ministry in writing.

2.6 In the 11th month of each Payment Term, the Service Provider shall provide the Ministry with a report of actual Eligible Expenses.

- i. In the event the Ministry determines that it has made an underpayment for the final two months of the term, the Ministry reimburse the Service Provider for the difference within 60 days of the conclusion of that 12-month period.
- ii. If at the conclusion of a Payment Term, the Ministry determines that it has made an overpayment for the final two months of the term, the Ministry will deduct the amount of the overpayment in the Monthly Payments to the Service Provider in the following 12-month term.
- iii. If at the termination or expiry of the Agreement, the Ministry determines that it has made an overpayment to the Service Provider during the final annual term, the Service Provider will reimburse to the Ministry the amount of the overpayment within 60 days of the termination or expiry of the Agreement.

2.7 The Ministry reserves the right to adjust or prorate the Monthly Compensation if the Service Provider does not provide Issuing Services for all or any part of a month during the term of the Agreement.

2.8 Notwithstanding anything else in the Agreement, the total amount payable by the Ministry to the Service Provider for Monthly Payments under the Agreement shall not exceed a maximum amount of up to \$67,587.49 unless otherwise approved by the Ministry in writing.

**ServiceOntario
ISSUING SERVICES AGREEMENT**

**BETWEEN: THE CORPORATION OF THE MUNICIPALITY OF
ST. CHARLES**

AND

**HER MAJESTY THE QUEEN
IN RIGHT OF ONTARIO as represented by the
MINISTER OF GOVERNMENT AND CONSUMER
SERVICES**

EFFECTIVE DATE: DECEMBER 21, 2015

ISSUING OFFICE LOCATION: ST. CHARLES

AGREEMENT INDEX

ARTICLE 1 – INTERPRETATION AND GENERAL PROVISIONS

- 1.01 Defined Terms
- 1.02 No Indemnities from Ontario
- 1.03 Entire Agreement
- 1.04 Schedules and Interpretive Value of Agreement Documents
- 1.05 Interpretive Value of Headings
- 1.06 Severability
- 1.07 Notices by Prescribed Means
- 1.08 Representatives May Bind the Parties
- 1.09 Condonation Not a Waiver
- 1.10 Changes by Written Amendment Only
- 1.11 Agreement Binding
- 1.12 Governing Law
- 1.13 Consent and Approvals

ARTICLE 2 – AUTHORIZATION BY MGCS

- 2.01 Authorization to Deliver Issuing Services
- 2.02 Volume of Work and Non-Exclusivity

ARTICLE 3 – NATURE OF BUSINESS RELATIONSHIP

- 3.01 No Partnership, Agency or Employment Relationship
- 3.02 Business Risk
- 3.03 Reliance by Ontario
- 3.04 Duty to Disclose Change in Control

ARTICLE 4 – PERFORMANCE BY SERVICE PROVIDER

- 4.01 Commencement of Issuing Services
- 4.02 Performance of Issuing Services
- 4.03 Customer Complaints
- 4.04 French Language Services
- 4.05 Accessibility Requirements
- 4.06 Standard Operating Hours
- 4.07 Unscheduled and Scheduled Temporary Closing
- 4.08 Conflict of Interest and Performance of Issuing Services
- 4.09 Payment of Taxes and Duties
- 4.10 Adherence to Service Standards

ARTICLE 5 – PREMISES

- 5.01 Establishment of Premises
- 5.02 Premises Operating Costs
- 5.03 Proof of Occupancy of Premises
- 5.04 Compliance with Standards
- 5.05 Maintenance and Repair
- 5.06 Relocation of Premises by Service Provider
- 5.07 Relocation of Premise by MGCS

ARTICLE 6 – OPERATIONAL DIRECTIVES

- 6.01 Ownership and Confidentiality of Operational Directives
- 6.02 Evolution of Operational Directives

ARTICLE 7 – EMPLOYEES AND KEY PERSONNEL

- 7.01 Service Provider Responsible for Employees
- 7.02 Report to Province
- 7.03 Designation of Key Personnel
- 7.04 Service Provider as Key Personnel
- 7.05 Substitution of Key Personnel

ARTICLE 8 – TRAINING AND OPERATING ASSISTANCE

- 8.01 Initial Training Programme
- 8.02 Ongoing Training
- 8.03 Service Provider Responsible for Expenses
- 8.04 Continuing Advice and Guidance
- 8.05 Service Provider Responsible for Training Employees

ARTICLE 9 – SERVICE PROVIDER'S COLLECTION OF PROVINCIAL REVENUE

- 9.01 Collection, Handling and Remittance to Ontario
- 9.02 All Revenue Held in Trust
- 9.03 Handling of Revenue
- 9.04 Protection of Revenue
- 9.05 Liability for Lost Revenue
- 9.06 Robbery or Theft
- 9.07 Interest on Late Payment
- 9.08 No Withholding on Revenue

ARTICLE 10 – COMPENSATION AND MGCS ASSISTANCE

- 10.01 Compensation for Issuing Services
- 10.02 Service Provider Compensation in Accordance with Agreement
- 10.03 Electronic Funds Transfer

ARTICLE 11 – MGCS EQUIPMENT AND MGCS STOCK

- 11.01 Provision of Equipment and Stock
- 11.02 Limited Use by Service Provider
- 11.03 Service Provider Responsible for Damaged Equipment or Lost Stock
- 11.04 Reduction, Re-location and Addition of Workstations

ARTICLE 12 – SECURITY

- 12.01 Security Procedures and Protocols
- 12.02 Service Provider to Report Security Breaches
- 12.03 Inspection by MGCS

ARTICLE 13 – CONTRACTOR SECURITY SCREENING

- 13.01 Security Clearance Checks
- 13.02 Cost for Security Clearance Checks
- 13.03 Service Provider to Obtain Security Clearance Checks
- 13.04 Notification of Changes
- 13.05 Default of Security Clearance Requirements

ARTICLE 14 – SIGNAGE AND ADVERTISING

- 14.01 Signage
- 14.02 Notice of Independent Contractor Relationship
- 14.03 Service Provider to Display MGCS Materials
- 14.04 Third-Party Advertising
- 14.05 Issuer Specific Advertising
- 14.06 Discontinuance of Advertising
- 14.07 Service Provider Participation in MGCS Promotional Programs
- 14.08 Limited Licence to Ontario Marks

ARTICLE 15 – OTHER PRODUCTS AND SERVICES

- 15.01 Service Provider Acknowledgment and Authorization
- 15.02 Value-Added Services
- 15.03 Off-Site Services
- 15.04 Ancillary Products and Services
- 15.05 Discontinuance of Other Products and Services
- 15.06 Addition to Products and Services by MGCS

ARTICLE 16 – OPERATIONAL FLEXIBILITY

- 16.01 Acknowledgment of MGCS
- 16.02 Modified Operation Hours
- 16.03 Co-Location of Private Service Ontario Centre with Other Business
- 16.04 Clarification on Co-Location

ARTICLE 17 – PRIVACY AND CONFIDENTIALITY

- 17.01 Ontario Records and Ontario's Privacy Legislation
- 17.02 Compliance with MGCS Instructions
- 17.03 Service Provider's Obligations for Ontario Records and Personal Information

- 17.04 Prohibition on Service Provider's Use of Personal Information
- 17.05 Service Provider's Obligations for Ontario Confidential Information, Ontario Records and Personal Information
- 17.06 Employee Access to Ontario Records and Personal Information
- 17.07 Compliance and Monitoring
- 17.08 Service Provider to Advise and Notify
- 17.09 Investigations and Appeals
- 17.10 Injunctive and Other Relief

ARTICLE 18 – ACCOUNTING AND FINANCIAL REPORTS

- 18.01 Service Provider to Maintain Financial Record-Keeping System
- 18.02 Storage and Retention of Financial Records
- 18.03 Request for Reports by Province
- 18.04 Payment Card Industry (PCI) Data Security Standard (DSS) Compliance

ARTICLE 19 – AUDIT

- 19.01 MGCS's Right to Inspect or Audit
- 19.02 Service Provider to Co-Operate with MGCS's Authorized Representatives
- 19.03 Audit of Service Provider's Use of Systems
- 19.04 Receipt of Audit Report and Corrective Action
- 19.05 No Restrictions or Limitations on Remedies

ARTICLE 20 – LIABILITY, INDEMNITY AND INSURANCE

- 20.01 Service Provider Indemnity
- 20.02 Service Provider's Insurance
- 20.03 Proof of Insurance
- 20.04 Proof of W.S.I.A. Coverage
- 20.05 Service Provider Participation in Proceedings

ARTICLE 21 – FORCE MAJEURE

- 21.01 Notice of Force Majeure
- 21.02 Reasonable Procedures to Remedy Force Majeure
- 21.03 Notice of Potential Disruption
- 21.04 Business Continuity Plan

ARTICLE 22 – ASSIGNMENT & SUBCONTRACTING

- 22.01 Assignment by MGCS
- 22.02 Assignment by the Service Provider

- 22.03 Prohibition on Subcontracting
- 22.04 Assignment or Subcontracting Void
- 22.05 Conditional Request for Assignment

ARTICLE 23 – SERVICE PROVIDERS THAT ARE CORPORATIONS OR PARTNERSHIPS

- 23.01 Corporations
- 23.02 Partnerships

ARTICLE 24 – SERVICE PROVIDERS WITH MULTIPLE OFFICES

- 24.01 Multiple Private ServiceOntario Centres
- 24.02 Default Under Other Agreements

ARTICLE 25 – DISPUTE RESOLUTION

- 25.01 Dispute Resolution by Rectification Notice
- 25.02 Prior Rectification Notices

ARTICLE 26 – DEFAULT AND TERMINATION

- 26.01 Events of Default
- 26.02 Remedies for Events of Default
- 26.03 Failure to Exercise Remedies Not a Waiver
- 26.04 Termination on Notice
- 26.05 Termination for Non-Appropriation
- 26.06 Service Provider's Obligations on Termination
- 26.07 Authorization to Enter Premises
- 26.08 Termination in Addition to Other Rights
- 26.09 Compensation for Early Termination

ARTICLE 27 – EXPIRY, EXTENSION AND RENEWAL

- 27.01 Expiry and Extension of Agreement
- 27.02 Extension at MGCS's Option
- 27.03 Substitution of New Form of Agreement Upon Renewal
- 27.04 Service Provider's Obligations Upon Expiry

SCHEDULE 1 – ISSUING OFFICE DETAILS

SCHEDULE 2 – FORM OF GUARANTEE, INDEMNIFICATION & ACKNOWLEDGEMENT

SCHEDULE 3 – OUR SERVICE PRINCIPLES

ISSUING SERVICES AGREEMENT

THIS AGREEMENT for the delivery of Issuing Services in St. Charles (the "Agreement") is made in duplicate as of the 21st day of December, 2015,

BETWEEN:

HER MAJESTY THE QUEEN in right of Ontario
as represented by the

Minister of Government and Consumer Services

(referred to as "**MGCS**")

AND

THE CORPORATION OF THE MUNICIPALITY OF ST. CHARLES

(referred to as the "**Service Provider**")

In consideration of their respective agreements set out below, the parties covenant and agree as follows:

ARTICLE 1 – INTERPRETATION AND GENERAL PROVISIONS

1.01 **Defined Terms**

When used in the Agreement, including the schedules to the Agreement, the following capitalized words or expressions have the following meanings:

"**Affiliate**" has the same meaning as set out in the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;

"**Ancillary Products or Services**" has the meaning set out in **Subsection 15.01(c)** of this Agreement;

"**Authority**" means any government authority, agency, body or department, whether federal, provincial or municipal, having or claiming jurisdiction over the Agreement; and "**Authorities**" means all such authorities, agencies, bodies and departments;

"**Business Continuity Plan**" has the meaning set out in **Section 21.04** of this Agreement.

"**Business Day**" means any working day, Monday to Friday inclusive, but excluding statutory holidays and Non-Statutory Holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day and any other day which MGCS has elected to be closed for business;

"**Conflict of Interest**" means the Service Provider's other commitments, relationships or financial interests (i) could or could be seen to exercise an improper influence over the objective, unbiased and impartial exercise of the Service Provider's independent judgement; or (ii) could or could be seen to compromise, impair or be incompatible with the effective performance of the Service Provider's obligations under this Agreement;

“Effective Date” means the effective date of this Agreement, which is the date first written above;

“Electronic Funds Transfer”, has the meaning set out in **Section 10.05** of this Agreement.

“Employee” means an employee, officer, agent, consultant, contractor, subcontractor and any other person engaged directly or indirectly by the Service Provider in the performance of the Issuing Services;

“Expiry Date” means December 20, 2020 or, if the original term is extended, the final date of the extended term;

“Fiscal Year” means the period running from April 1 in one calendar year to, and including, March 31 in the next calendar year;

“FIPPA” means the *Freedom of Information and Protection of Privacy Act*, R.S.O. 1990, c. F.31, as amended;

“Force Majeure” means any event beyond the reasonable control of either party that delays or interrupts the performance of any material obligation under this Agreement, including without limitation, an intervening act of God, act of the Queen's enemies, sabotage, civil commotion, interference by civil or military authorities, expropriation or confiscation of property or equipment by any governmental authority having jurisdiction, earthquake, epidemic, quarantine restriction, stop-work order or injunction issued by a court or governmental authority having jurisdiction, governmental embargo, strike, lockout, labour dispute or other labour protest, provided that such event is not otherwise specifically dealt with under this Agreement and does not arise by reason of: (a) the negligence or wilful misconduct of the party invoking such event or of those for whom it is in law responsible; (b) any act or omission in breach of the provisions of this Agreement by the party invoking such event, or by those for whom it is in law responsible; or (c) lack or insufficiency of funds;

“Implementation Date” means the date described in **Section 4.01** of this Agreement;

“Indemnified Parties” means each of the following and their directors, officers, advisors, agents, appointees and employees: Ontario and the members of the Executive Council of Ontario;

“Initial Training Programme” has the meaning set out in **Section 8.01** of this Agreement;

“Instructions” means a direction, order, instruction, or similar communication, whether oral or written;

“Issuer-Specific Advertising” has the meaning set out in **Section 14.05** of this Agreement;

“Issuing Services” means services pertaining to the issuance of products of the Government of Ontario and other related services, including without limitation driver and vehicle licensing transactions, health card transactions, the receipt and remission of payments for retail sales tax, and any other similar or alternative services that MGCS has authorized the Service Provider to deliver;

“Key Personnel” has the meaning set out in **Section 7.03** of this Agreement;

“Losses” means liabilities, losses, costs, damages and expenses (including legal, expert and consulting fees);

“MGCS Equipment” means any electronic or other equipment, including, without limitation, computer workstations, supplied by MGCS to the Issuer for the performance of the Issuing Services, but for avoidance of doubt, shall not include any utilities or utility infrastructure required for the functioning of the MGCS Equipment;

“MGCS Representative” means the individual identified in Part A(i) of Schedule 1 to this Agreement;

“MGCS Stock” means any forms, applications, validation tags and other official supplies provided by MGCS to the Issuer for the performance of the Issuing Services;

“Non-Statutory Holidays” means Easter Monday, Civic Holiday, Remembrance Day and any other day which MGCS has elected to be closed for business;

“Off-Site Services” has the meaning set out in **Subsection 15.01(b)** of this Agreement;

“Ongoing Training” has the meaning set out in **Section 8.02** of this Agreement;

“Ontario” means Her Majesty the Queen in right of Ontario;

“Ontario Confidential Information” means all information of Ontario, including the Instructions of MGCS, that is confidential by its nature or in the circumstances in which it is received, including all confidential information in the custody or control of MGCS, regardless of whether it is identified as confidential or not, and whether recorded or not, and however fixed, stored expressed or embodied, which comes into the knowledge, possession or control of the Service Provider in connection with this Agreement;

“Ontario Data Base” means any information and user interface system of Ontario that is accessed by the Service Provider using MGCS Equipment and which contains Personal Information and Ontario Records relating to the Issuing Services that MGCS has authorized the Service Provider to deliver;

“Ontario Marks” means any trade name, trade mark, insignia, symbol, logo, logo design, distinctive name, service mark, certification mark or other identification scheme owned or used by Her Majesty the Queen in right of Ontario;

“Ontario’s Privacy Legislation” means any statute or regulation enacted by the legislative assembly of the Province of Ontario that pertains to the collection, use or disclosure of Personal Information, which includes FIPPA and PHIPA;

“Ontario Records” means any recorded information in the custody or control of a Ministry of Ontario and, for avoidance of doubt, includes Personal Information, information provided by customers on Ontario forms, and information contained in any Ontario Data Base. For the purposes of this definition, recorded information is under the control of a Ministry of Ontario if it is integral to the performance of the Issuing Services and (a) the Service Provider is required to manage, use or dispose of the recorded information in the performance of the Issuing Services; or (b) a Ministry of Ontario is obliged by the Requirements of Law or by an agreement to manage the recorded information;

“Operational Directives” means any directives, policies, manuals, memoranda, bulletins or similar documents, whether in paper-based or electronic form, which may be issued by MGCS from time-to-time to govern the performance of the Issuing Services;

“Person” if the context allows, includes any individuals, persons, firms, partnerships or corporations or any combination thereof;

“Personal Health Information” has the same definition as in Section 4 of PHIPA, as may be amended from time to time;

“Personal Information” means information about an identifiable individual or that may identify an individual, and includes Personal Health Information;

“PHIPA” means the *Personal Health Information Protection Act, 2004*, S.O. 2004, c. 3, Sched. A, as amended;

“Private ServiceOntario Centre” means a privately-run ServiceOntario centre operated by an independent service provider under an agreement with her Majesty the Queen in Right of Ontario;

“Proceeding” means any cause of action, action, claim, demand, lawsuit, or other proceedings;

“Premises” means the premises from which the Issuing Services are to be performed, as approved by MGCS pursuant to **Section 5.01** of this Agreement and described in **Part B of Schedule 1** to this Agreement, or any premises substituted for such premises pursuant to **Section 5.06** or **Section 5.07** of this Agreement;

“Public” means the residents of the Province of Ontario that require access to the Issuing Services that are provided by the Service Provider Network;

“Revenue” means all payments (including, without limitation, cheques, money orders, bank drafts and other payment items, whether paper-based, electronic or otherwise, and all proceeds of payment items, in whatever form) received by the Service Provider in the course of performing the Issuing Services.

“Requirements of Law” mean all applicable requirements, laws, statutes, codes, acts, ordinances, orders, decrees, injunctions, by-laws, rules, regulations, official plans, permits, licences, authorisations, directions, and agreements with all Authorities that now or at any time hereafter may be applicable to either the Contract or the Issuing Services or any part of them;

“Security Clearance Check” has the meaning set out in **Section 13.01** of this Agreement;

“Service Provider Network” means the network of authorized private service providers who operate ServiceOntario centres on behalf of ServiceOntario in the Province of Ontario;

“Standard Operating Hours” has the meaning set out in **Section 4.01** of this Agreement;

“Substitute Premises” has the meaning set out in **Section 5.06** of this Agreement;

“**Term**” means the period of time from the effective date first above written up to and including the earlier of: (i) the Expiry Date or (ii) the date of termination of the Agreement in accordance with its terms; and

“**Third-Party Advertising**” has the meaning set out in **Section 14.04** of this Agreement;

“**Value-Added Services**” has the meaning set out in **Subsection 15.01(a)** of this Agreement;

1.02 **No Indemnities from Ontario**

Notwithstanding anything else in the Agreement, any express or implied reference to MGCS or Ontario providing an indemnity or any other form of indebtedness or contingent liability that would directly or indirectly increase the indebtedness or contingent liabilities of MGCS or Ontario, whether at the time of execution of the Agreement or at any time during the Term of the Agreement, shall be void and of no legal effect.

1.03 **Entire Agreement**

The Agreement embodies the entire agreement between the parties with regard to the provision of the Issuing Services by the Service Provider and supersedes any prior understanding or agreement, collateral, oral or otherwise, with respect to the provision of said services, existing between the parties at the date of execution of the Agreement.

1.04 **Schedules and Interpretive Value of Agreement Documents**

The following schedules form an integral part of this Agreement:

Schedule 1 – Issuing Office Details

Schedule 2 – Form of Guarantee, Indemnification and Acknowledgment

Schedule 3 – Our Service Principles

In the event of a conflict or inconsistency in any provisions in the Agreement, the main body of the Agreement shall govern over the schedules to the Agreement.

1.05 **Interpretive Value of Headings**

The headings in the Agreement are for convenience of reference only and in no manner modify, interpret or construe the Agreement.

1.06 **Severability**

If any term or condition of the Agreement, or the application thereof to the parties or to any Persons or circumstances, is to any extent invalid or unenforceable, the remainder of the Agreement, 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.

1.07 **Notices by Prescribed Means**

Notices shall be in writing and shall be delivered by postage-prepaid envelope, courier, personal delivery or facsimile and shall be addressed to the representatives of each party. 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, courier or facsimile one (1) Business Day after such notice is received by the other party. In the event of a postal disruption, notices must be given by personal delivery or by facsimile. Unless the parties expressly agree in writing to additional methods of notice, notices may only be provided by the methods contemplated in this paragraph.

1.08 **Representatives May Bind the Parties**

The parties represent that their respective representatives have the authority to legally bind them to the extent permissible by the Requirements of Law.

1.09 Condonation Not a Waiver

Any failure by MGCS to insist in one or more instances upon strict performance by the Service Provider of any of the terms or conditions of the Agreement shall not be construed as a waiver by MGCS of its right to require strict performance of any such terms or conditions, and the obligations of the Service Provider with respect to such performance shall continue in full force and effect.

1.10 Changes by Written Amendment Only

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

1.11 Agreement Binding

The Agreement shall enure to the benefit of and be binding upon the parties and their successors, executors, administrators and their permitted assigns.

1.12 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.13 Consent and Approvals

Where the Agreement refers to any consent, approval or permission, designation, requirement, judgment, opinion or discretion on the part of a party, the same shall be given, granted, determined, required or exercised without undue delay.

ARTICLE 2 – AUTHORIZATION BY MGCS

2.01 Authorization to Deliver Issuing Services

MGCS hereby authorizes the Service Provider, and the Service Provider hereby agrees, to perform the Issuing Services for and on behalf of MGCS in accordance with the terms and conditions of this Agreement.

2.02 Volume of Work and Non-Exclusivity

The Service Provider acknowledges and agrees that MGCS has authorized the Service Provider to perform the Issuing Services on a non-exclusive basis and that MGCS makes no representation regarding the volume of work to be completed by the Service Provider; and that MGCS reserves the right to:

- (a) perform the Issuing Services using MGCS's own personnel from MGCS's own premises;
- (b) contract with other parties for the performance of the Issuing Services, including, without limitation, through other Private ServiceOntario Centres; and
- (c) use alternative service delivery channels to deliver the Issuing Services, including, without limitation, through electronic kiosks and the internet.

And the rights of MGCS reserved in this paragraph may be exercised by MGCS regardless of the proximity to the Service Provider's Private ServiceOntario Centre.

ARTICLE 3 – NATURE OF BUSINESS RELATIONSHIP

3.01 No Partnership, Agency or Employment Relationship

The Service Provider shall have no power or authority to bind MGCS or to assume or create any obligation or responsibility, express or implied, on behalf of MGCS. The Service Provider shall not hold itself out as an agent, partner or employee of MGCS. Nothing in this Agreement shall have the effect of creating an employment, partnership or agency relationship between MGCS and the Service Provider (or any of the Service Provider's directors, officers, employees, agents, partners, affiliates, volunteers or subcontractors) or constitute an appointment under the *Public Service of Ontario Act, 2006*, S.O. 2006, Chapter 35, as amended.

3.02 Business Risk

The Service Provider acknowledges and agrees as follows:

- (a) The business venture contemplated in this Agreement involves business risks. By entering into this Agreement, the Service Provider voluntarily accepts all risks associated with the commitments made, and costs incurred, by the Service Provider in connection with this Agreement, including the possibility that MGCS may terminate this Agreement, pursuant to its right in **Section 26.04** of this Agreement, before the Service Provider has had an opportunity to recover all of the Service Provider's investment and costs.
- (b) The Service Provider has not received from MGCS or Ontario, directly or indirectly, any inducements, representations, warranties, promises, assurances, undertakings, agreements or commitments, whether direct, indirect or collateral, express or implied, oral or otherwise, except as expressly set out in this Agreement. The Service Provider specifically acknowledges that no representation, promise, guarantee or warranty concerning the result or profits to be derived from the performance of the Issuing Services has been made to induce the Service Provider to execute this Agreement.
- (c) The Service Provider has conducted an independent investigation of, and has been advised by business and legal advisors of the Service Provider's own choosing concerning all pertinent aspects of the business venture and relationship with MGCS contemplated in this Agreement.

3.03 Reliance by Ontario

In entering into this Agreement with the Service Provider, MGCS has relied on the provisions of this **Article 3**, including the acknowledgment and agreement of the Service Provider contained in **Section 3.02** of this Agreement.

3.04 Duty to Disclose Change in Control

In the event that the Service Provider undergoes a change in control the Service Provider shall immediately disclose such change in control to MGCS and shall comply with any terms and conditions subsequently prescribed by MGCS resulting from the disclosure.

ARTICLE 4 – PERFORMANCE BY SERVICE PROVIDER

4.01 Commencement of Issuing Services

The Service Provider shall commence performance of the Issuing Services on a date which shall be agreed upon in writing by MGCS and the Service Provider, but shall not be later than ninety (90) days after the date of execution and delivery of this Agreement (the "Implementation Date").

4.02 Performance of Issuing Services

The Service Provider shall perform the Issuing Services in a diligent, skillful, competent, and reputable manner that promotes MGCS's desire to maintain mutual courtesy and

respect in dealings between MGCS and its customers and build confidence and respect in the ServiceOntario brand. In addition, the Service Provider shall perform the Issuing Services in compliance with the following:

- (a) the Operational Directives, including MGCS's reporting requirements;
- (b) all Instructions of MGCS concerning the Issuing Services;
- (c) the Requirements of Law;
- (d) the Instructions of any Authority acting pursuant to the Requirements of Law;
- (e) "Our Service Principles" pursuant to **Schedule 3** of this Agreement; and
- (f) the other provisions of this Agreement.

4.03 **Customer Complaints**

Any customer or Public complaints received with respect to the Service Provider or the Service Provider's performance of the Issuing Services, including, without limitation, complaints described in **Subsection 17.08(d)** of this Agreement, are to be resolved in accordance with the procedures and protocol contained in the Operational Directives and in the Instructions of MGCS. Without limitation, the Service Provider and its employees shall co-operate with MGCS and its representatives, and, to the extent that complaints are received by any Authorities, the office of such Authority and its representatives, in the investigation and resolution of any such complaints.

4.04 **French Language Services**

If the Premises are situated in an area of the Province of Ontario which has been designated in the Schedule to the *French Language Services Act*, R.S.O. 1990, c. F.32, or serves such designated area, MGCS may, at its unqualified subjective discretion, require that the Service Provider comply with any or all of the following requirements:

- (a) that any person may communicate with the Employees at the Premises in both the French and English languages;
- (b) that any person may receive equal access to Issuing Services in both French and English languages during all hours of operation;
- (c) that signs in a bilingual format (French/English) or in both languages are posted in conspicuous locations. Forms and all materials, publications, official documents intended for the public are available in a bilingual format or in both French and English;
- (d) if any particular ServiceOntario centre temporarily does not offer services in both French and English, a notice shall be posted (in both French and English or in a bilingual format) in a conspicuous location on the Premises indicating the location where French Language Services are available; and
- (e) the requirement that a service provider deliver Issuing Services in both the French and English languages shall be noted in Part G of Schedule 1 to this Agreement.

4.05 **Accessibility Requirements**

The Service Provider's delivery of the Issuing Services shall comply with all applicable requirements, specifications and standards for accessibility established in accordance with the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11 and any regulations made thereto.

4.06 **Standard Operating Hours**

The Service Provider shall continuously and actively perform the Issuing Services from the Premises during the hours of operation set out in **Part D of Schedule 1** to this Agreement (the "Standard Operating Hours"), which may be modified at MGCS's unqualified subjective discretion. The Standard Operating Hours shall be posted by the Service Provider in a conspicuous position on the Premises. In the event that MGCS approves, pursuant to **Section 16.02** of this Agreement, a request by the Service Provider to vary from Standard Operating Hours, the responsibilities of the Service Provider under this **Section 4.06** shall apply to the modified operating hours.

4.07 **Unscheduled and Scheduled Temporary Closing**

The Service Provider shall notify MGCS immediately of any unscheduled closing of the Service Provider's Private ServiceOntario Centre due to sickness, accident or any other unforeseen cause, and make every reasonable effort to resume operation of the Service Provider's Private ServiceOntario centre as soon as practicable using the Service Provider's Business Continuity Plan as defined in **Section 1.01** and further prescribed in **Section 21.03**. For scheduled temporary closings of the Service Provider's Private ServiceOntario Centre, the Service Provider shall:

- (a) obtain the prior approval of MGCS for any temporary closure of the Service Provider's Private ServiceOntario Centre; or
- (b) provide notice to MGCS, pursuant to the Operational Directives and the Instructions of MGCS, for any temporary closure for Non-Statutory Holidays.

Notice of closure of the Service Provider's Private ServiceOntario Centre shall be posted in a conspicuous position on the Premises, regardless of whether the closure is unscheduled or scheduled.

4.08 **Conflict of Interest and Performance of the Issuing Services**

The Service Provider shall devote full time and attention to the management and performance of the Issuing Services and to the operation of the Service Provider's Private ServiceOntario Centre, or ensure that the Key Personnel devote full time and attention to the management and performance of the Issuing Services and to the operation of the Service Provider's Private ServiceOntario Centre, and the Service Provider shall:

- (a) avoid any Conflict of Interest in the performance of the Service Provider's obligations under this Agreement;
- (b) disclose to MGCS without delay any actual or potential Conflict of Interest that arises during the performance the Service Provider's contractual obligations; and
- (c) comply with any requirements prescribed by MGCS to resolve any Conflict of Interest identified.

In addition to all other contractual rights or rights available at law or equity, MGCS may immediately terminate this Agreement upon giving notice to the Service Provider where:

- (i) the Service Provider fails to disclose an actual or potential Conflict of Interest;
- (ii) the Service Provider fails to comply with any requirements prescribed by MGCS to resolve a Conflict of Interest; and
- (iii) the Service Provider's Conflict of Interest cannot be resolved.

This paragraph shall survive the termination or expiry of the Agreement.

4.09 Payment of Taxes and Duties

The Service Provider shall be responsible for paying all applicable taxes incurred by or on the Service Provider's behalf with respect to this Agreement.

4.10 Adherence to Service Standards

The Service Provider shall adhere to the service standards, with respect to responding to telephone calls, emails and wait times as further described in the Operational Directives and Instructions of MGCS.

ARTICLE 5 – PREMISES

5.01 Establishment of Premises

The Service Provider, at the Service Provider's own expense, shall establish and maintain the Premises at the address specified in **Part B of Schedule 1** to this Agreement, and shall perform the Issuing Services, only on the Premises and at no other location, except for those services that MGCS has approved the delivery of pursuant to **Section 15.03** of this Agreement.

5.02 Premises Operating Costs

Except as expressly stated in this Agreement the Service Provider shall be responsible for providing all fixtures, furniture, equipment and utilities and utility infrastructure required for the operation of the Private ServiceOntario Centre and the performance of the Issuing Services, including the mandatory equipment listed in **Part F of Schedule 1** to this Agreement or otherwise required in accordance with the Operational Directives or Instructions of MGCS.

5.03 Proof of Occupancy of Premises

Within 60 days of the Effective Date, the Service Provider shall provide MGCS with evidence satisfactory to MGCS that the Service Provider:

- (a) is the registered owner of the Premises; or
- (b) has entered into a duly executed lease agreement granting the Service Provider a leasehold interest in the Premises, including the right to perform the Issuing Services from the Premises during the Term.

5.04 Compliance with Standards

The Service Provider shall ensure that the condition and appearance of the Premises are at all times suitable for the performance of the Issuing Services. The Premises shall comply with:

- (a) all specifications, standards and requirements for Private ServiceOntario Centres, as more particularly set out in the Operational Directives or in the Instructions of MGCS, to the satisfaction of MGCS; and
- (b) the Requirements of Law, including, without limitation, all applicable municipal by-laws and building codes.

5.05 Maintenance and Repair of Premises

The Service Provider shall, at the Service Provider's own cost, maintain and repair the Premises and the fixtures, furnishing and equipment contained in, or installed on, the Premises as is required to ensure the safety of any Person, including the Employees, in

or around the Premises, and that the appearance of the Premises is suitable for the conduct of the Issuing Services. Maintenance and repairs shall include, without limitation:

- (a) replacement of worn-out or obsolete fixtures, furnishings, equipment and signs;
- (b) repair of the interior and exterior of the Premises; or
- (c) cleaning, painting and decorating the Premises.

5.06 Relocation of Premises by Service Provider

The Service Provider may relocate the Service Provider's Private ServiceOntario Centre from the Premises to an alternative location (the "Substitute Premises") provided that:

- (a) MGCS approves the Substitute Premises and the Service Provider complies with all instructions of MGCS relating to the relocation of the Service Provider's Private ServiceOntario Centre to the Substitute Premises;
- (b) the Substitute Premises complies with all provisions of this Agreement, the Operational Directives and the Instructions of MGCS relating to the Premises;
- (c) all costs associated with the relocation to the Substitute Premises are the responsibility of the Service Provider, except for those costs associated with disconnecting and reconnecting MGCS Equipment, the costs of which shall be the responsibility of MGCS, subject to any limitations included in the Operational Directives or the Instructions of MGCS.

5.07 Relocation of Premises by MGCS

If MGCS requires, for any reason, the relocation of the Service Provider's Private ServiceOntario Centre, MGCS shall notify the Service Provider in writing, and the Service Provider shall relocate the Service Provider's Private ServiceOntario Centre from the Premises to the Substitute Premises, within the period identified in the written notice. The costs of any relocation required by MGCS shall be the responsibility of:

- (a) the Service Provider, where the relocation is necessitated by action or default of the Service Provider; or
- (b) MGCS, where the relocation is not necessitated by action or default of the Service Provider, in which case MGCS shall compensate the Service Provider for any direct costs and expenses that are reasonable and pre-approved, in writing, by MGCS, and that are actually incurred by the Service Provider as a result of such relocation.

All costs and expenses referred to in paragraph (b), above, must be properly itemized and documented by the Service Provider and, for the avoidance of doubt, shall not include any indirect or consequential damages, or claims for lost profit.

ARTICLE 6 – OPERATIONAL DIRECTIVES

6.01 Ownership and Confidentiality of Operational Directives

The Service Provider acknowledges that the Operational Directives are Ontario Confidential Information and are loaned to the Service Provider but shall at all times remain the sole and exclusive property of MGCS. For avoidance of doubt, the Service Provider's obligations under **Section 17.05** of this Agreement shall apply to the Operational Directives. Upon the expiry of the Term or termination for any reason of this

Agreement, the Service Provider shall return all copies of the Operational Directives in accordance with **Subsection 17.05(f)** of this Agreement.

6.02 Evolution of Operational Directives

The Service Provider further acknowledges that the Issuing Services, and the techniques and methodologies for performing the Issuing Services, will continue to evolve. Accordingly, MGCS may, from time to time, revise the Operational Directives to incorporate any changes, modifications and additions. As the Operational Directives are revised, the Service Provider shall immediately update any copies of the Operational Directives that are kept by the Service Provider upon their receipt, and concurrently remove and destroy the superseded Operational Directives in a secure manner consistent with the Instructions of MGCS. The Service Provider expressly covenants and agrees to accept, implement, and comply with all revisions made to the Operational Directives.

ARTICLE 7 – EMPLOYEES AND KEY PERSONNEL

7.01 Service Provider Responsible for Employees

The Service Provider shall, at the Service Provider's own expense, in accordance with the Operational Directives and any Instructions of MGCS:

- (a) recruit, employ or otherwise engage, supervise and be solely responsible for all Employees necessary for the operation of the Service Provider's Private ServiceOntario Centre, and to enable the Service Provider properly and efficiently to perform the Issuing Services;
- (b) properly train the Employees in correct procedures for the performance of the Issuing Services;
- (c) ensure, at all times, that there are sufficient numbers of qualified Employees on duty to accommodate customer service requirements without interruption;
- (d) ensure that all requirements of **Article 13 (Contractor Security Screening)** that are applicable to Employees are met; and
- (f) provide to MGCS, upon request, all relevant evidence that MGCS may require with respect to the background, qualifications and training of each Employee.

7.02 Report to Province

The Service Provider shall inform MGCS of any behaviour on the part of an Employee that casts doubt on that Employee's fitness to perform the Issuing Services, immediately upon the Service Provider becoming aware of the behaviour. MGCS may at any time, in its unqualified subjective discretion, require the Service Provider to prohibit any Employee from performing all or any part of the Issuing Services. Such requirement may include, but is not limited to, prohibiting any Employee from accessing any Ontario Data Base, Ontario Records or Personal Information or Ontario Confidential Information. In these events, MGCS may also permanently remove the Employee's electronic access to the Ontario Data Base.

7.03 Designation of Key Personnel

In order to promote the efficient organization, implementation and delivery of the Issuing Services, the Service Provider shall designate at least one (1) Employee who will perform supervisory, oversight and training functions, and to liaise with MGCS in the

implementation and performance of the Issuing Services (the "Key Personnel"), and the Service Provider shall:

- (a) ensure that all Key Personnel have any training, designations and credentials required by the Requirements of Law or by MGCS from time to time;
- (b) cause all Key Personnel to devote all time, efforts and attention necessary for the efficient operation of the Service Provider's Private ServiceOntario Centre;
- (c) cause the operation of the Service Provider's Private ServiceOntario Centre to be at all times under the direct, on site supervision of Key Personnel or, in the event of the temporary absence of reasonable duration of the Key Personnel, of a competent Employee;
- (d) provide MGCS with a list identifying all Key Personnel including:
 - (i) name;
 - (ii) position;
 - (iii) phone number where named individual may be reached during the Standard Operating Hours;
 - (iv) email address where named individual may be reached during the Standard Operating Hours;

and describing their respective responsibilities as they relate to the Issuing Services; and

- (e) promptly provide MGCS with an updated list from time to time reflecting any changes made to the Key Personnel or their positions or responsibilities.

7.04 Service Provider as Key Personnel

The Service Provider may be designated as the Key Personnel pursuant to **Section 7.03** of this Agreement provided that the Service Provider is able to perform the functions of the Key Personnel described in that section and the Service Provider is not similarly designated under an agreement described in **Section 24.01** of this Agreement. If the Service Provider is similarly designated under an agreement described in **Section 24.01** of this Agreement, the Service Provider shall designate at least one (1) other Employee as Key Personnel under this Agreement.

7.05 Substitution of Key Personnel

Due to the integral role of the Key Personnel in delivering the Issuing Services authorized by MGCS, the Service Provider agrees that if MGCS determines, for whatever reason and at its sole discretion, that any individual designated by the Service Provider as the Key Personnel is unqualified, unavailable, or otherwise unacceptable to carry out the responsibilities of the Key Personnel, that the Service Provider will promptly substitute another individual to perform the duties of the Key Personnel.

ARTICLE 8 – TRAINING AND OPERATING ASSISTANCE

8.01 Initial Training Programme

Prior to the commencement of performance of the Issuing Services by the Service Provider, MGCS will provide such training to the Service Provider or the Key Personnel, as MGCS in its unqualified subjective discretion considers necessary to enable the Service Provider to perform the Issuing Services (the "Initial Training Programme"). The Initial Training Programme shall be conducted at such times and places within the province of Ontario as MGCS may specify. As directed by MGCS, the Service Provider

or the Key Personnel shall attend, participate in and successfully complete the Initial Training Programme, all to MGCS's satisfaction. The Service Provider shall not commence the performance of the Issuing Services prior to the successful completion of the Initial Training Programme.

8.02 Ongoing Training

From time to time after the completion of the Initial Training Programme, MGCS will provide additional training to the Service Provider or the Key Personnel, or both, as MGCS in its unqualified subjective discretion considers necessary for the performance of the Issuing Services (the "Ongoing Training"). The Ongoing Training shall be conducted at such times and places within the province of Ontario as MGCS may specify. Where MGCS designates any Ongoing Training as mandatory, the Service Provider and the Key Personnel shall attend, participate in and successfully complete any Ongoing Training, all to MGCS's satisfaction.

8.03 Service Provider Responsible for Expenses

The Service Provider shall be responsible for all travel, accommodation and living expenses, as well as all wages payable to the Key Personnel, associated with the attendance by the Service Provider and the Key Personnel at the Initial Training Programme and any Ongoing Training. No such costs or wages shall be payable by MGCS.

8.04 Continuing Advice and Guidance

Following the commencement of performance of the Issuing Services by the Service Provider, MGCS shall furnish to the Service Provider such continuing advice and guidance as MGCS in its unqualified subjective discretion considers necessary for the performance of the Issuing Services. Such advice and guidance may include provision of telephone and electronic-based support for the conduct of the Issuing Services, or the processing of specific transactions in association with the Issuing Services, and the proper function of the MGCS Equipment.

8.05 Service Provider Responsible for Training Employees

For avoidance of doubt, pursuant to **Section 7.01** of this Agreement, the Service Provider shall be responsible for ensuring that all Employees at the Service Provider's Private ServiceOntario Centre are properly trained to perform the Issuing Services.

ARTICLE 9 – SERVICE PROVIDER'S COLLECTION OF PROVINCIAL REVENUE

9.01 Collection, Handling and Remittance to Ontario

The Service Provider shall collect, handle and remit the Revenue received in the performance of the Issuing Services in accordance with this Agreement, the applicable Requirements of Law, the policies and procedures set out in the Operational Directives and any Instructions of MGCS, as the case may be.

9.02 All Revenue Held in Trust

Unless otherwise specified in the Operational Directives or the Instructions of MGCS, all payments received by the Service Provider in the course of performing the Issuing Services are public monies, belonging to Her Majesty the Queen in Right of Ontario and are subject to the provisions of the *Financial Administration Act*, R.S.O. 1990, c. F.12, as amended. The Service Provider shall receive and hold all Revenues in trust for Her Majesty the Queen in Right of Ontario and, until remitted by the Service Provider in accordance with this Agreement, such Revenues shall be treated and separately accounted for as trust property.

9.03 Handling of Revenue

When collecting Revenue in any form, the Service Provider shall:

- (a) comply with the policies contained in the Operational Directives and Instructions of MGCS in respect of the acceptance of Revenue, including in the form of cash, credit cards, debit cards, cheques, money orders or bank drafts; and
- (b) be fully responsible, and immediately upon demand of MGCS, reimburse Her Majesty the Queen in right of Ontario for any dishonoured cheque, money order or bank draft, whether or not payable to the Minister of Finance, where the Service Provider has not complied with the policy contained in the Operational Directives or the Instructions of MGCS respecting the acceptance of cheques, money orders and bank drafts.

9.04 Protection of Revenue

The Service Provider shall properly protect all Revenue in accordance with security procedures set out in **Section 12.01** of this Agreement, and the Operational Directives and the Instructions of MGCS, and shall, immediately upon the earlier of:

- (a) the accumulation of the maximum amount of cash Revenue stipulated in the Operational Directives; or
- (b) the time of day stipulated in the Operational Directives during each day in which the Service Provider's Private ServiceOntario Centre is in operation;

deposit all accumulated cash Revenue at a bank to the credit of the Minister of Finance, and in accordance with the Instructions of MGCS.

9.05 Liability for Lost Revenue

The Service Provider shall be fully responsible, and shall reimburse Her Majesty the Queen in Right of Ontario, for any Revenue lost through:

- (a) any intentional wrongdoing or negligent act or omission of the Service Provider including, without limitation, the Employees, or
- (b) the failure of the Service Provider including, without limitation, the Employees to comply with the provisions of this **Article 9**, the Operational Directives or the Instructions of MGCS concerning the acceptance, handling and deposit of Revenue;

and the liabilities of the Service Provider in this section are in addition to any other liabilities of the Service Provider pursuant to this Agreement, or otherwise at law or equity.

9.06 Robbery or Theft

The Service Provider shall be responsible, and shall reimburse Her Majesty the Queen in Right of Ontario for Revenue lost through robbery or theft unless all of the following conditions have been met:

- (a) the amount which has been lost does not exceed the maximum amount of cash Revenue stipulated in the Operational Directives;
- (b) the Service Provider has complied with the provisions of this **Article 9**, including without limitation the Operational Directives, and the Instructions of MGCS concerning the acceptance, handling and remittance of Revenue;

- (c) pursuant to **Section 12.02** of the Agreement, a report of the occurrence of the robbery or theft has been made to the local law enforcement agency, and a resulting police occurrence report is provided to MGCS by the Service Provider; and
- (d) the loss of the Revenue is not in any way attributable to any intentional wrongdoing or negligent act or omission the Service Provider including, without limitation, the Employees.

but the Service Provider shall remain responsible for any monies lost through robbery or theft that are not Revenue or that belong to the Service Provider, including, without limitation, any compensation collected by the Service Provider pursuant to **Article 10 (Compensation and MGCS Assistance)** of this Agreement, or any monies collect by the Service Provider for delivering other products and services pursuant to **Section 15.02, Section 15.03 and Section 15.04** of this Agreement.

9.07 Interest on Late Payment

Any amounts owed by the Service Provider which are not paid in full when due shall bear interest charged at the maximum rate per annum fixed by order of the Lieutenant Governor in Council of the Province of Ontario pursuant to subsection 10(4) of the *Financial Administration Act*, R.S.O. 1990, c. F.12, as amended.

9.08 No Withholding of Revenue

The Service Provider shall not, on grounds of any alleged non-performance by MGCS of any of its obligations, withhold payment of any amounts due under this Agreement, including without limitation the remission of any Revenue.

ARTICLE 10 – COMPENSATION AND MGCS ASSISTANCE

10.01 Compensation for Issuing Services

For performance of the Issuing Services, the Service Provider shall receive compensation from MGCS in the following manner:

- (a) a per-transaction commission rate that is based on a per-minute commission rate (the "Per Minute Base Rate") multiplied by the average time, in minutes, required to complete a transaction that forms part of the Issuing Services (the "Average Transaction Time"); and
- (b) an annual payment in the amount of six thousand dollars (\$6,000), paid in two (2) semi-annual instalments of three thousand dollars (\$3,000) each, which shall be pro-rated to reflect the actual number of days that the Service Provider delivered the Issuing Services in the event that the Effective Date of the Agreement is during the six-month period immediately preceding each payment; and
- (c) any other additional compensation identified by MGCS and as set by MGCS, in its sole discretion, from time to time;

all as articulated by MGCS in the Instructions of MGCS and the Operational Directives. For avoidance of doubt, the Per Minute Base Rate and the Average Transaction Time shall be determined by MGCS, at its sole discretion, but at no time during the Term shall the Per Minute Base Rate be less than \$0.6149, which is the Per Minute Base Rate in effect on the Effective Date. Payment of compensation shall be made by MGCS in accordance with the processes and procedures set out in the Operational Directives.

10.02 Service Provider Compensation in Accordance with Agreement

Except for the compensation fixed by MGCS, and specifically provided for in this Agreement, including the Operational Directives and Instructions of MGCS, the Service Provider shall not accept any compensation in respect of the Issuing Services. Without limitation to the foregoing, the Service Provider shall not be entitled to compensation for any transaction which has not been properly performed in accordance with the requirements of this Agreement, nor shall the Service Provider structure or combine transactions so as to increase compensation contrary to the Operational Directives or the Instructions of MGCS. The Service Provider shall immediately, upon demand, reimburse Her Majesty the Queen in right of Ontario for any compensation improperly paid to, or received, by the Service Provider.

10.03 **Electronic Funds Transfer**

The Ministry reserves the right, at any time during the term of the Agreement, and upon providing reasonable notice to the Service Provider, to administer payments of compensation to the Service Provider through Electronic Funds Transfer in accordance with the Operational Directives or the Instructions of MGCS.

When used in this section "Electronic Funds Transfer" means transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer-based systems.

ARTICLE 11 – MGCS EQUIPMENT AND MGCS STOCK

11.01 **Provision Equipment and Stock**

Subject to **Section 11.03** of this Agreement, MGCS shall at its own cost and in accordance with the Operational Directives and the Instructions of MGCS:

- (a) install on the Premises, and thereafter repair and maintain, such MGCS Equipment; and
- (b) provide such MGCS Stock

as MGCS considers necessary to enable the Service Provider to meet the service delivery needs of the community in which the Service Provider's Private ServiceOntario Centre is located. The Service Provider shall have no right title or interest in any MGCS Equipment and MGCS Stock. For avoidance of doubt, all MGCS Equipment and MGCS Stock shall remain the property of MGCS at all times.

11.02 **Limited Use by Service Provider**

The Service Provider shall only use MGCS Equipment and MGCS Stock in accordance with the Operational Directives and Instructions of MGCS, and for no other purpose than the performance of the Issuing Services.

11.03 **Service Provider Responsible for Damaged Equipment or Lost Stock**

Notwithstanding **Section 11.01** of this Agreement, the Service Provider shall pay to MGCS, immediately upon receipt of the applicable invoice, for:

- (a) the repair or replacement cost of any MGCS Equipment which is damaged, lost or stolen while in the possession or care of the Service Provider, regardless of negligence or fault; and
- (b) the value, as determined by MGCS, of any MGCS Stock which is lost or stolen while in the possession or care of the Service Provider where the Service Provider has failed to comply with any security obligations and procedures

contained in the Operational Directives and the Instructions of MGCS, or where the loss or theft is attributable to any intentional wrongdoing or negligent act or omission of the Service Provider, including the Employees.

11.04 Reduction, Re-location and Addition of Workstations

The Service Provider shall operate the number of workstations as directed by MGCS and shall not reduce, add to, or re-locate any work stations without the prior approval of MGCS. MGCS may remove from the Premises any MGCS Equipment which is not being utilized by the Service Provider.

ARTICLE 12 – SECURITY

12.01 Security Procedures and Protocols

The Service Provider shall follow all procedures and protocols contained in the Operational Directives and in the Instructions of MGCS, and the requirements in respect of security contained in **Section 17.03** of this Agreement, to ensure the protection of Revenue, MGCS Equipment, MGCS Stock, Ontario Confidential Information, Ontario Records and Personal Information, and take all reasonable precautions to ensure the security of the Premises, which may include, without limitation, the installation and maintenance (at the Service Provider's own cost) of video surveillance systems, intrusion alarms, security cabinets, and other applicable security devices.

12.02 Service Provider to Report Security Breaches

Should theft, robbery, unresolved Revenue discrepancies or any other breach of security occur with respect to the Premises or the Issuing Services, the Service Provider shall immediately notify the local law enforcement agencies and MGCS.

12.03 Inspection by MGCS

The Service Provider shall permit MGCS's authorized representatives to inspect the Premises, without notice and during the Standard Operating Hours, to determine whether sufficient measures are in place to ensure the protection of Revenue, MGCS Equipment, MGCS Stock, Ontario Confidential Information, Ontario Records and Personal Information. The Service Provider shall, at the Service Provider's own cost, correct any deficiencies in security identified during any security inspection conducted pursuant to this **Section 12.03**.

ARTICLE 13 – CONTRACTOR SECURITY SCREENING

13.01 Security Clearance Checks

"Security Clearance Check" includes all of the following:

- (a) a written declaration by an individual disclosing any unresolved charges and previous convictions under the offence provisions of federal statutes, including but not limited to the Criminal Code (Canada), for which a pardon under the Criminal Records Act (Canada) has not been granted;
- (b) a police records check through the Canadian Police Information Centre and provincial and municipal police force records for information about the individual in relation to:
 - (i) convictions under the offence provisions of federal statutes, including but not limited to the Criminal Code (Canada) for which a pardon under the Criminal Records Act (Canada) has not been granted;

- (ii) findings of guilt in relation to federal statutes for which a court has granted a discharge;
 - (iii) charges laid under the offence provisions of any federal statutes that are unresolved; and,
 - (iv) records of judicial orders in effect made in relation to the offence provisions of federal statutes;
- (c) a police records check in other jurisdictions as deemed necessary by the MGCS;
 - (d) if deemed necessary by MGCS considering the circumstances of the Issuing Services, provide MGCS the result of a completed driving records check; and
 - (e) any other Security Clearance Check as deemed necessary by the Ministry at its sole discretion.

13.02 Cost for Security Clearance Checks

The Service Provider shall obtain the Security Screening Checks set out above at its own cost through the local police, or an RCMP accredited third party agency.

13.03 Service Provider to Obtain Security Clearance Checks

On notification from MGCS, the Service Provider shall during the Term:

- (a) provide to MGCS, completed Security Clearance Checks for all persons engaged in the performance of the services who are either not cleared or for whom a renewal is required. This includes agents and subcontractors who are or will be engaged in providing the Issuing Services.
- (b) All Security Clearance Checks shall be provided in form and content acceptable to MGCS and shall include all required consents.
- (c) If a person or company has been deemed by the Ministry to require a Security Clearance they shall not engage in the performance of the services unless they have been provided a Security Clearance by the MGCS.

Security Clearances are not provided in perpetuity and are subject to revocation by the Ministry at its sole discretion at any time. Security Clearance Checks shall be renewed at the intervals as may be specified by MGCS, including, without limitation, upon MGCS's authorization of the Service Provider to conduct new transactions as part of the Issuing Services

13.04 Notification of Changes

During the Term, the Service Provider shall ensure that within five (5) Business Days of any change:

- (a) any information provided as part of a Security Clearance Check process;
- (b) the Service Provider notifies MGCS of changes in partners, directors, officers and shareholders as requested by the MGCS, and of employees, agents and subcontractors who are or will be engaged in performing the Issuing Services; and
- (c) the MGCS shall assess the above information and may instruct the Service Provider to comply with any instructions arising which may include requests for provision of information to amend existing Security Clearances or provide for new Security Clearance Checks.

13.05 Default of Security Clearance Requirements

During the Term, the Service Provider shall be in default under this Agreement if they fail to comply with the requirements of this Article including and not limited to:

- (a) if the Service Provider refuses to obtain completed Security Clearance Checks as required under **Section 13.03** of this Agreement;
- (b) within five business days, the Service Provider fails to provide notification to MGCS as required under **Section 13.04** of this Agreement;
- (c) without providing a completed Security Clearance Check or an update as required, the Service Provider (or if the Service Provider is a corporation, any of its partners, directors, officers and shareholders), or any of the Service Provider's employees, agents and subcontractors who are or will be engaged in performing the Issuing Services:
 - (i) has been convicted under the offence provisions of a federal statute for which a pardon under the Criminal Records Act (Canada) has not been granted;
 - (ii) has been granted an absolute or conditional discharge in relation to a federal offence and in the case of an absolute discharge, it was granted less than one year from the date of disposition of the offence by the court and in the case of a conditional discharge, it was granted less than three years from the date of disposition of the offence by the court;
 - (iii) is subject to a charge for a federal offence that remains unresolved; or
 - (iv) is subject to a judicial order in effect made in relation to the offence provisions of federal statutes; and
- (d) in the sole discretion of the MGCS any of the information obtained from a Security Clearance Check or update is incompatible with:
 - (i) the proper and impartial performance of the Issuing Services in accordance with the terms and conditions of this Agreement;
 - (ii) the safety of MGCS's employees, clients or the Public;
 - (iii) the reputation of or public confidence in MGCS and Ontario;
 - (iv) the security of Revenue, MGCS Equipment, MGCS Stock, or any other property of MGCS and Ontario; or
 - (v) the confidentiality or integrity of Confidential Information, Personal Information, and Ontario Records and Ontario Data Bases.

ARTICLE 14 – SIGNAGE AND ADVERTISING

14.01 Signage

The Service Provider, at the Service Provider's own cost, shall purchase, install and maintain on the exterior of the Premises, signage that prominently identifies the Service Provider's Private ServiceOntario Centre to the Public and is in accordance with the Operational Directives and the Instructions of MGCS.

14.02 Notice of Independent Contractor Relationship

The Service Provider shall affix, in a conspicuous location upon the Premises, a sign containing the following notice, or any variation of such notice, as required by MGCS:

“This office is owned and operated by [Insert Name of Service Provider], an independent service provider under agreement with the Government of Ontario.”

14.03 Service Provider to Display MGCS Materials

The Service Provider shall prominently place or display on the Premises any posters, brochures or other display materials which may from time to time be provided by MGCS at MGCS's own cost.

14.04 Third-Party Advertising

The Service Provider may display signs, emblems, logos, posters, brochures or other display materials at the Premises that advertise and promote goods and services that are unrelated to Ontario, MGCS and the Issuing Services ("Third-Party Advertising") provided that, in the unqualified subjective discretion of MGCS:

- (a) the space requirement for any Third-Party Advertising does not hinder the ability of the Public to receive or understand messages or information related to the Issuing Services, and is limited to the space parameters defined by MGCS in the Operational Directives and Instructions of MGCS;
- (b) the content of the Third-Party Advertising does not explicitly or implicitly indicate that MGCS or the Province of Ontario promotes the goods or services that are the subject matter of the Third-Party Advertising; and
- (c) the content and subject matter of the Third-Party Advertising complies with the requirements of the Operational Directives and the Instructions of MGCS relating to Third-Party Advertising.

And the Service Provider must obtain the written approval of MGCS prior to displaying the Third-Party Advertising at the Premises, pursuant to the process set out in the Operational Directives. Any request for written approval of Third-Party Advertising by the Service Provider shall include details of the content and space requirements of the Third-Party Advertising, and any other details that MGCS deems necessary to grant approval of the Third-Party Advertising pursuant to this **Section 14.04** of this Agreement.

14.05 Service Provider-Specific Advertising

The Service Provider may advertise and promote the Issuing Services performed by the Service Provider at the Premises in any medium or form, including but not limited to, print advertisements, billboards television and radio commercials, and websites ("Service Provider-Specific Advertising"), provided that, in the unqualified subjective discretion of MGCS:

- (a) the Service Provider-Specific Advertising promotes the Issuing Services in a manner that enhances the goodwill and reputation of MGCS or the Province of Ontario, and preserves public confidence in the Issuing Services and the Service Provider Network;
- (b) the Service Provider-Specific Advertising is not deceptive or otherwise misleading; and
- (c) the Service Provider-Specific Advertising complies with the requirements of the Operational Directives and the Instructions of MGCS relating to Service Provider-Specific Advertising.

And the Service Provider must obtain the written approval of MGCS prior to commencing the Service Provider-Specific Advertising. Any request for written approval of Service Provider-Specific Advertising by the Service Provider shall include details of the content, location, and medium or form of the Service Provider-Specific Advertising, and any other details that MGCS deems necessary to grant approval of the Third-Party Advertising pursuant to this **Section 14.05**.

14.06 Discontinuance of Advertising

MGCS may, at any time and for any reason, require that the Service Provider discontinue any Service Provider-Specific Advertising or any Third-Party Advertising, and the Service Provider shall immediately upon MGCS's request discontinue any Service Provider-Specific Advertising and remove any Third-Party Advertising identified by MGCS. MGCS shall not be liable for any actual or potential losses or damages to the Service Provider resulting from the discontinuance of any Service Provider-Specific Advertising or Third-Party Advertising pursuant to this **Section 14.06**.

14.07 Service Provider Participation in MGCS Promotional Programs

The Service Provider shall fully and expeditiously participate in all advertising, sales and promotional events and programs organized or conducted by MGCS.

14.08 Limited Licence to Ontario Marks

MGCS grants to the Service Provider a limited, non-exclusive, non-transferable licence to use the Ontario Marks solely in connection with the delivery of the Issuing Services and for the following limited purposes:

- (a) for display on or as part of the signage of the Service Provider as required in **Section 14.01** of this Agreement;
- (b) for use in any Service Provider-Specific Advertising approved by MGCS pursuant to **Section 14.05** of this Agreement;
- (c) for use on , or as part of, any signs, emblems, logos, posters, brochures or other display materials as part of promotional programs of MGCS pursuant to **Section 14.07** of this Agreement;

and the Service Provider's use of the Ontario Marks shall be in accordance with the Operational Directives and Instructions of MGCS.

ARTICLE 15 – OTHER PRODUCTS AND SERVICES

15.01 Service Provider Acknowledgement and Authorization

The Service Provider acknowledges that the reputation and goodwill of MGCS, Ontario and the Service Provider Network is based upon, and can be maintained and enhanced only by, the satisfaction of the Public's expectation that MGCS and the Private Service Provider Network deliver services, including the Issuing Services, in a uniformly high quality manner and that any failure to meet these Public expectations may be detrimental to MGCS, Ontario, the Service Provider and the Private Service Provider Network. Accordingly, the Service Provider may offer other products or services as follows:

- (a) Services that are related to the Issuing Services and that are dependant on the Service Provider's authorization to offer the Issuing Services at the Premises, and are intended to provide members of the Public visiting the Service Provider's Private ServiceOntario Centre with additional convenience and value, and for which the Service Provider charges a separate fee ("Value-Added Services");
- (b) Delivery of the Issuing Services at locations outside of the Premises, or the delivery of any other service at locations outside of the Premises that is dependant on the Service Provider's authorization by MGCS to deliver the Issuing Services ("Off-Site Services"); or

- (c) Products or services that are unrelated to the Issuing Services and that are not dependant on the Service Provider's offering of the Issuing Services ("Ancillary Products or Services").

And the Service Provider's offering of Value-Added Services, Off-Site Services and Ancillary Products and Services shall be subject to the requirements of this **Article 15**.

15.02 **Value-Added Services**

The Service Provider may offer Value-Added Services from the Premises, provided that, in the unqualified subjective discretion of MGCS:

- (a) the Value-Added Services are not incompatible with the promotion of public safety, harmful to the reputation of, or public confidence in, MGCS, the Province of Ontario or the Service Provider Network, or offensive to public policy;
- (b) the offering of the Value-Added Services by the Service Provider does not:
 - (i) create a Conflict of Interest;
 - (ii) prevent the Service Provider from devoting the necessary time and attention required for the proper performance of the Issuing Services,
 - (iii) impact the Service Provider's proper and impartial performance of the Issuing Services in accordance with the provisions of this Agreement, including the Operational Directives and the Instructions of MGCS;
 - (iv) negatively impact the Public's ability to access the Issuing Services from the Premises at any time during the Standard Operating Hours;
 - (v) negatively impact the Public's ability to receive the Issuing Services at the Service Provider's Private ServiceOntario Centres at the regulated fee;
 - (vi) compromise the security of Revenue or the confidentiality or integrity of Ontario Data Bases, Ontario Records and Personal Information;
- (c) MGCS Equipment and MGCS Stock are not used in, or impacted by, the offering and delivery of the Value-Added Services;
- (d) the fee charged to the Public for the Value-Added Services is not blended with or added on-top of the cost to the Public for the Issuing Services to which the Value-Added Services relate, and any revenue generated by the Service Provider from the offering of the Value-Added Services is kept separate and apart from any Revenue of Ontario; and
- (e) the Value-Added Services comply with the requirements of the Operational Directives and the Instructions of MGCS relating to Value-Added Service.

And the Service Provider must obtain the written approval of MGCS prior to offering the Value-Added Services, pursuant to the process set out in the Operational Directives. Any request for written approval of the Value-Added Services by the Service Provider shall include details of the nature and cost to the Public, if any, for the Value-Added Services, and any other details that MGCS deems necessary to grant approval of the Value-Added Services pursuant to this **Section 15.02**. The Service Provider acknowledges and agrees that, as a condition of approval, MGCS may require that, at its unqualified subjective discretion, additional terms and conditions apply to the Service Provider's offering of Value-Added Services from the Premises.

15.03 **Off-Site Services**

The Service Provider may offer Off-Site Services, provided that, in the unqualified subjective discretion of MGCS:

- (a) the offering of the Off-Site Services by the Service Provider does not:
 - (i) create a Conflict of Interest;
 - (ii) prevent the Service Provider from devoting the necessary time and attention required for the proper performance of the Issuing Services at the Premises,
 - (iii) impact the Service Provider's proper and impartial performance of the Issuing Services in accordance with the provisions of this Agreement, including the Operational Directives and the Instructions of MGCS;
 - (iv) negatively impact the Public's ability to access the Issuing Services from the Premises at any time during the Standard Operating Hours; or
 - (v) compromise the security of Revenue, any Government of Ontario assets, including the MGCS Equipment and MGCS Stock, or the confidentiality or integrity of Ontario Data Bases, Ontario Records and Personal Information;
- (b) the cost to the Public, if any, for the Off-Site Services is not blended with or added on-top of the cost to the Public for the Issuing Services which are being delivered outside of the Premises, and any revenue generated by the Service Provider from delivering the Issuing Services outside of the Premises is kept separate and apart from any Revenue of Ontario; and
- (c) the offering of Off-Site Services complies with the requirements of the Operational Directives and the Instructions of MGCS relating to Off-Site Services.

And the Service Provider must obtain the written approval of MGCS prior to offering the Off-Site Services, pursuant to the process set out in the Operational Directives. Any request for written approval for the delivery of Off-Site Services by the Service Provider shall include details of the nature, location, and cost to the Public, if any, for the Off-Site Services, and any other details that MGCS deems necessary to grant approval of the offering of Off-Site Services pursuant to this **Section 15.03**. The Service Provider acknowledges and agrees that, as a condition of approval, MGCS may require that, at its unqualified subjective discretion, additional terms and conditions apply to the Service Provider's offering of Off-Site.

15.04 **Ancillary Products or Services**

The Service Provider may offer Ancillary Products or Services at the Premises, provided that, in the unqualified subjective discretion of MGCS:

- (a) the Ancillary Products or Services are not incompatible with the promotion of public safety, harmful to the reputation of, or public confidence in, MGCS, the Province of Ontario or the Service Provider Network, or offensive to public policy;
- (b) the offering of the Ancillary Products or Services at the Premises by the Service Provider does not:
 - (i) create a Conflict of Interest;
 - (ii) prevent the Service Provider from devoting the necessary time and attention required for the proper performance of the Issuing Services,
 - (iii) impact the Service Provider's proper and impartial performance of the Issuing Services in accordance with the provisions of this Agreement, including the Operational Directives and the Instructions of MGCS;
 - (iv) negatively impact the Public's ability to access the Issuing Services from the Premises at any time during the Standard Operating Hours;

- (v) negatively impact the Public's ability to receive the Issuing Services at the Service Provider's Private ServiceOntario Centres at the regulated fee;
 - (vi) compromise the security of Revenue or the confidentiality or integrity of Ontario Confidential Information, Ontario Data Bases, Ontario Records and Personal Information;
- (c) MGCS Equipment and MGCS Stock are not used in, or impacted by, the offering, delivery or sale of the Ancillary Products or Services;
 - (d) any revenue generated by the Service Provider from the sale of the Ancillary Products or Services is kept separate and apart from any Revenue of Ontario;
 - (e) the offering of Ancillary Products or Services complies with the requirements of the Operational Directives and the Instructions of MGCS relating to Ancillary Products or Services;

and the Service Provider must obtain the written approval of MGCS prior to offering the Ancillary Products or Services pursuant to the process set out in the Operational Directives. Any request for written approval of the Ancillary Products or Services by the Service Provider shall include details of the nature and cost to the Public, if any, for the Ancillary Products or Services, and any other details that MGCS deems necessary to grant approval of the Ancillary Products or Services pursuant to this **Section 15.04**. The Service Provider acknowledges and agrees that, as a condition of approval, MGCS may require that, at its unqualified subjective discretion, additional terms and conditions apply to the Service Provider's offering of Ancillary Products or Services from the Premises.

15.05 Discontinuance of Other Products or Services

MGCS may, at any time and for any reason, direct that the Service Provider to discontinue the offering of any and all Value-Added Services, Off-Site Services or Ancillary Products and Services, and the Service Provider shall immediately comply with any such direction. MGCS shall not be liable for any actual or potential losses or damages to the Service Provider resulting from the Service Provider's compliance with this **Section 15.05**.

15.06 Addition to Products and Services by MGCS

The Service Provider acknowledges that MGCS may from time to time enter into agreements with third parties, whether in the public or the private sector, for the provision, sale or distribution of any products or other services of third parties through the Private ServiceOntario Centre network of the MGCS. The Service Provider shall cooperate with MGCS, and participate in the provision, sale and distribution of any such products and other services, in accordance with the Operational Directives and the Instructions of MGCS.

ARTICLE 16 – OPERATIONAL FLEXIBILITY

16.01 Acknowledgment of MGCS

MGCS acknowledges that the unique circumstances of the Service Provider's Private ServiceOntario Centre may require modification to certain operating standards that are applicable to the Service Provider Network. Accordingly, Service Providers may request, in writing, that MGCS consider operational changes pursuant to this **Article 16** to promote the efficient and effective operation of the Service Provider's Private ServiceOntario Centre.

16.02 Modified Operating Hours

The Service Provider may perform the Issuing Services from the Premises during hours that vary from Standard Operating Hours as identified in Section 4.06 of this Agreement if, in the opinion of MGCS, the variance is required for one of the following reasons:

- (a) the variance in hours of operation would allow the Service Provider to better respond to the service delivery needs of the Public that the Service Provider serves; or
- (b) the retail complex or facility in which the Premises is located does not permit the Service Provider to operate during the Standard Operating Hours; or
- (c) the variance from the Standard Operating Hours would increase the financial viability of the Service Provider's Private ServiceOntario Centre without negatively impacting the ability of the Public to access the Issuing Services;

and the Service Provider submits a request to MGCS to vary from the Standard Operating Hours at least sixty (60) days prior to the effective date of the proposed variance from the Standard Operating Hours and pursuant to the procedure set out in the Operational Directives and Instructions of MGCS. The Service Provider shall continue to perform the Issuing Services from the Premises during the Standard Operating Hours until MGCS approves, in writing, the proposed variance from the Standard Operating Hours.

16.03 Co-Location of Private ServiceOntario Centre With Other Business

The Service Provider may co-locate the Service Provider's Private ServiceOntario Centre with another business or undertaking, or share the Premises with another business or undertaking, with the prior approval of MGCS, provided that, in the unqualified subjective discretion of MGCS:

- (a) the co-location of the Service Provider's Private ServiceOntario Centre with the business or undertaking does not create a Conflict of Interest; and
- (b) MGCS approves, in writing, the co-location of the Service Provider's Private ServiceOntario Centre with an identified business or undertaking.

16.04 Clarification on Co-Location

For the purposes of this Agreement, the Service Provider's Private ServiceOntario Centre shall be deemed to be co-located with another business or undertaking, or the Premises shall be deemed to be shared with another business or undertaking where:

- (a) the Premises and the premises of such other business or undertaking share a common interior or exterior wall; or
- (b) the Premises and the premises of such other business or undertaking share a common area, such as a lobby, reception area, elevator or stairs.

For avoidance of doubt, the Service Provider's Private ServiceOntario Centre shall not be deemed to be co-located with any other business or undertaking, where the Service Provider's Private ServiceOntario Centre and such other business or undertaking are both located in the same retail complex or facility.

ARTICLE 17 – PRIVACY AND CONFIDENTIALITY

17.01 Ontario Records and Ontario's Privacy Legislation

The parties acknowledge and agree that all Ontario Records and Personal Information, including those Ontario Records and Personal Information which are held by the Service Provider, created by the Service Provider in the course of performing the Issuing Services or provided to the Service Provider during the Term are subject to Ontario's Privacy Legislation. For purposes of Ontario's Privacy Legislation, the control of all Ontario Records, and Personal Information contained therein, received by the Service Provider in the course of the delivery of the Issuing Services shall reside with the Ministry of Ontario that is responsible for each individual Ontario Record and any Personal Information under any applicable Ontario Privacy Legislation.

17.02 Compliance with MGCS Instructions

The Service Provider shall comply with the requirements of the Operational Directives and the Instructions of MGCS relating to Ontario Confidential Information, Ontario Records and Personal Information including, without limitation, the collection, use, disclosure or retention of Ontario Records and Personal Information. The Service Provider shall not to do anything which would place any Ministry of Ontario in contravention of Ontario's Privacy Legislation.

17.03 Service Provider's Obligations for Ontario Records and Personal Information

The Service Provider shall only collect the Personal Information from customers at the Service Provider's Private ServiceOntario Centre that has been specified or approved by MGCS in the Operational Directives and the Instructions of MGCS, and only in the manner and for the purposes of delivering the Issuing Services. For avoidance of doubt, the Service Provider is not authorized by MGCS to collect Personal Information from customers at the Service Provider's Private ServiceOntario Centre for the purposes of delivering other products or services pursuant to **Article 15 (Other Products or Services)**. In addition, the Service Provider shall:

- (a) post such public notices as MGCS may require in relation to the Service Provider's collection, use and disclosure of Personal Information and in the manner and locations specified by MGCS;
- (b) protect, at all times, all Ontario Records and Personal Information against loss, alteration and against access by unauthorized persons and take all measures to maintain the physical and electronic security and integrity of Ontario Records and Personal Information, including, but not limited to:
 - (i) keeping Ontario Records and Personal Information in a physically secure location, separate from all other records and databases of the Service Provider;
 - (ii) ensuring that Ontario Records and Personal Information are maintained within the Ontario Data Bases, and that no Ontario Records and Personal Information is moved from one Ontario Data Base to another and that no comparison, matching, or consolidation of Ontario Data Bases occurs;
 - (iii) implementing and maintaining the use of appropriate security products, tools, and procedures to meet MGCS's requirements for protecting Ontario Records and Personal Information from improper access, loss, alteration and destruction;
 - (iv) ensuring that passwords are required in order to access Ontario Records and Personal Information electronically, taking all necessary precautions to maintain the secrecy of such passwords, and ensuring that only those Employees that are required to access Ontario Records and Personal Information as part of their employment functions are permitted to do so;

- (v) ensuring that any Ontario Records and Personal Information that are transferred to MGCS are done so in a secure manner in accordance with the Operational Directives and the Instructions of MGCS;
 - (vi) ensuring that any Ontario Records and Personal Information that are transmitted over the internet are transmitted using the then currently commercially available encryption technology satisfactory to MGCS;
 - (vii) implementing such other specific security measures as MGCS may, from time to time, determine would improve the adequacy and effectiveness of the Service Provider's security measures.
- (c) ensure that, at all times, all Ontario Records and Personal Information are stored or retained at the Premises, and that Ontario Records and Personal Information are not stored or retained outside the Premises or the Province of Ontario for any period of time, and that Ontario Records and Personal Information are not disclosed to any individual or organization that is not a resident of Canada, or that is, or could be subject to the laws of a foreign jurisdiction; and
 - (d) provide any Ontario Records and Personal Information to MGCS within seven (7) days of being directed to do so by MGCS for any reason.

17.04 Prohibition on Service Provider's Use of Personal Information

At no time shall the Service Provider, or the Service Provider's Employees, directly or indirectly:

- (a) access any Ontario Records or Personal Information, unless MGCS determines, in its unqualified subjective discretion, that access is permitted under Ontario's Privacy Legislation and is necessary in order for the Service Provider to perform the Issuing Services;
- (b) use, or permit the use of, Ontario Records or Personal Information for any purposes other than the performance of the Issuing Services, or as specified or approved by MGCS in writing;
- (c) use, or permit the use of, Ontario Records or Personal Information directly or indirectly to locate or contact any Person to whom the Personal Information relates;
- (d) copy any Ontario Records or Personal Information for any purposes other than the performance of the Issuing Services;
- (e) remove from the Premises any copy of Ontario Records or Personal Information made for the purposes of performance of the Issuing Services;
- (f) destroy any Ontario Records or Personal Information;
- (g) develop, derive or compile, for any purpose, any table, index, data or database (whether or not in electronic or machine-readable form), or any other product that incorporates, contains, modifies or uses, in any manner whatsoever, any Ontario Records or Personal Information; or
- (h) give, exchange, sell, disclose, or make available to third parties any Ontario Records or Personal Information, without first obtaining the consent of MGCS (which may be given or withheld in MGCS's unqualified subjective discretion).

17.05 Service Provider's Obligations for Ontario Confidential Information, Ontario Records and Personal Information

The Service Provider shall take all reasonable measures to keep all Ontario Confidential Information, Ontario Records and Personal Information confidential. In addition the Service Provider shall:

- (a) keep all Ontario Confidential Information, Ontario Records and Personal Information confidential and secure;
- (b) limit the disclosure of Ontario Confidential Information, Ontario Records and Personal Information to only those Employees who have a need to know it for the purpose of providing the Issuing Services and who have been specifically authorized to have such disclosure;
- (c) not directly or indirectly disclose, destroy, exploit or use any Ontario Confidential Information, Ontario Records and Personal Information (except for the purpose of performing the Issuing Services, or except if required by order of a court or tribunal), without first obtaining:
 - (i) the written consent of MGCS and
 - (ii) in respect of any Ontario Confidential Information about any third-party, the written consent of such third-party;
- (d) provide Ontario Confidential Information, Ontario Records and Personal Information to MGCS on demand;
- (e) immediately notify MGCS of the termination of any Employee that had access to Ontario Data Bases, Ontario Confidential Information, Ontario Records and Personal Information; and
- (f) return all Ontario Confidential Information, Ontario Records and Personal Information to MGCS before the end of the Term, with no copy or portion kept by the Service Provider.

17.06 Employee Access to Ontario Records and Personal Information

The Service Provider shall ensure that all Employees respect and maintain the obligations of the Service Provider in relation to Ontario Confidential Information, Ontario Data Bases, Ontario Records and Personal Information contained in this Agreement. Without limiting the generality of the foregoing, prior to permitting any Employee to access any Ontario Confidential Information, Ontario Data Bases, Ontario Records or Personal Information, the Service Provider shall:

- (a) instruct the Employee in respect of the requirements of Ontario's Privacy Legislation and the confidentiality obligations contained in this Agreement; and
- (b) require the Employee to execute a security statement and acknowledgement in a form acceptable to MGCS, as set out in the Operational Directives.

Regardless of the Service Provider's adherence to the requirements of this **Section 17.06**, the Service Provider shall remain fully responsible to MGCS for any Employee's non-compliance with the provisions of this **Article 17**.

17.07 Compliance and Monitoring

The Service Provider shall implement reasonable measures to monitor the handling of Ontario Records and Personal Information, and of the Employees collecting using or disclosing particular Ontario Records or Personal Information, and to ensure the compliance of the Service Provider. These measures shall include, without limitation:

- (a) allowing MGCS to conduct compliance reviews of the Service Provider from time to time during the Term, and for a period of three (3) years following the Expiry Date or termination for any reason of this Agreement, to determine the Service Provider's compliance with Ontario's Privacy Legislation, and with the privacy provisions contained in this Agreement;
- (b) correcting any deficiencies, at the Service Provider's own costs, identified through a compliance review completed pursuant to **Subsection 17.07(a)** of this Agreement within five (5) Business Days of receiving notification of such deficiencies, and notify MGCS in writing upon the deficiencies being corrected;
- (c) taking immediate corrective action to remedy any failure on the part of the Service Provider or the Service Provider's Employees to comply with the provisions of this **Article 17**, and take such corrective or preventative action as MGCS may specify, including, without limitation, requiring the Service Provider to improve the methods by which it maintains, collects, uses, discloses or retains Personal Information to ensure compliance with this Agreement;

and nothing in this **Section 17.07** shall limit or restrict any other rights or remedies MGCS may have under this Agreement or at law or in equity. In addition to any other liabilities of the Service Provider pursuant to this Agreement or otherwise at law or in equity, the Service Provider shall be liable for all damages, costs, expenses, losses, claims or actions arising from any non-compliance by the Service Provider including, without limitation, any Employee, with the confidentiality provisions of this Agreement.

17.08 Service Provider to Advise and Notify

The Service Provider shall notify the MGCS Representative, immediately upon the occurrence of any of the following events:

- (a) any actual or potential failure on the part of the Service Provider or the Service Provider's Employees to comply with the provisions of this **Article 17**;
- (b) the theft, loss, or unauthorized access of any Ontario Records or Personal Information, whether intentional or accidental;
- (c) the receipt of any and all requests of any kind for Ontario Records or Personal Information, and any requirement of any kind that might compel the Service Provider to disclose or produce any Ontario Records or Personal Information, including any and all requests and requirements related to a warrant under the laws of Canada, the Province of Ontario, or any other province, or any foreign jurisdiction, and any requests from law enforcement agencies or officials for the release of surveillance video footage captured by the Service Provider's security systems, if any; and
- (d) any complaints from customers of the Service Provider's Private ServiceOntario Centre relating to actual or potential failure on the part of the Service Provider or the Service Provider's Employees to comply with the provisions of this **Article 17**.

17.09 Investigations and Appeals

The Service Provider shall comply with all policies, protocols and procedures of MGCS with respect to the collection, storage, use or disclosure of Ontario Records or Personal Information, and shall co-operate with MGCS and its representatives in the investigation of any complaints or appeals received under Ontario's Privacy Legislation.

17.10 Injunctive and Other Relief

The Service Provider acknowledges that breach of any provisions of this **Article 17** may cause irreparable harm to MGCS, the Province of Ontario or to any third-party to whom MGCS or the Province of Ontario owes a duty of confidence, and that the injury to MGCS, the Province of Ontario or to any third-party may be difficult to calculate and inadequately compensable in damages. The Service Provider agrees that MGCS is entitled to obtain injunctive relief (without proving any damage sustained by it or by any third-party) or any other remedy against any actual or potential breach of the provisions of this **Article 17**.

ARTICLE 18 – ACCOUNTING AND FINANCIAL REPORTS

18.01 Service Provider to Maintain Financial Record-Keeping System

Subject to the provisions of **Article 17 (Privacy and Confidentiality)**, the Service Provider shall at the Service Provider's own cost establish and maintain, in accordance with generally accepted Canadian accounting principles, bookkeeping, accounting, inventory controls and record-keeping systems. The Service Provider shall collect, input and store records, documents and information in such form and detail as MGCS may, in its unqualified subjective discretion, require to enable MGCS to monitor the performance of the Issuing Services, the Revenue received, the use of MGCS Equipment and MGCS Stock, and the financial condition of the Service Provider.

18.02 Storage and Retention of Financial Records

Records, documents and information, whether in paper-based or electronic form, shall be stored only on the Premises, or at such other Private ServiceOntario Centre as may be operated by the Service Provider under agreement with MGCS, and shall be maintained in accessible order and form. Without the prior consent of MGCS, the Service Provider shall not permit any records or files pertaining to the Issuing Services to be deleted or destroyed for a period of at least five (5) years from the end of Province's fiscal year to which the records or files relate.

18.03 Request for Reports by Province

The Service Provider shall furnish to MGCS, at the Service Provider's own cost, reports in such form and frequency as may from time to time be prescribed by MGCS, together with such detail, breakdown and copies of supporting records, as MGCS may require in respect of the Issuing Services and other matters arising under this Agreement.

18.04 Payment Card Industry (PCI) Data Security Standard (DSS) Compliance

The Service Provider accepts responsibility for securing all customer cardholder data in their possession.

The Service Provider is responsible for their PCI DSS compliance and is required, on an annual basis, to provide ServiceOntario with an Attestation of Compliance (AOC) certificate by end of March every calendar year. If the Service Provider is not compliant in any given year they will be required to provide a remediation plan with a date of compliance and AOC to ServiceOntario.

ARTICLE 19 – AUDIT

19.01 MGCS's Right to Inspect or Audit

MGCS and its authorized representatives shall have the right, without notice and during the Standard Operating Hours, to inspect or audit the Premises and the furnishings, equipment and fixtures thereon, including without limitation the MGCS Equipment and MGCS Stock, and to otherwise examine the manner in which the Service Provider is performing the Issuing Services to substantiate:

- (a) that the Issuing Services were or are being delivered in accordance with the terms and conditions of this Agreement and the Requirements of Law; and
- (b) the accuracy of any and all amounts collected by the Service Provider as compensation, pursuant to **Article 10 (Compensation and MGCS Assistance)** of this Agreement.

19.02 **Service Provider to Co-operate with MGCS's Authorized Representatives**

In the event of any such inspection, audit, or review, including any inspection, audit or review conducted under **Section 12.03**, **Section 18.03**, or **Subsection 17.07(a)** of this Agreement, the Service Provider shall co-operate fully and provide any assistance requested by MGCS, and shall cause the Employees to co-operate fully and to provide any such assistance, including, but not limited to, providing full access to inspect, review or audit the records, electronic systems, financial books, bookkeeping and accounting records, documents or other materials, from any location, including, without limitation, the Premises.

19.03 **Audit of Service Provider's Use of Systems**

For avoidance of doubt, the Service Provider acknowledges that MGCS may, at any time and from any location, inspect, review or audit any use by the Service Provider (including, without limitation, the Employees) of any electronic system or program provided by MGCS for performance of the Issuing Services including, without limitation, any electronic systems or programs used to access Ontario Data Bases.

19.04 **Receipt of Audit Report and Corrective Action**

In the event that it is determined by any inspection, audit or review that:

- (i) the Service Provider's records and procedures were insufficient to substantiate that the Issuing Services were being delivered in accordance with the terms and conditions of this Agreement and the Requirements of Law;
- (ii) the Service Provider's records and procedures were insufficient to substantiate the accuracy of any and all amounts collected by the Service Provider as compensation under **Article 10 (Compensation and MGCS Assistance)** this Agreement.;
- (iii) Revenue for the period in question was understated by the Service Provider or the Service Provider failed to remit any Revenue or other payments as required by this Agreement;
- (iv) the Service Provider retained as compensation any amounts in excess of compensation permitted under **Article 10 (Compensation and MGCS Assistance)** of this Agreement;
- (v) any MGCS Equipment and MGCS Stock was damaged, lost or stolen while in the possession or care of the Service Provider, where the Service Provider failed to comply with any security obligations and procedures contained in the Operational Directives or the Instructions of MGCS or where the damage, loss or theft is attributable to any intentional wrongdoing or negligent act or omission of the Service Provider or the Employees; or
- (vi) the Service Provider failed to comply with any of the material provisions of this Agreement, including the Operational Directives, the Instructions of MGCS and the Requirements of Law.

the Service Provider shall immediately, within the time period specified in the inspection or audit report:

- (a) take such steps as may be necessary to correct the deficiency in accordance with the Instructions of MGCS;
- (b) reimburse to Her Majesty the Queen in Right of Ontario any outstanding Revenue or other payments as required by this Agreement, as well as any amounts retained as compensation in excess of compensation permitted under **Article 10 (Compensation and MGCS Assistance)**; and
- (c) reimburse to Her Majesty the Queen in Right of Ontario the repair or replacement cost of MGCS Equipment and the value of MGCS Stock in accordance with **Section 11.03** of this Agreement.

19.05 No Restrictions or Limitations on Remedies

Nothing in this **Article 19** shall limit or restrict any other rights or remedies MGCS may have under this Agreement or at law or in equity.

ARTICLE 20 – LIABILITY, INDEMNITY AND INSURANCE

20.01 Service Provider Indemnity

The Service Provider shall indemnify and hold harmless the Indemnified Parties from and against all Losses and Proceedings, by whomever made, sustained, incurred, brought or prosecuted, arising out of, or in connection with anything done or omitted to be done by the Service Provider or the Employees in the course of the performance of the Service Provider's obligations under the Agreement, or otherwise in connection with the Agreement. The obligations contained in this paragraph shall survive the termination or expiry of the Agreement.

20.02 Service Provider's Insurance

Prior to the Implementation Date, the Service Provider shall put in effect and maintain insurance for the Term, at its own cost and expense, with insurers having a secure A.M. Best rating of B + or greater, or the equivalent, all the necessary and appropriate insurance that a prudent person in the business of the Service Provider would maintain including, but not limited to, the following:

- (a) commercial general liability insurance on an occurrence basis for third party bodily injury, personal injury and property damage, to an inclusive limit of not less than \$2,000,000 per occurrence, \$2,000,000 products and completed operations aggregate. The policy is to include the following:
 - (i) the Indemnified Parties as additional insureds with respect to liability arising in the course of performance of the Service Provider's obligations under, or otherwise in connection with, the Agreement;
 - (ii) contractual liability coverage,
 - (iii) independent contractors coverage,
 - (iv) tenants legal liability coverage,
 - (v) non-owned automobile coverage with blanket contractual and physical damage coverage for hired automobiles
 - (vi) 30 day written notice of cancellation, termination or material change;
 - (vii) a cross liability clause, and
 - (viii) employers liability coverage (or compliance with **Section 20.04** of this Agreement)

- (b) property insurance on an "all risks" basis, including earthquake and flood, covering the Premises and property of every description, including MGCS Equipment, MGCS Stock and other property for which the Service Provider is responsible, for not less than the full replacement cost and with a replacement cost endorsement. Such policy shall:
 - (i) be effective prior to receipt by the Service Provider of any MGCS Equipment or MGCS Stock,
 - (ii) add the Indemnified Parties as a loss payee, and
 - (iii) contain a waiver by the insurer of any rights of subrogation to which the insurer may otherwise be entitled against MGCS;
- (c) such insurance, and in such amounts, as may be required pursuant to any lease, licence, or other similar agreement entered into by the Service Provider securing the right to occupancy of the Premises; and

20.03 Proof of Insurance

The Service Provider shall provide MGCS with proof of the insurance required by this Agreement in the form of valid certificates of insurance that reference this Agreement and confirm the required coverage, before the execution of the Agreement by MGCS, and renewal replacements on or before the expiry of any such insurance. Upon the request of MGCS, a copy of each insurance policy shall be made available to it. The Service Provider shall ensure that each of its subcontractors obtains all the necessary and appropriate insurance that a prudent person in the business of the subcontractor would maintain and that the Indemnified Parties are named as additional insureds with respect to any liability arising in the course of performance of the subcontractor's obligations.

20.04 Proof of W.S.I.A. Coverage

If the Service Provider is subject to the Workplace Safety and Insurance Act ("WSIA"), it shall submit a valid clearance certificate of WSIA coverage to MGCS prior to the execution of the Agreement by MGCS. In addition, the Service Provider shall, from time to time at the request of MGCS, provide additional WSIA clearance certificates. The Service Provider covenants and agrees to pay when due, and to ensure that each of its subcontractors pays when due, all amounts required to be paid by it/its subcontractors, from time to time during the Term, under the WSIA, failing which MGCS shall have the right, in addition to and not in substitution for any other right it may have pursuant to the Agreement or otherwise at law or in equity, to pay to the Workplace Safety and Insurance Board any amount due pursuant to the WSIA and unpaid by the Service Provider or its subcontractors and to deduct such amount from any amount due and owing from time to time to the Service Provider pursuant to the Agreement together with all costs incurred by MGCS in connection therewith.

20.05 Service Provider Participation in Proceedings

The Service Provider shall, at its expense, to the extent requested by MGCS, participate in or conduct the defence of any Proceeding against any Indemnified Parties referred to in this **Article 20** and any negotiations for their settlement. MGCS may elect to participate in or conduct the defence of any such Proceeding by notifying the Service Provider in writing of such election without prejudice to any other rights or remedies of MGCS under the Agreement, at law or in equity. Each Party participating in the defence shall do so by actively participating with the other's counsel. The Service Provider shall enter into no settlement unless it has obtained the prior written approval of MGCS. If the Service Provider is requested by MGCS to participate in or conduct the defence of any such Proceeding, MGCS agrees to co-operate with and assist the Service Provider to the fullest extent possible in the Proceedings and any related settlement negotiations. If MGCS conducts the defence of any such Proceedings, the Service Provider agrees to co-operate with and assist MGCS to the fullest extent possible in the Proceedings and

any related settlement negotiations. This paragraph shall survive any termination or expiry of the Agreement.

ARTICLE 21 – FORCE MAJEURE

21.01 Notice of Force Majeure

If either MGCS or the Service Provider is unable to perform or will be delayed in performing, in whole or in part, by reason of Force Majeure any of that party's material obligations under this Agreement, such party shall provide notice of the Force Majeure to the other party. Effective upon such notice, the obligation(s) affected by the Force Majeure will be suspended during, and the time for performing such obligation(s) under this Agreement will be extended by, the period from the giving of the notice to when the Force Majeure ceases.

21.02 Reasonable Procedures to Remedy Force Majeure

The party giving notice of Force Majeure shall implement all reasonable procedures to remedy or remove the Force Majeure, and the effects of the Force Majeure, as soon as practicable and shall keep the non-affected party aware of the status of the Force Majeure.

21.03 Notice of Potential Disruption

Whenever the Service Provider becomes aware of anything that will, or is likely to, delay or disrupt the performance of the Issuing Services, the Service Provider shall promptly notify MGCS, and the anticipated extent of the delay or disruption, whether that thing is an event of Force Majeure or not.

21.04 Business Continuity Plan

The Service Provider shall provide MGCS with a Business Continuity Plan, in the format and timeline set out in accordance with the Operational Directives and Instructions of MGCS.

“**Business Continuity Plan**” means the plan setting out the Service Provider’s proposed methodology to ensure continuance of providing Issuing Services resulting from of a Force Majeure event.

The Service Provider’s Business Continuity Plan will include, but not be limited to:

- (i) Names and contact details for Key Personnel and other employees responsible for invoking and managing workarounds to allow the Service Provider to continue to offer Issuing Services during operational disruption;
- (ii) Contact details of potential third parties, needed to implement workarounds described in (i); and
- (iii) Details of how the workarounds will be implemented for a loss of functionality of IT services, access to premises, telephones.

ARTICLE 22 – ASSIGNMENT & SUBCONTRACTING

22.01 Assignment by MGCS

MGCS may assign all or any part of its interest in this Agreement to any ministry, agency, board, commission or crown corporation of the Government of Ontario, without the

consent of the Service Provider, provided that the Service Provider has received reasonable written notice of MGCS's intent to assign.

22.02 Assignment by the Service Provider

The Service Provider shall not assign all or any part of the Agreement or any monies due under it without the prior written consent of MGCS. Such consent shall be at the sole discretion of MGCS and subject to any conditions that may be imposed by MGCS, which may include, without limitation, that:

- (a) all of the Service Provider's accrued monetary obligations and all other outstanding obligations to MGCS have been satisfied;
- (b) the Service Provider is not in default of this Agreement, or any other agreement between the Service Provider and MGCS;
- (c) the Service Provider execute a general release, in form and substance satisfactory to MGCS, of any and all claims against MGCS or persons for whom MGCS is legally responsible;
- (d) the Person to which the Agreement is to be assigned (the "Assignee") enter into a written agreement, in form and substance satisfactory to MGCS, assuming and agreeing to discharge all of the Service Provider's obligations under this Agreement;
- (e) the Assignee undergoes a Security Clearance Check of this Agreement prior to any assignment being effective;
- (f) the Assignee demonstrate to the satisfaction of MGCS that the Assignee meets the then existing standards of MGCS, including without limitation, education, managerial, and business standards; possession of the satisfactory financial capability to support the operation of the Service Provider's Private ServiceOntario Centre; and has the aptitude and ability to perform the Issuing Services;
- (g) the Service Provider remain liable to MGCS for all of the obligations under this Agreement which arose prior to the effective date of the Assignment, and execute any and all instruments reasonably requested by MGCS to evidence such liability; and
- (h) the Assignee, at the Assignee's own cost, successfully complete the Initial Training Programme, or any other training programs then in effect for operators of Private ServiceOntario Centres, upon such terms and conditions as MGCS may require.

22.03 Prohibition on Subcontracting

The Service Provider shall not subcontract all or any part of the Issuing Services at any time during the Term without the prior written consent of MGCS. Such consent shall be at the sole discretion of MGCS subject to any conditions that may be imposed by MGCS.

22.04 Assignment or Subcontracting Void

Any actual or purported assignment or subcontract contrary to this **Article 22** shall be null and void.

22.05 Conditional Request for Assignment

If the Service Provider is organized as a sole proprietorship, the Service Provider may request the assignment of this Agreement to an Assignee that shall only be considered

by MGCS in the event of the death or permanent incapacity of the Service Provider. Any assignment ultimately considered and approved by MGCS pursuant to this **Section 22.05** shall be subject to any conditions that may be imposed by MGCS, which may include, without limitation, any of the conditions set out in **Section 22.02** of this Agreement.

ARTICLE 23 – SERVICE PROVIDERS THAT ARE CORPORATIONS OR PARTNERSHIPS

23.01 Corporations

If the Service Provider is organized as a corporation, upon request of MGCS, the Service Provider shall comply with the following requirements:

- (a) the Service Provider shall furnish copies of the Service Provider's articles of incorporation, bylaws, and other governing documents, and any amendments of such articles, bylaws and documents, including the resolution of the board of directors of the Service Provider authorizing entry into this Agreement, shall be promptly furnished to MGCS;
- (b) from time to time, in a form acceptable to MGCS, the Service Provider shall deliver to MGCS a certificate certifying as to the then current shareholders, directors, officers or members, as the case may be, of the Service Provider;
- (c) the Service Provider shall cause at least one of the shareholders, directors and officers of the Service Provider, and of any shareholder of the Service Provider which is a corporation, present and future, to sign, deliver and comply with the Guarantee, Indemnification and Acknowledgment in the form set out in **Schedule 2** to this Agreement.

23.02 Partnerships

If the Service Provider is organized as a partnership, upon request of MGCS, the Service Provider shall comply with the following requirements:

- (a) the Service Provider shall furnish MGCS with a copy of the Service Provider's partnership agreement as well as such other documents as MGCS may reasonably request, and any amendments to such agreement and documents;
- (b) such partnership agreement must contain a dispute resolution mechanism satisfactory to MGCS; and
- (c) from time to time, in a form acceptable to MGCS, the Service Provider shall deliver to MGCS a certificate certifying as to then general and limited partners in the Service Provider.

ARTICLE 24 – SERVICE PROVIDERS WITH MULTIPLE OFFICES

24.01 Multiple Private ServiceOntario Centres

Nothing in this Agreement shall prohibit the Service Provider from operating one or more other Private ServiceOntario Centres to deliver the Issuing Services pursuant to one or more separate agreements with MGCS authorizing the operation of such other Private ServiceOntario Centres.

24.02 Default Under Other Agreements

Where the Service Provider, or an Affiliate of the Service Provider, is authorized, pursuant to one or more separate agreements as described in **Section 24.01** of this Agreement, any default by the Service Provider in the performance or compliance with

any of the terms and conditions under any one agreement governing another Private ServiceOntario Centre shall be deemed to be an event of default under all other agreements between the Service Provider and MGCS pursuant to which the Service Provider operates such other Private ServiceOntario Centres.

ARTICLE 25 – DISPUTE RESOLUTION

25.01 Dispute Resolution by Rectification Notice

Where the Service Provider fails to comply with any of its obligations under the Agreement, MGCS may issue a rectification notice to the Service Provider setting out the manner and time-frame for rectification. Within seven (7) Business Days of receipt of that notice, the Service Provider shall either:

- (a) comply with that rectification notice; or
- (b) provide a rectification plan satisfactory to MGCS.

If the Service Provider fails to either comply with that rectification notice or provide a satisfactory rectification plan, MGCS may immediately terminate the Agreement.

25.02 Prior Rectification Notices

Where the Service Provider has been given a prior rectification notice pursuant to **Section 25.01** of this Agreement, the same subsequent type of non-compliance by the Service Provider shall allow MGCS to immediately terminate the Agreement immediately.

ARTICLE 26 – DEFAULT AND TERMINATION

26.01 Events of Default

The Service Provider shall be in default under this Agreement where:

- (a) the Service Provider fails to provide proof of occupancy of the Premises in accordance with **Section 5.03** of this Agreement;
- (b) in MGCS's opinion, the Service Provider's participation in the Initial Training Programme pursuant to **Section 8.01** of this Agreement discloses the inability of the Service Provider to adequately perform the Issuing Services or effectively manage the Service Provider's Private ServiceOntario Centre;
- (c) the Service Provider breaches any provision in **Article 9 (Service Provider's Collection of Provincial Revenue)**, and such default continues for a period of five (5) Business Days after notice has been given to the Service Provider of the breach;
- (d) the Service Provider fails to conduct business in, at or from the Premises for a period of five (5) consecutive Business Days without the prior written consent of MGCS, or loses the right to occupy the Premises for any reason whatsoever, except for a Force Majeure event;
- (e) the Service Provider is adjudged bankrupt, makes a general assignment for the benefit of its creditors or a receiver is appointed on account of the Service Provider's insolvency;
- (f) except where the Service Provider is required to enter a general security agreement or similar agreement to secure financing for the establishment or

operation of the Service Provider's Private ServiceOntario Centre, the Service Provider pledges its rights and interests under the Agreement, or purports to pledge its rights and interests under the Agreement, as an asset or collateral to secure a loan or, in MGCS's opinion, the Service Provider undertakes a similar transaction;

- (g) the Service Provider breaches any provision in **Article 17 (Privacy and Confidentiality)** of the Agreement;
- (h) the Service Provider's conduct or operations result in Service Provider falling within the circumstances described in **Subsections 4.08(i), 4.08(ii) or 4.08(iii)** of the Agreement;
- (i) the Service Provider fails to submit any report required by this Agreement or the Operational Directives and Instructions of MGCS, within the time period specified in the Agreement or by MGCS, and such failure is not rectified by the Service Provider within ten (10) Business Days;
- (j) the Service Provider, prior to or after executing the Agreement, makes a material misrepresentation or omission or provides materially inaccurate information to MGCS;
- (k) the Service Provider undergoes a change in control which adversely affects the Service Provider's ability to satisfy some or all of its obligations under the Agreement;
- (l) the Service Provider subcontracts for the provision of part or all of the Issuing Services or assigns the Agreement without first obtaining the written approval of MGCS;
- (m) the Service Provider defaults in the performance of the Issuing Services at another Private ServiceOntario Centre under a separate agreement between the Service Provider and MGCS as described in **Section 24.02** of this Agreement;
- (n) the Service Provider fails or neglects to perform any of the other obligations under this Agreement, and where such default by its nature is capable of being remedied by the Service Provider, the Service Provider fails to remedy the default within the time specified in the rectification notice issued by MGCS pursuant to **Section 25.01** of this Agreement;
- (o) the Service Provider repeats a non-compliance for which a previous rectification notice was issued pursuant to **Section 25.01** of this Agreement;
- p) if the Service Provider is organized as a sole proprietorship, the Service Provider dies or otherwise becomes permanently incapacitated without making a conditional request for assignment pursuant to **Section 22.05 (Conditional Request for Assignment)** of this Agreement or if the Service Provider's conditional request for assignment made pursuant to that section is not approved;
- (q) if the Service Provider is organized as a corporation, an order is made or resolution is passed for the dissolution, winding up, liquidation or suspension of operation of the Service Provider, or a Guarantor of the Service Provider dies or otherwise becomes permanently incapacitated, or an order is made or resolution is passed for the dissolution, winding up, liquidation or suspension of operation of a Guarantor,

- (r) the Service Provider fails to adhere to the service standards as prescribed in **Section 4.10** of this Agreement.

And the above events of default are in addition to all events of default by operation of law.

26.02 Remedies for Events of Default

Upon the occurrence of any of the events of default detailed in **Section 26.01** of this Agreement, and by notice to the Service Provider, MGCS may declare the Service Provider to be in default and may do any or all of the following as MGCS, in its sole discretion acting reasonably, determines:

- (a) immediately terminate this Agreement;
- (b) provide the Service Provider a period of time in which to cure or attempt to cure the default, through the issue of a rectification notice under **Section 25.01** of this Agreement; or
- (c) require that a representative of MGCS supervise the day-to-day operations at the Service Provider's Private ServiceOntario Centre until such time that the Service Provider's default has been remedied to the satisfaction of MGCS;

and the remedies listed above are in addition to any and all other rights of MGCS available at law, or by operation of law.

26.03 Failure to Exercise Remedies Not a Waiver

Any failure of MGCS to exercise any rights or remedies to which it is entitled upon the happening of any event of default identified in **Section 26.01** of this Agreement shall not be deemed to be a waiver of, or otherwise affect, impair, or prevent MGCS from exercising any rights or remedies to which it may be entitled.

26.04 Termination on Notice

Either party may terminate this Agreement, without cause, upon one-hundred and twenty (120) days prior written notice to the other party.

26.05 Termination for Non-Appropriation

The continuation of the Agreement is conditional upon an appropriation of moneys by the Legislature of Ontario (the "Legislature") sufficient to satisfy payments due under the Agreement. In the event that such moneys are not available as a result of: (i) non-appropriation by the Legislature for the Fiscal Year in which payment becomes due; and (ii) the payment being neither charged nor chargeable to an appropriation of the Legislature for a previous Fiscal Year, MGCS may terminate the Agreement upon giving notice to the Service Provider. Termination shall become effective on the date of the beginning of the first Fiscal Year for which funds have not been appropriated.

26.06 Service Provider's Obligations on Termination

On termination of the Agreement, the Service Provider shall, in addition to its other obligations under the Agreement and at law:

- (a) immediately discontinue performance of the Issuing Services, cease accessing any Ontario Data Base, and cease displaying and using all signs, stationary, letterheads, forms, printed material, advertising and other physical objects used from time to time in connection with the performance of the Issuing Services;
- (b) immediately surrender to MGCS any Ontario Confidential Information, Ontario Records and Personal Information;

- (c) immediately, or upon MGCS's request, surrender to MGCS any copies of the Operational Directives in the possession of the Service Provider, as well as any MGCS Equipment, MGCS Stock and any other assets of MGCS supplied to the Service Provider;
- (d) immediately pay all monies then due and unpaid by the Service Provider including, without limitation, Revenue not yet remitted to Her Majesty the Queen in Right of Ontario and all costs and expenses incurred by MGCS as a result of any default on the part of the Service Provider;
- (e) execute such documentation as may be required by MGCS to give effect to the termination of the Agreement; and
- (f) comply with any other Instructions of MGCS, including but not limited to instructions for facilitating the transfer of its obligations to another Person.

This paragraph shall survive any termination of the Agreement.

26.07 Authorization to Enter Premises

In the event of the Service Provider's failure or refusal to comply with **Section 26.06** of this Agreement, MGCS is hereby irrevocably authorized by the Service Provider, without liability, to enter the Premises, by force, summary proceeding, or otherwise, and to remove any Ontario Confidential Information, Ontario Records, and Personal Information (including any copies of which are stored in the electronic systems of the Service Provider), any copies of the Operational Directives and any MGCS Equipment, MGCS Stock and other assets of the MGCS.

26.08 Termination in Addition to Other Rights

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

26.09 Compensation for Early Termination

In the event MGCS exercises its right of termination pursuant to **Section 26.04**, MGCS shall compensate the Service Provider for any reasonable direct costs and damages incurred by the Service Provider as a result of such termination. All such costs and damages must be properly itemized and documented by the Service Provider, and for the avoidance of doubt shall not include any indirect or consequential damages, or claims for lost profit. In this **Section 26.09** the term "direct costs and damages" shall include lease termination costs, severance costs, cancellation fees and the cost for any equipment and leasehold improvements. For greater certainty this provision shall not apply to a termination of this Agreement pursuant to **Section 26.05** of this Agreement.

ARTICLE 27 – EXPIRY, EXTENSION AND RENEWAL

27.01 Expiry and Extension of Agreement

The Agreement shall expire on the original Expiry Date, unless MGCS exercises its option, pursuant to **Section 27.02** of this Agreement, to extend the Term of the Agreement, in which case the expiry date for each Renewal Term shall be the date set out in the renewal notice, unless terminated sooner in accordance with the terms and conditions of the Agreement. Any extension of this Agreement shall be upon the same terms conditions and covenants contained in the Agreement, excepting the option to renew.

27.02 Extension at MGCS's Option

MGCS shall have the option to extend the Agreement for a maximum of two (2) additional terms of five (5) years each. MGCS's exercise of its option to extend the Agreement shall be conditional upon:

- (a) the Service Provider's compliance with the terms and conditions of this Agreement and any other agreement between the Service Provider and MGCS authorizing the operation of another Private ServiceOntario Centre; and
- (b) the determination by MGCS, at its unqualified subjective discretion, that audits conducted by MGCS pursuant to **Article 19 (Audit)** indicate that the Service Provider will continue to provide satisfactory service in the renewal terms;

and MGCS determines, through an internal review of the operations of the Service Provider's Private ServiceOntario Centre during the Term, that there is an ongoing requirement for a Private ServiceOntario Centre in the community in which the Premises is located.

In the event that MGCS wishes to exercise its option to extend, it shall notify the Service Provider, in writing, no later than one-hundred and eighty (180) days prior to the Expiry Date. The notice shall set forth the precise duration of the extension.

27.03 Substitution of New Form of Agreement Upon Renewal

At the commencement of each renewal term, the Service Provider shall, at the option of MGCS, execute a new issuing services agreement in the form then being used by MGCS, which may contain provisions additional to, or different from, provision contained in this Agreement.

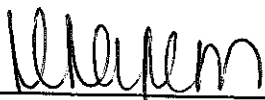
27.04 Service Provider's Obligations Upon Expiry

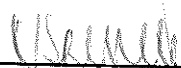
Upon expiry of the Agreement, the obligations on the Service Provider as described in **Section 26.06** of this Agreement shall apply.

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of the date first above written.

**THE CORPORATION OF THE MUNICIPALITY
OF ST. CHARLES**


**HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO
as represented by the
MINISTER OF GOVERNMENT AND
CONSUMER SERVICES**

Signature: 
Name: Renee Chaperon
Title: CAO/clerk
Date: Dec 22, 2015

Signature: 
Name: Jacqueline Spencer
Title: Director (A), PSPB
Date: January 26, 2016

I have authority to bind the Service Provider

Pursuant to Delegated Authority


Paul Schoppmann
Mayor
Dec 22, 2015

SCHEDULE 1 – PRIVATE SERVICEONTARIO CENTRE DETAILS

A. Representatives

All notices required by the Agreement shall be sent to the individuals identified below, pursuant to **Section 1.07** of the Agreement.

(i) For MGCS:

Title: Manager, Issuing Services Office
Address: 4thth Floor, 20 Dundas Street West
Toronto, ON M5C 2G2
Facsimile No.: (416) 326-3229

(ii) For the Service Provider:

Name: Renee Chaperon
Title: Chief Administrative Officer/Clerk
Address: 2 King Street E., Box 70,
St. Charles, ON P0M 2W0
Telephone No.: (705) 867-2032
Facsimile No.: (705) 867-5789
Email: renee.chaperon@stchariesontario.ca

B. Premises

For the purposes of the Agreement, the Premises is located at the following address:
2 King Street E., Box 70
St. Charles, ON P0M 2W0

C. Implementation Date

Pursuant to **Section 4.01** of the Agreement, the Service Provider shall commence delivering the Issuing Services on December 20, 2015.

D. Standard Operating Hours

The Standard Operating Hours for the Service Provider's Private ServiceOntario Centre shall be:

| Day | Hours of Operation |
|---------------------------|------------------------|
| Monday | 9:00 a.m. to 4:30 p.m. |
| Tuesday | 9:00 a.m. to 4:30 p.m. |
| Wednesday | 9:00 a.m. to 4:30 p.m. |
| Thursday | 9:00 a.m. to 4:30 p.m. |
| Friday | 9:00 a.m. to 4:30 p.m. |
| Saturday | Closed |
| Sunday | Closed |
| Additional Details | |
| | |

E.

[This section is intentionally left blank.]

F. Mandatory Equipment

The Service Provider shall, at its own cost pursuant to **Section 5.02** of the Agreement and subject to the requirements as set out in the Operational Directives and Instructions of MGCS, equip the Service Provider's Private ServiceOntario Centre with the following equipment:

Mandatory Equipment

Shredding Machine

Secure access to electronic mail

Telephone

Safe

Other electronic equipment with following functionality:

- Photocopying
- Scanning
- Sending and Receiving Facsimile Transmissions

G. French Language Services

If indicated below by "Yes", the Premises are situated an area of the Province of Ontario which has been designated in the Schedule to the *French Language Service Act*, R.S.O. 1990, c. F.32, and MGCS requires that the Issuing Services be provided at the Premises in both the English and French languages pursuant to **Section 4.04** of the Agreement:

French Language Services required: Yes [X] No []

[END OF SCHEDULE 1]

SCHEDULE 2 – FORM OF GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT

1. As an inducement for, and in consideration of, Her Majesty the Queen in right of Ontario, as represented by the Minister of Government and Consumer Services ("MGCS") entering into the Issuing Services Agreement with the Corporation of the Municipality of St. Charles (the "Service Provider"), dated Dec 22, 2015 [INSERT DATE] (the "Agreement"), the Undersigned Renee Chapman [INSERT NAME OF GUARANTOR] (the "Guarantor") hereby unconditionally guarantees to MGCS that the Service Provider will observe and perform all of the Service Provider's obligations to be observed or performed and will pay all amounts to be paid by the Service Provider in accordance with the terms and conditions of the Agreement.
2. If the Service Provider defaults in making any such payments or in the observance or performance of any such obligations, the Guarantor hereby covenants and agrees to pay to MGCS immediately upon demand all amounts not so paid by the Service Provider and all damages that may arise in consequence of any such non-observance or non-performance.
3. Without in any way restricting or limiting the guarantee given by the Guarantor as set out above, or any other rights and remedies to which MGCS may be entitled, the Guarantor hereby covenants and agrees to indemnify and save MGCS harmless against any and all liabilities, losses, suits, claims, demands and costs of any kind or nature whatsoever to which MGCS shall or may become liable for, or suffer, by reason of any breach, violation or non-performance by the Service Provider of any term or condition of the Agreement, or any other agreement made between MGCS and the Service Provider, including any liabilities, losses, suits, claims demands and costs arising from the Service Provider's failure to fulfill its obligations under Section 20.01 of the Agreement.
4. The Guarantor covenants and agrees to execute and deliver such further instruments, at such time or times and in such form as MGCS may request, evidencing the Guarantor's obligations under the provisions of this Guarantee, Indemnification and Acknowledgment.
5. In the enforcement of any of its rights against the Guarantor, MGCS may in its unqualified subjective discretion proceed as if the Guarantor were the primary obligor under the Agreement, or any other agreement made between the Service Provider and MGCS. The Guarantor hereby waives any right to require MGCS to proceed against the Service Provider or to pursue any other remedy whatsoever which may be available to MGCS before proceeding against the Guarantor.
6. No dealings of whatsoever kind between MGCS and the Service Provider and/or any other persons as MGCS may see fit, whether with or without notice to the Guarantor, shall exonerate, release, discharge or in any way reduce the obligations of the Guarantor in whole or in part. In particular, and without limiting the generality of the foregoing, MGCS may modify or amend the Agreement, grant any indulgence, release, postponement or extension of time, waive any term or condition of the Agreement or any obligation of the Service Provider, take or release any securities or other guarantees for the performance by the Service Provider of its obligations and otherwise deal with the Service Provider and/or any other persons as MGCS may see fit without affecting, lessening or limiting in any way the liability of the Guarantor. The Guarantor hereby expressly waives notice of all or any default of the Service Provider.
7. Any settlement made between MGCS and/or the Service Provider and/or any other persons as MGCS may see fit to deal with, or any determination made pursuant to the Agreement which is expressed to be binding upon the Service Provider, shall be binding upon the Guarantor.

8. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or any other act of insolvency by the Service Provider and notwithstanding any rejection or disclaimer of the Agreement, the Guarantor shall continue to be fully liable hereunder.

9. Without in any way limiting the generality of any other provision of the Agreement, the covenants and agreement of the Guarantor contained in this Guarantee, Indemnification and Acknowledgment shall enure to the benefit of, and be binding upon, the Guarantor and the heirs, executors, administrators, successors and assigns of the Guarantor.

10. The Guarantor acknowledges reviewing all of the provisions of the Agreement, and agrees to be bound by all of the provisions of the Agreement, in so far as applicable to the Guarantor.

11. Unless specifically stated otherwise, the terms used in this Guarantee, Indemnification and Acknowledgment shall have the same meaning as in the Agreement, and shall be interpreted and constructed in accordance with the provisions of the Agreement. This Guarantee, Indemnification and Acknowledgment shall be interpreted and constructed under the laws of the Province of Ontario. The Guarantor irrevocably submits to the exclusive jurisdiction of the courts of Ontario with respect to any matter arising under, or related to, this Guarantee, Indemnification and Acknowledgment.

12. Unless otherwise expressly provided in this Agreement, all notices, requests and other communications required or permitted by this Guarantee, Indemnification and Acknowledgment shall be in writing and shall be delivered, transmitted by facsimile or sent by prepaid registered mail, in the case of MGCS, at:

Address: 4thth Floor, 20 Dundas Street West
Toronto, ON M5C 2G2

Attention: Manager, Issuing Services Office
Facsimile Number: (416) 326-3229

and, in the case of the Guarantor, at:

Address: 2 King St E
St Charles, ON R0M2W0
Attention: Renee Chapeiron
Facsimile Number: 705-867-5789

or at such other address or facsimile number of which the addressee may from time to time have notified the addressor. A notice, request, or other communication shall be deemed to have been sent and received:

(a) on the day it was delivered or on the day on which transmission is confirmed by the sender's facsimile records, if faxed, or if such day is not a Business Day or if the notice, request or other communication is received after ordinary office hours (time or place of receipt), the notice, request or other communication shall be deemed to have been sent and received on the next Business Day; or

(b) on the fourth Business Day after mailing if sent by registered mail.

In case of actual or imminent disruption in postal service, notices, requests and other communications shall not be sent by mail.

INTENDING TO BE LEGALLY BOUND, the Guarantor has signed this Guarantee, Indemnification and Acknowledgment.

THE GUARANTOR:

Signature: Renee Chaperon
Name Renee Chaperon
Date: Dec 22, 2015

[END OF SCHEDULE 2]

SCHEDULE 3 – OUR SERVICE PRINCIPLES

CARING, ACCOUNTABLE, RESPONSIVE AND RELIABLE

The Service Provider agrees to adhere to ServiceOntario's Service Principles when performing the Issuing Services under this Agreement.

ServiceOntario Service Principles

Caring

- We are considerate of the unique needs of each customer.
- We treat our customers and our team fairly and equitably.
- We celebrate individual and team capability and accomplishment.

Accountable

- We acknowledge our responsibility to deliver high-quality, cost effective services that provide real value for taxpayer dollars.
- We review, evaluate our performance.
- We ensure the security and privacy of people, premises, processes and products.

Responsive

- We actively listen to our customers.
- We continuously improve our services and processes to address our customers evolving needs.
- We reduce the time necessary for our customers to accomplish their desired outcome.
- We follow through and resolve customer issues in a timely manner.

Reliable

- We clearly communicate relevant information about our services that is accurate and up-to-date.
- We set and consistently meet customer expectations.
- We develop processes that produce dependable, repeatable outcomes against defined service standards.

[END OF SCHEDULE 3]

**THE CORPORATION OF THE MUNICIPALITY
OF ST.-CHARLES**

BY-LAW 2024-48

**BEING A BY-LAW TO ENTER INTO AN AMENDING AGREEMENT NO. 1 WITH HIS
MAJESTY THE KING IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF PUBLIC AND BUSINESS SERVICE DELIVERY AND PROCUREMENT
(FORMERLY THE “MINISTRY OF GOVERNMENT AND CONSUMER SERVICES”
OR “MGCS”)**

WHEREAS Council for the Corporation of the Municipality of St.-Charles deems it necessary to enter into an Amending Agreement for Service Ontario Issuing Services;

NOW THEREFORE Council for the Corporation of the Municipality of St.-Charles hereby enacts as follows:

1. THAT the Corporation of the Municipality of St.-Charles enter into an Amending Agreement No. 1 with His Majesty the King in Right of Ontario as represented by the Minister of Public and Business Service Delivery and Procurement.
2. THAT the Chief Administrative Officer and Clerk are hereby authorized and directed to execute, on behalf of the Corporation of the Municipality of St.-Charles, the Agreement attached hereto and identified as Appendix “A”.
3. THAT the attached Appendix “A” forms part of this By-Law.
4. THAT all other By-Laws on the same subject matter which are inconsistent with this By-Law are hereby repealed.
5. THAT this By-Law shall come into force and take effect on the day it is passed.

**READ A FIRST TIME AND CONSIDERED READ A SECOND AND THIRD TIME
AND FINALLY PASSED IN OPEN COUNCIL THIS 27TH DAY OF NOVEMBER 2024.**

MAYOR

CLERK

AMENDING AGREEMENT No. 1

This Amending Agreement No. 1 is effective as of December 1, 2024

BETWEEN:

HIS MAJESTY THE KING in right of Ontario
as represented by the Minister of Public and Business
Service Delivery and Procurement (formerly the "Ministry of
Government and Consumer Services" or (MGCS"))

(hereinafter "the Ministry")

AND:

**THE CORPORATION OF THE MUNICIPALITY OF ST.
CHARLES**

(hereinafter the "Service Provider")

This amending agreement amends the Issuing Services Agreement dated December 21, 2015, between the Ministry and the Service Provider for the provision of Issuing Services at the St. Charles' office (the "Agreement") as follows:

1. The Term of the Agreement is extended from December 1, 2024, to December 20, 2025.
2. Effective December 1, 2024, the schedule "Schedule 4 - Compensation" attached as Appendix "A" to this amending agreement is added to the Agreement.
3. Effective December 1, 2024, Section 10.01 of the Agreement is deleted in its entirety and replaced as follows:

10.01 Compensation for Issuing Services

For performance of the Issuing Services, the Service Provider shall receive compensation from the Ministry in the following manner:

(a) Monthly compensation in the amount set out in Schedule 4 or as may be determined in accordance with the provisions of Schedule 4 to cover the actual operational expenses the Service Provider has incurred to providing Issuing Services.

(b) Any other additional compensation identified by the Ministry and as set by the Ministry, in its sole discretion, from time to time,

all as articulated by the Ministry in the Instructions of the Ministry and the

Operational Directives, as applicable.

4. All other terms and conditions of the Agreement remain unchanged except where amendment is implied *mutatis mutandis* to give effect to this Amending Agreement.

The parties having agreed to the amendments contained herein have executed same on the date first above written.

**THE CORPORATION OF THE
MUNICIPALITY OF ST. CHARLES**

Per: _____

Name: _____

Position: _____

I have authority to bind the Municipality

**THE CORPORATION OF THE
MUNICIPALITY OF ST. CHARLES**

Per: _____

Name: _____

Position: _____

I have authority to bind the Municipality

**HIS MAJESTY THE KING
in right of Ontario as
represented by the Minister of Public
and Business Service Delivery and
Procurement**

Per: _____

Name: _____

Position: _____

Appendix A

SCHEDULE 4 – COMPENSATION

1) Defined Terms

In this Schedule the following words or expressions have the following meanings:

“Eligible Expenses” means expenses incurred directly related to the delivery of Issuing Services, including salaries, wages and benefits, and are limited to the following, unless agreed to by the Ministry in writing:

- Lease Costs
- Office Supplies
- Utilities
- Insurance
- Bookkeeping/Accounting Services
- ServiceOntario Marketing and Advertising
- Building Maintenance and Repair

For greater certainty, “Eligible Expenses” shall only include the portion of the costs that are directly attributable to the Service Providers’ delivery of Issuing Services, any costs that are shared among other services or programs provided by the Service Provider shall be excluded on a pro-rated basis.

“Monthly Payment” a payment for a monthly period to the Service Provider for Eligible Expenses that is either set out or calculated in accordance with this Schedule 3.

“Payment Term” a 12 month period of time beginning on December 1, 2024.

2) Monthly Payments

2.1 The Ministry will pay the Service Provider a Monthly Payment in the amount of **\$5364.08** for the initial Payment Term.

2.2 In the 11th month of the first and any subsequent Payment Term, the Service Provider shall provide the Ministry a report of actual Eligible Expenses for the first ten months of that term and a forecast of projected Eligible Expenses for the remaining two months of that Payment Term.

2.3 The Ministry will assess the report described in Section 2.2, to confirm the Service Provider’s compensation is being paid in a manner that reflects the actual operational expenses it has incurred to provide Issuing Services. If the Service Provider has underestimated or overestimated the actual Eligible Expenses incurred to provide

the Issuing Services, the Ministry shall adjust the remaining Monthly Payments in that Payment Term accordingly to account for the difference.

For greater certainty, in the event the Service Provider has underestimated the actual costs to provide the services under this Agreement, the Ministry shall adjust the remaining Monthly Payments in the Payment Term to account for the difference up to a maximum annual reimbursement of \$67,587.49.

2.4 At the conclusion of each Payment Term, the Service Provider shall provide the Ministry a forecast of projected Eligible Expenses for the subsequent Payment Term.

2.5 The Ministry will assess the forecast described in Section 2.4 and will adjust the Monthly Payment described in Section 2.1 for the applicable Payment Term to reflect that forecast. The maximum reimbursement for each Payment Term shall remain \$67,608.49 unless otherwise approved by the Ministry in writing.

2.6 In the 11th month of each Payment Term, the Service Provider shall provide the Ministry with a report of actual Eligible Expenses.

- i. In the event the Ministry determines that it has made an underpayment for the final two months of the term, the Ministry reimburse the Service Provider for the difference within 60 days of the conclusion of that 12-month period.
- ii. If at the conclusion of a Payment Term, the Ministry determines that it has made an overpayment for the final two months of the term, the Ministry will deduct the amount of the overpayment in the Monthly Payments to the Service Provider in the following 12-month term.
- iii. If at the termination or expiry of the Agreement, the Ministry determines that it has made an overpayment to the Service Provider during the final annual term, the Service Provider will reimburse to the Ministry the amount of the overpayment within 60 days of the termination or expiry of the Agreement.

2.7 The Ministry reserves the right to adjust or prorate the Monthly Compensation if the Service Provider does not provide Issuing Services for all or any part of a month during the term of the Agreement.

2.8 Notwithstanding anything else in the Agreement, the total amount payable by the Ministry to the Service Provider for Monthly Payments under the Agreement shall not exceed a maximum amount of up to \$67,587.49 unless otherwise approved by the Ministry in writing.