

**SCHEDULE 6
CHANGES, MINOR WORKS AND INNOVATION PROPOSALS**

1. DEFINITIONS

In this Schedule 6, in addition to the terms defined in Schedule 1 [Definitions and Interpretation]:

“Change” means an NG-KIH System Change or a Services Change as the context requires;

“Change Certificate” means a certificate issued by the Authority describing and authorizing a Change, the value or method of valuation of the Change and, in the case of an NG-KIH System Change occurring prior to the Site Completion Date for a Site, the adjustment, if any, to the Project Schedule (including the Target Site Completion Date for such Site);

“Change Directive” means a written instruction issued by the Authority directing Project Co and Operations Co to immediately proceed with a Change, pending the finalization and issuance of a Change Certificate for that Change;

“Change Mark-Up” has the meaning set out in Section 2.11 of this Schedule 6;

“Change Report” means a written report prepared by Project Co in response to a Preliminary Change Instruction, containing the information described in Section 2.7 of this Schedule 6;

“Change Report Costs” has the meaning set out in Section 2.6(b)(3)(A) of this Schedule 6;

“Development Change” has the meaning set out in Section 7.1 of this Schedule 6;

“Development Change Record” has the meaning set out in Section 7.2 of this Schedule 6;

“Development Change Record Confirmation” has the meaning set out in Section 7.3 of this Schedule 6;

“Development Change Register” has the meaning set out in Section 7.6 of this Schedule 6;

“Innovation Proposal” has the meaning set out in Section 4.1 of this Schedule 6;

“Minor Works” means a Change that is requested by the Authority at any time during the Operating Period with a value that does not exceed \$25,000 (Index Linked);

“Minor Works Rates” has the meaning set out in Section 3.1(b) of this Schedule 6;

“NG-KIH System Change” means, during the Construction Period, a change, including an addition, deletion, alteration, substitution or otherwise, to Project Co’s Design and Construction obligations under this Project Agreement and, during the Operating Period, a change, including an addition, demolition, alteration, reconstruction or otherwise, to the NG-KIH System or any part thereof, other than a System Refresh;

“Net Change Value” has the meaning set out in Section 2.10(a) of this Schedule 6;

“Pole Attachment Proposal” has the meaning set out in Section 5.1 of this Schedule 6;

“Preliminary Change Instruction” has the meaning set out in Section 2.3 of this Schedule 6;

“**Preliminary Estimate**” has the meaning set out in Section 2.6(b)(1) of this Schedule 6; and

“**Services Change**” means a change, including an addition, deletion, alteration, substitution or otherwise, to Project Co’s Services obligations under this Project Agreement.

2. CHANGES

2.1 Changes Required by Authority or Requested by Project Co

At any time during the Term and without invalidating this Project Agreement, the Authority may require and Project Co may request Changes in accordance with this Schedule 6. Except to the extent that a Change Certificate expressly requires otherwise, Project Co will implement a Change in accordance with all the terms of this Project Agreement, including Schedule 2 [Design and Construction Protocols], Schedule 3 [Design and Construction and Specifications] and Schedule 4 [Service Protocols and Specifications].

2.2 No Entitlement to Perform a Change

Without prejudice to Project Co’s rights under this Project Agreement, including Section 8.3 (Project Co’s Entitlements Upon Occurrence of a Compensation Event), the Authority may, at any time after giving notice to Project Co and Operations Co, perform, or engage any person to perform, any work on the Lands or on the NG-KIH System that is not included in Project Co’s obligations under this Project Agreement. None of Project Co, Operations Co, the Project Contractors or the Sub-Contractors will have any right or entitlement to perform any such work. Project Co may submit a proposal to the Authority for the performance of such work, but nothing in this Project Agreement will obligate the Authority to consider or accept such proposal. If the Authority elects to have work performed by a third party on the Lands or on the NG-KIH System, the Authority shall require such third party to comply with Project Co’s reasonable and standard site safety and security requirements.

2.3 Preliminary Change Instruction

The Authority may, at any time during the Term, issue to Project Co and Operations Co an instruction (a “**Preliminary Change Instruction**”) describing a potential NG-KIH System Change or Services Change that the Authority is considering. A Preliminary Change Instruction will include sufficient description of the contemplated Change, including any requirements under Section 2.13(b) of this Schedule 6, to permit Project Co to prepare a Change Report.

2.4 Project Co Requested Change

Project Co may, at any time during the Term, deliver to the Authority a notice describing a potential NG-KIH System Change or Services Change that Project Co is requesting, which notice shall:

- (a) include sufficient description of the proposed Change to enable the Authority to evaluate it in full;
- (b) specify Project Co’s reasons for proposing the Change, including a detailed description of any value or benefit to be derived from the proposed Change;

- (c) indicate all reasonably foreseeable implications of the Change, including whether there are any costs or cost savings to the Authority and whether an adjustment to the Availability Payments or the Project Schedule is required; and
- (d) indicate the latest date by which a Preliminary Change Instruction must be issued in respect of the proposed Change.

If the Authority elects to consider the Change requested by Project Co, the Authority may issue to Project Co a Preliminary Change Instruction and the procedure set out in this Section 2 will apply.

2.5 Restrictions on Changes

The Authority will not, at any time during the Term, require, and Project Co may refuse to implement, a Change (including Minor Works) which:

- (a) would be contrary to Law;
- (b) would render the insurance policies required under this Project Agreement void or voidable and the Authority does not agree to provide replacement security satisfactory to Project Co, acting reasonably;
- (c) would cause the revocation of any Permit required by Project Co to perform its obligations under this Project Agreement, which Permit would not, using reasonable efforts, be capable of amendment or renewal;
- (d) would require a new Permit for Project Co to perform its obligations under this Project Agreement, which Permit would not, using reasonable efforts by Project Co or the Authority, as applicable, be obtainable;
- (e) would cause Project Co to be unable to obtain a Permit required by Project Co to perform its obligations under this Project Agreement, provided that such Permit was previously required but, at the time of the Preliminary Change Instruction, had not been obtained, which Permit would not, using reasonable efforts by Project Co or the Authority, as applicable, be obtainable; or
- (f) would materially and adversely affect the risk allocation and payment regime under this Project Agreement with respect to the Design, Construction or Services.

If Project Co, acting reasonably, determines that a Change is unacceptable because it contravenes one or more of the above, then Project Co will promptly give written notice to the Authority of its objection, with written reasons. If the Authority disagrees, then it may deliver a Dispute Notice to Project Co and Operations Co, and the parties will cooperate to have the issue resolved in a timely manner pursuant to the Dispute Resolution Procedure.

2.6 Delivery of Change Report

Subject to Section 2.5 of this Schedule 6:

- (a) as soon as practicable and, in any event, to the extent reasonably possible, within 15 Business Days after receipt of a Preliminary Change Instruction or such other period as the parties agree, acting reasonably, Project Co will, at its cost, prepare and deliver to the Authority a Change Report, signed by Project Co's Representative, for the contemplated Change described in the Preliminary Change Instruction; or
- (b) if the Net Change Value of the contemplated Change is likely to be more than \$50,000 (Index Linked) or if the costs of preparing a Change Report are likely to be more than \$5,000 (Index Linked), then:
 - (1) Project Co may, at its election within 5 Business Days after receipt of the Preliminary Change Instruction for such contemplated Change, or shall, if requested by the Authority, give notice to the Authority that it intends to first prepare and deliver a preliminary estimate (the "**Preliminary Estimate**") of the net cost of the contemplated Change;
 - (2) if Project Co has given notice as described in Section 2.6(b)(1), then, within 10 Business Days after provision of such notice, Project Co will, at its cost, prepare and deliver to the Authority an order of magnitude estimate of the net cost of the contemplated Change, and the Authority may give notice to Project Co and Operations Co to proceed with Section 2.6(b)(3) or, alternatively, to proceed with the preparation of the Change Report for the contemplated Change and Project Co will prepare and deliver the Change Report as soon as practicable and, in any event, to the extent reasonably possible, within 15 Business Days after receipt of such notice or such longer period as the parties agree acting reasonably;
 - (3) if the Authority has given notice to proceed as described in Section 2.6(b)(2), then, within 10 Business Days after receipt of such notice, Project Co will, at its cost, prepare and deliver to the Authority:
 - (A) a reasonable estimate of the out-of-pocket costs (the "**Change Report Costs**") that Project Co would incur to prepare the Change Report; and
 - (B) a Preliminary Estimate of the contemplated Change, in sufficient detail and accuracy to permit the Authority to make an informed decision as to whether to proceed with the contemplated Change, including, as appropriate:
 - (i) a preliminary cost estimate of the main elements of the contemplated Change;
 - (ii) a preliminary implementation schedule and work plan for the implementation of the contemplated Change; and
 - (iii) a description of the impact of the contemplated Change on the NG-KIH System during implementation or in the use of the NG-KIH System; and

- (4) the Authority may, within 10 Business Days following receipt of the Preliminary Estimate, or at any time if Project Co fails to comply with the time requirements set out in this Section 2.6(b), give notice to Project Co and Operations Co to proceed with the preparation of the Change Report for the contemplated Change and Project Co will prepare and deliver the Change Report as soon as practicable and, in any event, to the extent reasonably possible, within 15 Business Days after receipt of such notice or such longer period as the parties agree acting reasonably.

If Project Co prepares a Change Report pursuant to Section 2.6(b)(4) of this Schedule 6, and the Authority elects not to proceed with the contemplated Change, then the Authority will pay Project Co's substantiated Change Report Costs.

2.7 Change Report Contents

A Change Report will include:

- (a) if and to the extent a contemplated Change is an NG-KIH System Change:
 - (1) a description of the scope of the contemplated Change with respect to Design and/or Construction, as applicable;
 - (2) a comparison of the scope of the Design and Construction as a result of the contemplated Change as compared to the scope of the Design and Construction prior to the Change;
 - (3) subject to Section 2.12 of this Schedule 6, a description of any adjustments to the Project Schedule, including to any Target Site Completion Date, any Target Ring Completion Date, any Outside Ring Completion Date or the Target System Completion Date, which Project Co will require as a result of the implementation of the contemplated Change (including details of any corresponding adjustments required by Operations Co, any Project Contractor or any Sub-Contractors) and any compensation required under Section 2.10(d) of this Schedule 6; and
 - (4) a description of any impact of the contemplated Change on the performance of the Services;
- (b) if and to the extent a contemplated Change is a Services Change:
 - (1) a description of the scope of the contemplated Change with respect to the Services; and
 - (2) a comparison of the scope of the Services as a result of the contemplated Change as compared to the scope of the Services prior to the Change; and
- (c) for all contemplated Changes (in addition to the requirements of Section 2.7(a) or 2.7(b) of this Schedule 6, as applicable):

- (1) an estimate of all costs, if any, reasonably necessary for and directly associated with the contemplated Change, including the following (which will be shown separately if requested by the Authority), as applicable:
 - (A) all Design costs (based on the estimated number of hours reasonably required to perform any additional Design);
 - (B) all Construction labor, material and equipment costs, supported, as the case may be, by quotations from the applicable Project Contractor and Sub-Contractors;
 - (C) all Services labor, material and equipment costs, supported, as the case may be, by quotations from the applicable Project Contractor and Sub-Contractors;
 - (D) all additional costs of site management, including supervision of trade foremen, site overheads and site establishment and including, without duplication, any costs related to Project Co's or Operations Co's management and oversight of the Project that should reasonably be included in the contemplated Change;
 - (E) all costs of relevant Permits, including an amendment or renewal of a Permit, a new Permit or a Permit that is in the course of being obtained;
 - (F) all costs associated with services provided by professional advisors;
 - (G) all financing costs;
 - (H) if and to the extent a contemplated Change is an NG-KIH System Change that also materially affects the cost of the Services, all changes to the cost of the Services; and
 - (I) if and to the extent a contemplated Change is a Services Change that requires a material change to the NG-KIH System, all changes to the cost of the NG-KIH System;
- (2) an estimate of the cost savings, if any, resulting from the contemplated Change;
- (3) any proposal(s) as to how the contemplated Change could be accomplished at no net cost;
- (4) a description of any changes to the Senior Financing Agreements that would be required to reflect a change in the risk profile of the Project arising from the contemplated Change;
- (5) a description of any changes to the Availability Payments that are required to reflect the costs and cost savings referred to in Sections 2.7(c)(1) and 2.7(c)(2);

- (6) identification of any amounts payable by the Authority to Project Co, if any, other than the Availability Payments;
- (7) Project Co's proposal as to how any increased costs to Project Co resulting from the contemplated Change might be funded;
- (8) the value of the loss or reduction of benefits resulting from the contemplated Change;
- (9) a description of any additional consents or approvals required, including amendments, if any, of any Permits required to implement the contemplated Change;
- (10) a description of any impact on the obligations of Project Co under the Project Implementation Agreement or the Project Contracts;
- (11) a description of the extent to which the contemplated Change would interfere with Project Co's ability to comply with any of its obligations under this Project Agreement, the Project Implementation Agreement, the Project Contracts, any Sub-Contracts and any Permits;
- (12) the name of the Sub-Contractor(s) (if any) which Project Co or Operations Co intends to engage for the purposes of implementing the contemplated Change, together with a description of the qualifications of any such Sub-Contractor(s) so as to demonstrate the ability of such Sub-Contractor(s) to implement the contemplated Change;
- (13) a description of any further effects (including benefits and impairments) that Project Co foresees as being likely to result from the contemplated Change;
- (14) a description of any actions that would be reasonably required by the Authority to implement the contemplated Change;
- (15) a description of the steps Project Co will take to implement the contemplated Change, in such detail as is reasonable and appropriate in all the circumstances;
- (16) a description of any impact on expected usage of utilities for the current Contract Year and subsequent Contract Years; and
- (17) a description of the extent to which the contemplated Change may impact the ability of any Third Party Fiber Provider to perform any of its obligations under the relevant Third Party Fiber Agreement.

All of the costs described in this Section 2.7 will be provided in current applicable dollar amounts.

2.8 Justification and Supporting Documentation for Contemplated Change Estimates

The cost estimates included in a Change Report will be in sufficient detail to allow evaluation by the Authority and will include such supporting information and justification as is necessary to demonstrate that:

- (a) Project Co has used all reasonable efforts, including utilizing competitive quotes or tenders, to minimize the cost of a contemplated Change and maximize potential related cost savings;
- (b) Project Co, Operations Co, the Project Contractors and the Sub-Contractors have valued the Change as described in Section 2.9 of this Schedule 6, and have not included other margins or mark-ups;
- (c) the full amount of any and all expenditures that have been reduced or avoided (including any Capital Expenditure) have been fully taken into account; and
- (d) Project Co has mitigated or will mitigate the impact of the contemplated Change, including on the Project Schedule, the performance of the Services, the expected usage of utilities and the direct costs to be incurred.

The Authority may, at any time and in its sole discretion, seek competing cost estimates or alternative change estimates from contractors who are qualified to perform the contemplated Change for purposes of comparing and evaluating the cost estimates provided by Project Co.

2.9 Valuation of and Payment for Changes

The value and method of valuation of a Change will be as agreed by the parties. Failing agreement, the value of the Change will be deemed to be the net cost (or saving) of implementing the Change, calculated in accordance with Section 2.10 of this Schedule 6. If a Change has a net cost (a positive Net Change Value), the Authority will pay Project Co the Net Change Value plus the Change Mark-Up and any amounts due under Section 2.10(d) of this Schedule 6. If a Change has a net cost savings (a negative Net Change Value), Project Co will pay the Authority the Net Change Value. For clarity, unless otherwise agreed by the parties, the Authority will pay for any Change that requires a Capital Expenditure by way of lump sum payment or progress payments as such costs are incurred.

2.10 Net Change Value

- (a) The value of a Change (the “**Net Change Value**”) is the aggregate of the incremental costs (minus the aggregate cost savings) reasonably incurred to implement the Change, supported by invoices, purchase orders, time sheets and other customary industry documentation, as follows:
 - (1) Design: the incremental costs (or cost savings) of any Design incurred (or saved), based on the additional (or decreased) number of design consultant’s hours required to undertake the Change;
 - (2) Labor: the incremental costs incurred (or cost savings) for labor, based on the additional (or decreased) number of labor and direct labor-supervision hours required to undertake the Change (including allowance

for all payroll burdens such as overtime premiums (when paid), vacation pay, pensions, statutory payments, workers' compensation insurance, union dues, tool money, medical insurance and any other payments directly paid in the ordinary course, and including any severance and termination costs directly resulting from the Change);

- (3) Materials and Equipment: the incremental costs incurred (or cost savings) for the supply and delivery of such materials, consumables and equipment (including the cost of any associated testing, commissioning, spare parts, manuals and software, and including any related design and engineering), except that any changes to the Authority's cost of purchasing NG-KIH System equipment will not be included in the calculation of Net Change Value;
 - (4) Procurement Cost: the incremental costs incurred (or cost savings) to obtain and evaluate tenders and award a contract for work required for the Change that is to be tendered under Section 2.13(b) of this Schedule 6, and the supervision and management of such contract;
 - (5) Services: the incremental costs incurred (or cost savings), based on the number of personnel hours required to undertake the Change; and
 - (6) Miscellaneous: all other additional net costs or savings directly attributable to the Change, including project management, site management, supervision, site establishment, living and travel allowances, services provided by professional advisors, wastage, disposal, insurance, bonding, financing and Permits (including the amendment or renewal of an existing Permit or obtaining a new Permit), calculated at the cost or saving to Project Co or Operations Co;
- (b) any costs related to expenses that would have been incurred had the Change not taken place (to the extent such costs are not increased as a result of the Change) will not be considered directly attributable to the Change;
 - (c) the rates and charges applied in Section 2.10(a) above will be no greater than the market rates prevailing at the time of the implementation of the Change, paid between arm's length contracting parties; and
 - (d) subject to Section 2.12 of this Schedule 6, if a Change causes a delay in Site Completion, Ring Completion or System Completion and Project Co is entitled to an equitable adjustment of the Project Schedule (including the Target Site Completion Dates, the Target Ring Completion Dates, the Outside Ring Completion Dates and the Target System Completion Date) as a result of a Change, the cost of the Change will include an amount calculated on the basis that Project Co will be placed in no better or worse position than it would have been in had the Change and the delay in Site Completion, Ring Completion or System Completion not occurred and taking into consideration the following (without duplication):
 - (1) any net increase or decrease in the costs of Project Co performing its obligations under this Project Agreement or Operations Co performing its

obligations under the Project Implementation Agreement resulting solely from the Change and the delay, including any increased financing costs caused by a reduction in the amortization schedule for the Senior Debt;

- (2) the Availability Payments that would have otherwise been payable to Project Co;
- (3) no amount will be payable for Avoidable Costs or Indirect Losses; and
- (4) no amount will be payable to Senior Secured Creditors in connection with the consent to any Change unless the Change is a material Change, the consent is reasonably required under the Senior Financing Agreements and the amount payable is reasonable.

2.11 Mark-Up on Changes

If a Change has a positive Net Change Value, the Authority will pay a mark-up of 10% of the Net Change Value (the “**Change Mark-Up**”) to cover Project Co’s and Operations Co’s indirect, head office and other costs and profit.

2.12 Effect on the Project Schedule or Delays to Services

Project Co will use all reasonable efforts, as described in Section 2.5 of this Project Agreement, to minimize the effect of a Change on the Project Schedule (including the Target Site Completion Dates, the Target Ring Completion Dates, the Outside Ring Completion Dates and the Target System Completion Date) and the performance of the Services and, subject to the foregoing, Project Co will be entitled to an equitable adjustment of the Project Schedule (including the Target Site Completion Dates, the Target Ring Completion Dates, the Outside Ring Completion Dates and the Target System Completion Date) and the requirements for performance of the Services as a result of the Change. Without limiting the generality of the foregoing, the implementation of a Change, to the extent Project Co has identified the effect on the Services and such effect has been documented in a Change Certificate, but without duplication of relief that may be provided in a Change Certificate, will constitute an Excusing Event.

2.13 Agreement on a Change

Following receipt by the Authority of a Change Report prepared in accordance with Section 2.7 of this Schedule 6:

- (a) as soon as practicable and, in any event within 15 Business Days after the Authority receives a Change Report or such longer period as the parties agree acting reasonably, the Authority will deliver to Project Co and Operations Co any requests for clarifications or amendments, and the parties’ Representatives will meet and use all reasonable efforts to agree to the Change Report, including the costs, payments (including payment of costs and adjustments to Availability Payments, if any) and other information contained in the Change Report;
- (b) if the Authority is required by applicable Law or Governmental Authority to require Project Co to competitively tender any contract in relation to a

contemplated Change, Project Co will seek and evaluate competitive tenders for the proposed Change; and

- (c) the Authority may, in writing, modify a Preliminary Change Instruction at any time prior to the parties reaching an agreement on the Change Report for any matter relating to the Change Report or arising from the discussions in relation thereto, in which case Project Co will, as soon as practicable and, in any event, not more than 10 Business Days after receipt of such modification (or such longer period as the parties may agree acting reasonably), notify the Authority of any consequential changes to the Change Report.

2.14 Change Certificate

A Change will come into effect by the Authority issuing to Project Co and Operations Co a Change Certificate signed by the Authority's Representative. If the parties have agreed on the Change Report without amendment, it is sufficient for the Change Certificate to be signed by the Authority's Representative. Subject to Section 2.15, if the Change Report requires amendment, the Change Certificate comes into effect when signed by the Authority's Representative and Project Co's Representative. Subject to Section 2.17, Project Co will not proceed with a Change prior to receiving a signed Change Certificate from the Authority. A Change Certificate issued in accordance with this Section 2.14 will be binding upon the Authority and Project Co. Subject to Section 2.5 and Section 2.15(b) of this Schedule 6, upon receipt of a Change Certificate, Project Co will implement the Change without prejudice to Project Co's right to refer any question of valuation of the Change to the Dispute Resolution Procedure.

2.15 Disagreement on Change Report

If the parties do not agree on a Change Report, then the Authority may:

- (a) except in connection with a Change required pursuant to Section 2.16 of this Schedule 6, elect not to proceed with the Change described in the Preliminary Change Instruction; or
- (b) issue a Change Certificate to Project Co and Operations Co stating the Authority's determination of the matters referred to in the Change Report and, if Project Co disagrees with all or any of the determinations set out in the Change Certificate, then Project Co may deliver to the Authority a Dispute Notice, and Project Co will, without prejudice to its rights with respect to such Dispute, use all reasonable efforts to implement the Change as directed in the Change Certificate.

The Change Certificate referred to in Section 2.15(b) is effective when signed by the Authority's Representative alone.

2.16 Changes in Other Circumstances

The Authority will issue a Preliminary Change Instruction in respect of a deemed Change pursuant to Section 8.8(a) (Parties' Entitlements Upon Occurrence of a Change in Law) of this Project Agreement and any such Change will be subject to the processes and procedures outlined in this Schedule 6 in respect of Changes.

2.17 Change Directive

Subject to Section 2.5 of this Schedule 6 but notwithstanding any other provision of this Schedule 6, the Authority may, at any time, issue a Change Directive to Project Co and Operations Co, signed by the Authority's Representative, directing Project Co to proceed with a contemplated Change in which case the following will apply:

- (a) Project Co will proceed with the Change and the valuation and the time extensions and payment of any adjustments will be made as soon as reasonably possible after the implementation thereof in the same manner as a Change for which a Preliminary Change Instruction, Change Report and Change Certificate would be issued hereunder;
- (b) if Project Co has not previously done so, Project Co will, within 20 Business Days after the issuance of the Change Directive, provide a Change Report in accordance with the requirements of this Schedule 6 for a Change Report and Section 2.13(a) of this Schedule 6 will apply;
- (c) pending a final determination as to any time extensions or valuation and payment of any adjustments for a Change or any other matters in the Change Report delivered by Project Co pursuant to Section 2.17(b) of this Schedule 6, the Authority will pay Project Co amounts reasonably demonstrated by Project Co in writing from time to time to be payable for the Change, including reimbursement of amounts that Project Co reasonably incurs with respect to the Change;
- (d) if the parties agree on the Change Report, the Authority will issue a signed Change Certificate stating the parties' agreed determination of the matters referred to in the Change Report;
- (e) if the parties do not agree on a Change Report, the Authority will issue a signed Change Certificate stating the Authority's determination of the matters referred to in the Change Report; and
- (f) if Project Co disagrees with all or any of the determinations set out in the Change Certificate, Project Co may deliver to the Authority a Dispute Notice, and Project Co will, without prejudice to its rights with respect to such Dispute, continue to implement the Change as directed in the Change Directive.

The Authority may issue a Change Directive at any time in its discretion, including in the absence of a Preliminary Change Instruction, at any time following issuance of a Preliminary Change Instruction, if Project Co fails to provide a Change Report, if a Change Report or Change Certificate is not promptly agreed upon by the parties or if there is a Dispute in relation to a Preliminary Change Instruction, Change Report or Change Certificate (including a Dispute as to whether there is a Change), but not if there is a Dispute as to whether Project Co is entitled to refuse to implement the Change under Section 2.5 of this Schedule 6.

2.18 Modification of Processes and Procedures

Nothing in this Schedule 6 shall limit the ability of the parties to mutually, in writing, modify, simplify or waive some or all of the processes and procedures outlined in this Schedule 6 in respect of Changes.

3. MINOR WORKS

3.1 Minor Works Rates

The Minor Works Rates will be established and applied as follows:

- (a) The Minor Works Rates that will apply to the first Contract Year are as follows:

Salaried Personnel	Regular Hourly Rates (\$/hour)	Overtime Hourly Rates (\$/hour)
Senior Project Manager	\$195.00	\$292.50
Project Manager	\$161.19	\$241.78
ISP Installation Manager	\$181.26	\$271.89
ISP Test and Turn up Manager	\$181.26	\$271.89
ISP Senior Network Design and Solution Architect	\$245.00	\$367.50
ISP Network Design and Solution Architect	\$200.00	\$300.00
NOC Support Engineer	\$161.19	\$241.78
NOC/OSS Management Engineer	\$181.26	\$271.89
Construction Manager	\$155.00	\$232.50
Project Engineer	\$110.00	\$165.00
Cable Splicer/Tester	\$105.00	\$157.50
General Foreman	\$105.00	\$157.50
Aerial Team with Bucket Truck	\$250.00	\$375.00
Field Engineer/Installer	\$105.00	\$157.50
Systems Engineer	\$161.19	\$225.00
Senior Circuit Design Engineer	\$225.00	\$337.50
Circuit Design Engineer	\$181.26	\$225.00

- (b) Not less than 20 Business Days before the commencement of each subsequent Contract Year, Project Co will submit to the Authority, for review and approval by the Authority, any amendments to the categories and hourly rates set out in Section 3.1(a) (the “**Minor Works Rates**”) to be applied in respect of any request by the Authority for Minor Works to be completed during the next occurring Contract Year.
- (c) The Authority, acting reasonably, may identify amendments to the categories that may be required for Minor Works in the next applicable Contract Year. For greater certainty, the categories and Minor Works Rates will apply to the Project Contractors and Sub-Contractors unless otherwise agreed by the Authority.
- (d) The Minor Works Rates will be based on the actual hourly cost that will be paid to the individual (including allowance for all payroll burdens such as overtime premiums (when paid), vacation pay, pensions, statutory payments, workers’ compensation insurance, union dues, tool money, medical insurance and any other payments directly paid in the ordinary course), and will include a markup to cover overhead and profit, provided that the Minor Works Rates will not be greater than the prevailing market rates paid by arm’s length contracting parties.
- (e) If the parties are unable to agree on the categories and Minor Works Rates as required under Section 3.1(b) of this Schedule 6, the cost of Minor Works will be valued as described in Section 3.5 of this Schedule 6.

3.2 Direction for Minor Works

The Authority may, at any time during the Operating Period, request that Project Co perform Minor Works in respect of such Site as follows:

- (a) within 10 Business Days of a request in writing for Minor Works, Project Co will, at its own cost, prepare and deliver to the Authority a written price estimate covering the full scope of the requested Minor Works, based on the applicable Minor Works Rates or, if and to the extent the Minor Works Rates are not applicable, at cost plus 10%;
- (b) a Preliminary Change Instruction and a Change Report will not be required for Minor Works;
- (c) within 5 Business Days of receipt of a written price estimate from Project Co, the Authority will either:
 - (1) provide written direction for Project Co to proceed with the Minor Works, in which case, Project Co will, in a timely manner, carry out the Minor Works; or
 - (2) confirm that Project Co does not need to proceed with the Minor Works; and
- (d) the completed Minor Works will be a part of the completed NG-KIH System and, accordingly, as required by this Project Agreement, and without further payment, except for an appropriate adjustment to the Availability Payment to reflect the

effect, if any, on the cost of the Services and the payment required in accordance with Section 3.4 of this Schedule 6, Project Co will be responsible for all Services related to the completed Minor Works.

Project Co will not be entitled to charge the Authority for preparing a written price estimate in accordance with Section 3.2(a) above.

3.3 Project Co to Minimize Inconvenience

Prior to commencing any Minor Works, Project Co will notify the Authority of the estimated duration of the Minor Works so that the Authority and Project Co can agree upon a convenient time for carrying out the Minor Works in a manner that minimizes and mitigates inconvenience and disruption to the use of the NG-KIH System. Project Co will use all reasonable efforts to minimize the duration of any Minor Works and will schedule Minor Works as reasonably requested by the Authority, including doing works outside normal operating hours.

3.4 Payment for Minor Works

Project Co will, as of the end of a calendar month, invoice the Authority monthly for Minor Works completed in the calendar month, supported by appropriate invoices and work records, and the Authority will pay Project Co for all undisputed amounts by the date that is 30 days following receipt of the invoice for Minor Works performed in the previous calendar month.

3.5 Minor Works Disputes

Any Dispute arising in connection with Minor Works, including the price to be paid for Minor Works and the annual determination of the Minor Works Rates, will be resolved in accordance with the Dispute Resolution Procedure.

4. INNOVATION PROPOSALS

4.1 Innovation and Value Engineering

Project Co may, at any time, submit a proposal to the Authority (an “**Innovation Proposal**”) to implement modifications to the NG-KIH System and the Services, including through innovation or value engineering, for the purpose of achieving efficiencies and reducing the Availability Payments or the overall cost to the Authority of the NG-KIH System and the Services. Project Co must demonstrate to the Authority’s satisfaction that an Innovation Proposal is originated and initiated solely by Project Co (including by Project Co bearing all research and development costs) without the involvement of the Authority or its consultants and offers savings, innovation or efficiency that is not otherwise called for or provided by this Project Agreement.

4.2 Content of Innovation Proposal

An Innovation Proposal will:

- (a) set out all the information required in a Change Report as required under Section 2.7 of this Schedule 6, modified to apply to an Innovation Proposal;

- (b) specify Project Co's reasons and justification for proposing the Innovation Proposal and detail the value and benefits to the Authority of the Innovation Proposal;
- (c) request the Authority to consult with Project Co with a view to the Authority deciding whether to agree to the Innovation Proposal and, if so, what consequential changes the Authority may require;
- (d) indicate any implications of the Innovation Proposal, including a difference between the existing and the proposed requirements of this Project Agreement, and the comparative advantages of each to Project Co and the Authority;
- (e) indicate whether a payment by the Authority in respect of direct costs or a variation to the Availability Payments is proposed and, if so, give a detailed estimate of such proposed payment or variation;
- (f) indicate if there are any dates by which a decision by the Authority must be made; and
- (g) include such other information and documentation as may be reasonably requested by the Authority to fully evaluate and consider the Innovation Proposal.

4.3 Costs of Developing Innovation Proposal

Project Co may deliver to the Authority preliminary information with respect to a proposed Innovation Proposal, but unless the Authority, in its discretion, agrees to pay or share the costs of developing an Innovation Proposal, the costs of investigating a potential Innovation Proposal will be borne entirely by Project Co.

4.4 Evaluation of Innovation Proposal

The Authority will evaluate and give consideration to an Innovation Proposal taking into account all relevant issues, including whether:

- (a) a change in the Availability Payments will occur;
- (b) the Innovation Proposal affects the quality or delivery of the NG-KIH System or the Services;
- (c) the Innovation Proposal will interfere with the relationship of the Authority with any third parties;
- (d) the financial strength of Project Co is sufficient to deliver the changed NG-KIH System or changed Services, as applicable;
- (e) the residual value of the NG-KIH System is affected; and
- (f) the Innovation Proposal materially affects the risks or costs to which the Authority is exposed,

and any other matter the Authority considers relevant. The Authority may request clarification or additional information regarding the Innovation Proposal, and may request modifications to the Innovation Proposal.

4.5 Acceptance and Implementation of Innovation Proposal

Notwithstanding any potential cost savings of an Innovation Proposal, the Authority is under no obligation to accept an Innovation Proposal and may, in its discretion, elect not to implement an Innovation Proposal. An Innovation Proposal that is accepted by the Authority will be implemented as a Change and Project Co will not implement an Innovation Proposal prior to the issuance of a Change Certificate.

4.6 Sharing Benefits of an Innovation Proposal

If the Innovation Proposal causes or will cause the costs of Project Co, Operations Co, a Project Contractor or a Sub-Contractor to decrease, after taking into account the agreed implementation and reasonably allocated development costs (incurred by Project Co, Operations Co, a Project Contractor or a Sub-Contractor) of the Innovation Proposal (taking into account any other uses of the Innovation Proposal by Project Co), the net savings in the costs of Project Co, Operations Co and such Project Contractor or Sub-Contractor will be shared by Project Co and the Authority in a manner to be agreed in connection with the acceptance of the Innovation Proposal by the Authority, and the Authority's share of the net savings will be reflected in a reduction of the Availability Payments.

5. POLE ATTACHMENT PROPOSALS

5.1 Pole Attachment Proposal

Project Co may, at any time during the Simple Pole Attachment Agreement Amendment Period, submit a proposal to the Authority (a "**Pole Attachment Proposal**") to implement modifications to the NG-KIH System and the Services, for the purpose of achieving efficiencies and reducing the Availability Payments or the overall cost to the Authority of the NG-KIH System and the Services in connection with a proposed Amended Pole Attachment Agreement.

5.2 Content of Pole Attachment Proposal

A Pole Attachment Proposal will:

- (a) set out all the information required in a Change Report as required under Section 2.7 of this Schedule 6, modified to apply to a Pole Attachment Proposal;
- (b) specify the parties' mutually agreed reasons and justification for considering the Amended Pole Attachment Agreement and detail the value and benefits to the Authority if the Amended Pole Attachment Agreement was entered into by the Authority;
- (c) request the Authority to consult with Project Co with a view to the Authority deciding whether to agree to the Pole Attachment Proposal and, if so, what consequential changes the Authority may require;

- (d) indicate any implications of the Pole Attachment Proposal, including a difference between the existing and the proposed requirements of this Project Agreement, and the comparative advantages of each to Project Co and the Authority;
- (e) indicate the variation to the Availability Payments that is proposed, including a detailed estimate of such proposed variation;
- (f) indicate if there are any dates by which a decision by the Authority must be made; and
- (g) include such other information and documentation as may be reasonably requested by the Authority to fully evaluate and consider the Pole Attachment Proposal.

5.3 Costs of Preparing the Pole Attachment Proposal

Project Co will deliver to the Authority preliminary information with respect to a proposed Pole Attachment Proposal and will pay the costs of preparing such Pole Attachment Proposal, provided that Project Co will seek the Authority's written approval prior to incurring any such costs.

5.4 Evaluation of Pole Attachment Proposal

The Authority will evaluate and give consideration to a Pole Attachment Proposal taking into account all relevant issues, including whether:

- (a) a change in the Availability Payments will occur;
- (b) the financial strength of Project Co is sufficient to deliver the changed NG-KIH System or changed Services, as applicable;
- (c) the residual value of the NG-KIH System is affected; and
- (d) the Pole Attachment Proposal materially affects the risks or costs to which the Authority, Project Co, Operations Co or any Project Contractor or Sub-Contractor is exposed,

and any other matter the Authority considers relevant. The Authority may request clarification or additional information regarding the Pole Attachment Proposal, and may request modifications to the Pole Attachment Proposal.

5.5 Acceptance and Implementation of Pole Attachment Proposal

Notwithstanding any potential cost savings of a Pole Attachment Proposal, the Authority is under no obligation to accept a Pole Attachment Proposal and may, in its discretion, elect not to implement a Pole Attachment Proposal. If Project Co prepares a Pole Attachment Proposal and the Authority elects not to implement the Pole Attachment Proposal, then, provided that Project Co obtained the Authority's prior written approval under Section 5.3, the Authority will pay Project Co's costs of preparing the Pole Attachment Proposal. A Pole Attachment Proposal that is accepted by the Authority will be implemented as a Change and Project Co will not implement a Pole Attachment Proposal prior to the issuance of a Change Certificate.

5.6 Sharing Benefits of a Pole Attachment Proposal

If the Pole Attachment Proposal causes or will cause the costs of Project Co, Operations Co, a Project Contractor or a Sub-Contractor to decrease, after taking into account the development and implementation costs of the Changes contemplated by the Pole Attachment Proposal, together with the costs of preparing the Pole Attachment Proposal, incurred by Project Co, Operations Co, a Project Contractor or a Sub-Contractor, the net savings in the costs of Project Co, Operations Co, the Project Contractor or the Sub-Contractor will be shared by Project Co and the Authority such that Project Co will receive 15% and the Authority will receive 85% of such net savings (except for any Pole Attachment Proposal involving Jackson Energy Cooperative, in respect of which the Authority will receive 100% of such net savings).

6. RESPONSIBILITY AND PAYMENT FOR CHANGES

6.1 Responsibility for Changes, Minor Works, Innovation Proposals and Pole Attachment Proposals

Except as specifically provided in this Project Agreement, the Authority will bear no risk or liability whatsoever arising from any Change, Minor Works, Innovation Proposal and Pole Attachment Proposals other than the liability to make payment in connection therewith. Notwithstanding the previous sentence, the Authority will pay to Project Co increased costs or any Direct Losses suffered by Project Co as a result of any particular design, materials, goods, workmanship or method of construction which the Authority specifies must be incorporated in a Change and which is subsequently shown to be defective (other than as a result of the default or negligence of Project Co or any Project Co Person), if Project Co objected in writing to the incorporation of such item prior to the issue of the relevant Change Certificate and such objection was rejected by the Authority.

6.2 Availability Payments in Respect of Changes, Minor Works, Innovation Proposals and Pole Attachment Proposals

Subject to Section 2.9 of this Schedule 6, any payments between the parties and any adjustments to Availability Payments in respect of Changes, Minor Works, Innovation Proposals and Pole Attachment Proposals will be made in accordance with any agreed basis for payment set out in the Change Certificate. The basis for payment may, at the Authority's discretion, include progress draws, milestone payments, lump sum payments, time and materials or maximum amounts. If no basis for payment is included in the Change Certificate, payment will be made in accordance with Section 10 (Lump Sum Payments and Availability Payment Adjustments) of this Project Agreement.

If payments between the parties and any adjustments to Availability Payments in respect of Changes, Minor Works, Innovation Proposals and Pole Attachment Proposals require an update to the Financial Model, Project Co will expeditiously update and will provide such updated Financial Model to the Authority, all in accordance with Section 10 (Lump Sum Payments and Availability Payment Adjustments) of this Project Agreement. The Authority may in its sole discretion waive or defer the requirements for Project Co to make such updates to the Financial Model in respect of Changes, Minor Works, Innovation Proposals and Pole Attachment Proposals. The updates to the Financial Model will be shown as of the relevant current date and, as applicable, the Base Date.

6.3 Consequential Amendments to Schedule 8

If the Change, Minor Works, Innovation Proposal or Pole Attachment Proposal affects any of the provisions of Schedule 8 [Payments], the parties will review and adjust such provisions as appropriate.

7. ALTERNATE CHANGE PROCESS DURING DESIGN AND CONSTRUCTION

7.1 Development Changes

The parties may, during the Construction Period, agree to utilize the process set out in this Section 7 rather than the process set out in Section 2 of this Schedule 6 for agreeing on and tracking Changes that:

- (a) on an individual basis, are less than \$10,000 in value (unless otherwise agreed by the parties), including “no cost” Changes;
- (b) on a cumulative basis, are less than \$50,000 in value (unless otherwise agreed by the parties);
- (c) do not result in a change in any Target Site Completion Date, any Target Ring Completion Date, any Outside Ring Completion Date or the Target System Completion Date;
- (d) do not result in a change to the Financial Model; and
- (e) would not fall within the scope of Section 2.5 of this Schedule 6,

(each, a “**Development Change**” and, collectively, the “**Development Changes**”).

7.2 Alternate Process

Where a party identifies a potential Development Change, that party may present the potential Development Change to the other party in a form, and with such supporting information, as it considers to be appropriate to the nature and complexity of the potential Development Change.

Where a party presents a potential Development Change, the parties’ respective Design and Construction Representatives will meet as soon as practicable to discuss the proposed Development Change and where:

- (a) the proposed Development Change meets the requirements of Section 7.1 of this Schedule 6; and
- (b) the parties reach agreement with respect to the value of the proposed Development Change and any contractual amendments required to implement the proposed Development Change,

Project Co will record the terms of the parties’ agreement with respect to the applicable Development Change (a “**Development Change Record**”). Promptly after preparing a Development Change Record, and in any event prior to implementation of the agreed Development Change, Project Co will deliver a copy of the Development Change Record to the Authority’s Design and Construction Representative.

7.3 Opportunity to Object

If, within 30 days after receipt of a Development Change Record, the Authority's Design and Construction Representative objects in writing to the Development Change Record on the basis that it is not an accurate representation of the parties' agreement, the parties will meet to discuss the Development Change and attempt to resolve the objection.

If an objection cannot be resolved, then the proposed Change will be deemed not to be a Development Change and will not be implemented by the parties, provided that either the Authority or Project Co will be permitted to pursue such Development Change in accordance with the Change process in accordance with this Schedule 6.

If an objection is resolved, then following such resolution, the parties will record the terms of the Development Change (the "**Development Change Record Confirmation**"), and such Development Change Record Confirmation will be signed on behalf of the parties.

7.4 Design and Construction Representatives

The Authority's Design and Construction Representative and Project Co's Design and Construction Representative will have authority to agree on the value of Development Changes and contractual amendments to implement such Development Changes.

7.5 Implementation

Where there is no objection to a proposed Development Change within the 10 Business Day period specified in Section 7.3 of this Schedule 6, the Development Change Record will become the Development Change Record Confirmation. Following the issue of a Development Change Record Confirmation, the parties will promptly proceed with implementation of the applicable Development Change on the terms set out in the applicable Development Change Record Confirmation.

7.6 Reconciliation

No later than the 10th day of each month, Project Co's Design and Construction Representative will prepare and deliver to the Authority's Design and Construction Representative, a register of all Development Changes agreed during the prior month (the "**Development Change Register**").

7.7 Development Change Register

Within 30 days after the issuance of 100% construction documents pursuant to the design review process set out in Appendix 2B [Design Review] or such earlier date as the parties otherwise agree, the Authority will prepare and deliver to Project Co and Operations Co a consolidated Change Certificate encompassing all of the agreed Development Changes, as set out in the applicable Development Change Registers, and any amounts owing by the Authority in respect of such Change Certificate shall be paid in accordance with Section 2.9 of this Schedule 6.

7.8 No Dispute

The parties agree that a failure to reach agreement with respect to a proposed Development Change pursuant to the procedure set out in this Section 7 shall not constitute a Dispute and shall not be referred for resolution to the Dispute Resolution Procedure.