

SCHEDULE 14

PAYMENT SCHEDULE

1. GENERAL

1.1 Capitalized Terms

Capitalized terms used in this Schedule have the definitions as set out in the Agreement to Design, Build, Finance and Operate Anthony Henday Drive Southeast Leg Ring Road (the “DBFO Agreement”) between Her Majesty the Queen in right of Alberta and the Contractor, as defined therein, unless expressed otherwise.

1.2 DBFO Agreement Reference

This Schedule is referenced in Sections 1.1, 1.3, 7.4, 7.5, 9.2, 9.3, and 9.6 of the DBFO Agreement.

2. ADDITIONAL DEFINITIONS

These additional capitalized terms used in this Schedule have the following definitions:

“Existing O&M Payment” means the component of the O&M Payment paid to the Contractor for performing O&M in relation to the Existing Infrastructure as specified in Appendix 1, as attached and forming part of this Schedule.

“New O&M Payment” means the component of the O&M Payment paid to the Contractor for performing O&M in relation to the New Infrastructure as specified in Appendix 1, as attached and forming part of this Schedule.

3. PAYMENTS

In accordance with Section 4, below, the Province will pay to the Contractor those payment amounts specified in Appendix 1, as attached and forming part of this Schedule.

Due to the occurrence of a Force Majeure Event delaying the performance of any major rehabilitation work, the Major Rehabilitation Payment as specified in Appendix 1, normally to be paid pursuant to this Schedule, may be postponed pursuant to Section 12.1(e) of the DBFO Agreement.

[NTD: The raw data for calculating and making Payments will be formatted as below in the Appendix 1. It will be populated with the Contractor's proposed Capital Payments, which are fixed and not subject to any inflation adjustment, the Existing and New O&M Payments, as well as the Major Rehabilitation Payment. Collectively these are the O&M Payment. All of the O&M Payments are the subject to inflation adjustment pursuant to Section 10.1 of the DBFO Agreement and the Schedule 10 (Index Factor) to the DBFO Agreement. The mechanics of the actual payment are specified in the Section 4.

We will need to amend the ITP in order to request a month-by-month break down of Major Rehabilitation Payments since we have not asked for that. We will have an Infrastructure Wholelife Management Plan in Schedule 4 (Contractor's Management Systems and Plans) that will indicate when and how major rehabilitation work will be managed by the Contractor, but we have not required a pricing breakdown of such work.]

4. PAYMENT CALCULATION SUBMISSION AND RESPONSE PROCEDURE

4.1 Payment Calculation Submission

Within five Business Days before the end of each month of the Operating Period, the Contractor shall submit to the Province its Payment Calculation, in the form as is set out in Appendix 2. In its monthly Payment Calculation, the Contractor shall complete Category "A", reporting all expected Capital Payments and O&M Payments for that month from Appendix 1 of this Schedule, and Category "B", reporting all of the Payment Adjustments relating to the previous month to be applied to that month's Payment.

4.2 Province's Response

The Province will review the Contractor's submitted Payment Calculation and may conduct its own audit or assessment to determine the appropriate Payment Adjustments to be applied.

Additionally, the Province will assess any holdbacks, holdback releases, set-offs, or other adjustments necessary to be applied to each month's Payment Calculation. The Province will complete Category C and Category D of the Payment Calculation applying such holdbacks, holdback releases, set-offs, or other adjustments.

On or before making a Payment and by way of a revised and completed Payment Calculation, the Province will notify the Contractor of any changes to Category A and Category B of the Payment Calculation as originally submitted by the Contractor.

4.3 Payment Corrections

If any of the adjustments, holdbacks or set-offs are to be reversed or modified after the Province has made the Payment to the Contractor, such reversal or modification will be included in the following month's Payment.

APPENDIX 1

Month From Traffic Availability	Capital Payment (Not adjusted For inflation)	Existing O & M Payment (To be adjusted for inflation pursuant to s. 10.1. and Schedule 10 Index Factor)	New O & M Payment (To be adjusted for inflation pursuant to s. 10.1. and Schedule 10 Index Factor)	Major Rehabilitation Payment (Payment specified for major rehabilitation work identified in the Contractor's Infrastructure Wholelife Management Plan set out in in Schedule 4 (Contractor's Management Systems and Plans) (To be adjusted for inflation pursuant to s. 10.1. and Schedule 10 (Index Factor))

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APPENDIX 2

“Payment Calculation” for the month of: _____ ”Month M” _____

Anthony Henday Drive DBFO			
Category A: Payment before Adjustments			
Type of Payment	Payment (Constant\$)	Index Factor⁺	Payment* (Nominal \$)
New O&M Payment for <u>Month M</u> as per Appendix 1 of Schedule 14 (Payment Schedule)			
Existing O&M Payment for <u>Month M</u> as per Appendix 1 of Schedule 14 (Payment Schedule)			
Major Rehabilitation Payment for <u>Month M</u> as per Appendix 1 of Schedule 14 (Payment Schedule)			
Capital Payment for <u>Month M</u> as per Appendix 1 of Schedule 14 (Payment Schedule)	N/A	N/A	
Subtotal	N/A	N/A	A
Category B: Performance-based and Other Adjustments			
Type of Adjustment	Amount (Constant\$)	Index Factor⁺	Amount (Nominal\$)
Payment Adjustments accrued in <u>Month M-1</u> (include descriptions)			
Special Adjustments accrued in <u>Month M-1</u> (include descriptions)			
Subtotal	N/A	N/A	B
Category C: Holdbacks and Release			
Type of Adjustment			Amount (Nominal\$)
Holdbacks and Release (include descriptions)			C
Category D: Other Adjustments			
Type of Adjustment			Amount (Nominal\$)
Miscellaneous Adjustments and Reconciliations (include descriptions)			D
Net Payable Amount			A + B + C + D

⁺To be calculated by the Province in accordance with the Schedule 10 (Index Factor).

* All Payments are not subject to the goods and services tax (“GST”).

Category A: Payment Before Adjustments

The Province will review the Contractor's Payment calculation Category A submissions before applying all adjustments by referencing the Schedule 14 (Payment Schedule) and applying the Index Factor in accordance with the Schedule 10 (Index Factor), where applicable.

Category B: Payment Adjustments

The Contractor shall provide, as part of its Payment calculation, a report detailing the Payment Adjustments and other adjustments to be made to the Payment relating to the previous month within five Business Days prior to the end of each month. The Province will review the Contractor's Payment calculation regarding Payment Adjustments and other adjustments based on both its own records and audits of the Contractor's compliance with the Project Requirements and O&M Requirements and on the Payment Adjustments and other adjustments.

The Contractor will report to the Province all occurrences giving rise to Payment Adjustments following the Contractor's submission of the monthly Payment calculation in its next month's Payment calculation.

The Province will review the Contractor's Payment calculation including the Contractor's reporting of Payment Adjustments and other adjustments and make modifications to those reported adjustments. Examples of such modifications include, but are not limited to, applying Payment Adjustments that were omitted or incorrectly calculated in the Payment calculation.

Category C: Holdbacks, Holdback Release and Set-Off

Holdbacks and holdback releases will be determined by the Province according to Sections 5.17 and 8.4 of the DBFO Agreement.

Any set-off of costs by the Province pursuant to Sections 5.18, 9.2, 9.8, 11.5, and 18.10 of the DBFO Agreement will be determined by the Province and may be applied against the Payment to the Contractor.

Category D: Other Adjustments

The Province will assess and apply miscellaneous adjustments and reconciliations including, but not limited to, the reversal or modification to previous adjustments, holdbacks or set offs to the Payment to the Contractor.