

Schedule 2

Pricing and Compensation Schedule

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**PRICING AND COMPENSATION SCHEDULE
SCHEDULE 2 TO THE GENERAL CONDITIONS**

SECTION 1 - PRICING AND COMPENSATION - GENERAL

1.1 Definitions and Interpretation

- (1) For the purpose of the Agreement, the following definitions shall apply:
- (a) “Billing Cycle” means a period commencing at midnight on Sunday and ending at 11.59:59 p.m. on the following Sunday;
 - (b) “Cancelled Service Request” means both,
 - (i) a Service Request that is cancelled by the LHIN one hour or less after the Service Request was issued by the LHIN; and
 - (ii) a Service Request that is cancelled by the LHIN more than one hour after the LHIN issued the Service Request which the Service Provider is able, using commercially reasonable efforts, to cancel prior to any delivery costs being incurred by the Service Provider;
 - (c) “Capped Price” means, for an item of Equipment or Infusion Equipment, the Price set out in the Price Form as the Capped Price, as applicable;
 - (d) “Delivery Rate” means either the Immediate Delivery Rate, the Regularly Scheduled Delivery Rate, the Individually Scheduled Delivery Rate or the LHIN Special Delivery Rate, as set out in the Price Form;
 - (e) “Depot” means Equipment and Equipment-Related Supplies Depot, Infusion Equipment and Infusion Supplies Depot or Medical Supplies Depot, as applicable;
 - (f) “Equipment Request for Payment” is defined in Section 2.1(1)(b) of this Schedule;
 - (g) “Final Rental Billing Period” means the Rental Billing Period during which one of the following occurs:
 - (i) the Equipment End Date or the Infusion Equipment End Date, as applicable; or
 - (ii) the LHIN makes a Pick-Up Request before the Equipment End Date or Infusion Equipment End Date, as applicable.
 - (h) “General Request for Payment” is defined in Section 2.1(1)(a) of this Schedule;
 - (i) “Maintenance Fee” means the maintenance fee set out in the Price Form for each item of LHIN-Owned Equipment and/or LHIN-Owned Infusion Equipment, as applicable, to account for all Services (except delivery) provided by the Service Provider with respect to the LHIN-Owned Equipment or LHIN-Owned Infusion Equipment, as applicable, in accordance with the Services Schedule;

- (j) “Not Seen, Not Found Event” means a circumstance where the Service Provider attends at the Service Delivery Location for a scheduled completion of a Service Request but the Service Request is not carried out because the Client is either,
 - (i) not at the Service Delivery Location when the Delivery Personnel arrives; or
 - (ii) is at the Service Delivery Location when the Delivery Personnel arrives but refuses or is unable to receive the delivery or the Service, as applicable;
- (k) “Price” is defined in Section 1.2(1) of this Schedule;
- (l) “Price Form” means the Price Form that is Attachment 1 to this Schedule;
- (m) “Regular Claims” is defined in Section 2.1(1) of this Schedule;
- (n) “Regular Claim Deadline” is defined in Section 2.1(1) of this Schedule;
- (o) “Rental Billing Period” means the 7 rental day period, that must have passed (for each item of rented Equipment or Infusion Equipment) before the Service Provider is permitted to submit an Equipment Request for Payment in accordance with Section 2.1 of this Schedule;
- (p) “Rental Period” means the period of rental for an item of Equipment or Infusion Equipment for which the Service Provider is permitted to charge the daily rental Price to the LHIN;
- (q) “Request for Payment” means a General Request for Payment and/or an Equipment Request for Payment;
- (r) “Restocking Credit” means, where Supplies have not been picked up by a Client from a Depot within 14 days after delivery date specified by the LHIN in the Order, a credit equal to the Price for the item of Supplies ordered by the LHIN times the unit or number of Supply items ordered by the LHIN in the applicable Supplies Order, as the Price is set out in the Price Forms;
- (s) “Resubmitted Claim” is defined in Section 2.3(1) of this Schedule;
- (t) “Supplies” means, in this Schedule, Medical Supplies, Infusion Supplies or Equipment-Related Supplies, as applicable;
- (u) “Supplies Order” means, in this Schedule, a Medical Supplies Order, Infusion Supplies Order or Equipment-Related Supplies Order, as applicable;
- (v) “Total Estimated Equipment-Related Supplies Price” means, for an Agreement for Equipment and Equipment-Related Supplies, the aggregate of the Estimated Total column for each item of Equipment-Related Supplies set out in the Equipment and Equipment-Related Supplies List;
- (w) “Total Estimated Equipment Rental Price” means, for an Agreement for Equipment and Equipment-Related Supplies, the aggregate of the Estimated Total column for each item of Equipment set out in the Equipment and Equipment-Related Supplies List; and

- (x) "Waste Pick-Up Rate" means the rate for Waste Pick-Up as set out in the Price Form;
- (2) For the purposes of this Pricing and Compensation Schedule,
 - (a) notwithstanding Section 1.1 of the Equipment and Equipment-Related Supplies Services Schedule, the expression "Equipment", when used alone in this Pricing and Compensation Schedule, excludes LHIN-Owned Equipment; and
 - (b) notwithstanding Section 1.1 of the Infusion Equipment and Infusion Supplies Services Schedule, the expression "Infusion Equipment", when used alone in this Pricing and Compensation Schedule, excludes LHIN-Owned Infusion Equipment.

1.2 Pricing Issues – General

- (1) The LHIN shall pay the Service Provider in accordance with the prices set out in the Price Form (collectively, the "Prices") for the Agreement Term.
- (2) Except as provided otherwise in the Agreement, the LHIN shall pay the Service Provider as follows:
 - (a) For items of Equipment and/or Infusion Equipment, as applicable, an amount equal to the daily rental rate for the applicable item of Equipment or Infusion Equipment, as set out in the Price Forms, times the number of days in the Rental Period;
 - (b) For Supplies, an amount equal to the Price for the item of Supplies ordered by the LHIN times the unit or number of Supply items, as applicable, ordered by the LHIN in the applicable Supplies Order, as the Price is set out in the Price Forms;
 - (c) For delivery, an amount equal to the number of deliveries ordered by the LHIN that are successfully completed by the Service Provider times the applicable Delivery Rate as determined by the Category of Delivery (Immediate Delivery, Regularly Scheduled Delivery, Individually Scheduled Delivery or LHIN Special Delivery) ordered by the LHIN;
 - (d) For each time an item of LHIN-Owned Equipment and LHIN-Owned Infusion Equipment is used to complete an Equipment Order or Infusion Equipment Order, an amount equal to the Maintenance Fee for the applicable item of LHIN-Owned Equipment or LHIN-Owned Infusion Equipment, as applicable, as set out in the Price Forms;
 - (e) For each Waste Pick-Up ordered by the LHIN, an amount equal to the Waste Pick-Up Price, as set out in the Price Forms; and
 - (f) For items of Equipment and/or Infusion Equipment, as applicable, that are not picked up by the Client from a Depot within 14 days of the delivery date specified by the LHIN in the Order, an amount equal to the daily rental rate for the applicable item of Equipment or Infusion Equipment, as set out in the Price Forms, times 14 days.
- (3) The Prices set out in the Price Form shall be in effect for Services performed from the Starting Date to the End Date of the Agreement.

(4) The Service Provider's Prices include all of the Service Provider's costs and expenses in carrying out the Services and its obligations under the Agreement, including,

- (a) all costs and expenses of preparation, consultation, reporting and travel time related to the Services, including responding to all Information Requests and Consultation Requests and questions and requests for information from Clients;
- (b) all costs related to the Service Provider's offices and facilities, including rent, building maintenance, property taxes, utilities and other expenses;
- (c) all Service Provider's overhead expenses;
- (d) the cost of all Equipment and Supplies;
- (e) all costs and expenses related to Subcontractors;
- (f) all Service Provider's costs relating to meetings required by the Agreement including travel time, attendance, lunches, preparation of minutes, and other expenses;
- (g) all photocopying, telephone, cellular phone, pager, fax, courier and other communications costs incurred by the Service Provider or its Subcontractors;
- (h) all computer hardware and software including related support services;
- (i) all office supplies used by Service Provider or its Subcontractors;
- (j) on-call support;
- (k) if instructed by the LHIN to deliver the Services in French pursuant to SS Section 10.4.1(1) of the Services Schedule, all costs and expenses of providing Services in French;
- (l) except as provided in the Services Schedule, all costs and expenses of providing the Services in a language understood by the Client;
- (m) all taxes, duties, levies and other similar charges;
- (n) all costs and expenses related to Service Provider's installation, maintenance and repair of Equipment and maintenance and repair of Infusion Equipment, including responding to Repair or Replacement Requests;
- (o) all costs and expenses related to the installation, as applicable, and minor maintenance and repair of LHIN-Owned Equipment and LHIN-Owned Infusion Equipment, including responding to Repair or Replacement Requests for LHIN-Owned Equipment and LHIN-Owned Infusion Equipment; and
- (p) all Service Provider Personnel costs and expenses including,
 - (i) all wages, salaries, benefits, allowances and severances;
 - (ii) all vehicle and transportation costs; and

- (iii) all training and development of the Service Provider Personnel, except for specific training that the LHIN agrees to provide and pay for on a case-by-case basis.

1.3 Records of Service Provider Services

(1) The Service Provider shall keep, and provide to the LHIN on request by the LHIN, ongoing detailed records on a weekly, monthly and cumulative basis for each Agreement Year of the Service Requests carried out by Service Providers and the amounts paid by the LHIN for those Services. The Service Provider shall keep, and provide to the LHIN on request by the LHIN, detailed records, on a quarterly basis, of the breakdown of completed Service Requests by type of Service Request.

(2) The Service Provider shall keep detailed records of each failure to meet the delivery time as specified in an applicable Order.

(3) If there is a discrepancy between the Service Provider's records of its failure to meet the delivery time and the LHIN's records, the Parties shall meet to attempt to reconcile the records and both Parties shall act reasonably. If the Service Provider and LHIN records cannot be reconciled, the LHIN's records shall govern.

1.4 Payment for Not Seen, Not Found Events and Cancelled Service Requests

(1) The LHIN shall not pay the Service Provider for a Not Seen, Not Found Event or a Cancelled Service Request.

(2) If the LHIN cancels a Service Request more than one hour after the Service Request has been issued by the LHIN and the Service Provider is unable, using commercially reasonable efforts, to cancel prior to any delivery costs being incurred by the Service Provider, the LHIN shall pay the Service Provider as follows:

- (a) for a cancelled Equipment Order or Infusion Equipment Order, the applicable Delivery Rate, plus the daily rental Price for the item of Equipment or Infusion Equipment, as applicable, times a Rental Period of one day;
- (b) for a cancelled Supplies Order that is actually delivered to the Client, the same Price that the LHIN would have paid for the delivered Supplies Order; and
- (c) for a cancelled Supplies Order that is in the process of delivery, but is not actually delivered, and can be re-stocked, the Delivery Rate for the applicable Supplies Order.

1.5 Calculation of Price and Capped Pricing

1.5.1 Delivery

(1) The LHIN shall pay the Service Provider a Delivery Rate charge for each delivery that is ordered by the LHIN through a Service Request and successfully completed by the Service Provider in accordance with the deadline for Immediate Delivery, Regularly Scheduled Delivery, Individually Scheduled Delivery or LHIN Special Delivery, as applicable. The LHIN shall pay the Service Provider,

- (a) the Immediate Delivery Rate, if the LHIN has specified an Immediate Delivery in its Service Request;
- (b) the Regularly Scheduled Delivery Rate, if the LHIN has specified a Regularly Scheduled Delivery in its Service Request;

- (c) the Individually Scheduled Delivery Rate, if the LHIN has specified an Individually Scheduled Delivery in its Service Request; or
- (d) the LHIN Special Delivery Rate, if the LHIN has specified a LHIN Special Delivery in its Service Request.

(2) For greater clarity, the Service Provider shall carry out all pick-up of Equipment and Infusion Equipment requested by the LHIN in accordance with the Services Schedule, at no additional cost to the LHIN.

(3) For greater clarity, even if a Service Provider is required to make repeated delivery attempts to carry out a LHIN Service Request, the Service Provider shall charge the LHIN for delivery only once if the delivery is successfully delivered. If the Service Provider delivers an incorrect Equipment Order, Infusion Equipment Order or Supplies Order, it shall deliver the correct Equipment Order, Infusion Equipment Order or Supplies Order, as applicable, to the LHIN at no additional cost to the LHIN.

(4) The LHIN shall only pay the Service Provider one Delivery Rate charge for each delivery that is,

- (a) to the same Service Delivery Location;
- (b) specified to be delivered on the same date and, if applicable, at the same time; and
- (c) within the same Delivery Category.

1.5.2 Service Requests Completed Without Additional Charge

(1) For greater clarity, the Service Provider acknowledges and agrees that Information Requests, Pick-Up Requests and Repair or Replacement Requests shall be carried out by the Service Provider at no additional cost to the LHIN.

1.5.3 Calculating the Rental Period

(1) For the purpose of calculating the number of days that an item of Equipment or Infusion Equipment is rented for (the "Rental Period") the following shall apply:

- (a) the first day of the Rental Period shall be the date specified by the LHIN as the Equipment Start Date or Infusion Equipment End Date, as applicable; and
- (b) the last day of the Rental Period shall be either,
 - (i) the date that the LHIN establishes as the Equipment End Date or the Infusion Equipment End Date, as applicable; or
 - (ii) the date of a LHIN Pick-Up Request in respect of the Equipment or Infusion Equipment, if the LHIN Pick-Up Request date is earlier than the Equipment End Date or Infusion Equipment End Date,

as applicable.

(2) In respect of Equipment and Infusion Equipment, the Service Provider is permitted to charge the LHIN the daily rental Price for each day of the Rental Period.

1.5.4 Capped Pricing

(1) This Section 1.5.4 is applicable only if, in accordance with the Special Conditions, Capped Pricing is applicable to the Agreement.

(2) Except as provided in Section 1.5.4(3), for each Equipment Order and Infusion Equipment Order, as applicable, the Service Provider shall not charge the LHIN in excess of the Capped Price for the item of Equipment or Infusion Equipment, as applicable, in accordance with this Section 1.5.4(2). The Capped Price shall apply to each Equipment Order and Infusion Equipment Order, as applicable, irrespective of the length of a Rental Period. With respect to each Equipment Order and Infusion Equipment Order, once the Service Provider has billed an amount to the LHIN for an item of Equipment or Infusion Equipment, as applicable, equal to the Capped Price for that item of Equipment or Infusion Equipment, as applicable, the Service Provider shall cease charging the daily rental Price, but shall continue to provide the Services in respect of that item of Equipment or Infusion Equipment, as applicable. For greater clarity, each Equipment Order and Infusion Equipment Order relates solely to one Client.

(3) If an item of Equipment or Infusion Equipment is in a Client's Service Delivery Location pursuant to an ongoing Equipment Order or ongoing Infusion Equipment Order, as applicable, and the item of Equipment or Infusion Equipment must be replaced by the Service Provider because the item of Equipment or Infusion Equipment has reached the end of its useful life, the Service Provider is permitted to re-commence charging the LHIN at the applicable daily rental Price until the Capped Price for the replacement item of Equipment or Infusion Equipment, as applicable, is reached.

SECTION 2- REQUESTS FOR PAYMENT

2.1 Billing Cycle and Submitting Requests for Payment

(1) The Service Provider shall submit two types of Requests for Payment to the LHIN in accordance with the following:

- (a) the Service Provider shall submit a Request for Payment weekly for,
 - (i) Supplies;
 - (ii) Maintenance Fees, if applicable;
 - (iii) amounts due on account of Delivery Rates; and
 - (iv) amounts due on account of Waste Pick-Up, if applicable,

no later than seven days after the last day of each Billing Cycle (a "General Request for Payment") and each General Request for Payment must include all claims for payment with respect to Supplies, Maintenance Fees (if applicable), Delivery Rates and Waste Pick-Up Rates (if applicable) carried out during the immediately previous Billing Cycle; and

- (b) the Service Provider shall submit a Request for Payment with respect to the daily rental rates for each item of Equipment or Infusion Equipment (an "Equipment Request for Payment") no later than seven days after the last day of each Billing Cycle and each Equipment Request for Payment shall include all claims for payment of the daily rental rate for items of Equipment and/or Infusion Equipment, as applicable, for which the end of the Rental Billing Period or Final Rental Billing Period occurred during the immediately previous Billing Cycle,

(each, a “Regular Claim”). For greater clarity, except as provided in Section 2.1(3) of this Schedule, the Service Provider must submit all Regular Claims so that the LHIN receives them no later than 7 days after the last day of the Billing Cycle to which the Regular Claim applies (the “Regular Claim Deadline”).

(2) A Request for Payment may also include Resubmitted Claims that have been resolved pursuant to Section 2.3 of this Schedule. In each Request for Payment, the Service Provider shall clearly indicate, and shall segregate, all Regular Claims from Resubmitted Claims. For each Resubmitted Claim the Service Provider shall indicate the date the Services were originally provided.

(3) In exceptional circumstances and only with the prior consent of the LHIN, which consent may be withheld in the LHIN's sole discretion, the Service Provider may submit a Regular Claim that has never been submitted up to 30 days after the Regular Claim Deadline.

(4) Except as provided in Section 2.1(3) of this Schedule the Service Provider shall not submit a Regular Claim (for the first time) more than 7 days after the Regular Claim Deadline and the LHIN shall not, under any circumstances whatsoever, be obliged to consider paying Regular Claims submitted (for the first time) or to pay Regular Claims submitted (for the first time) more than 30 days after the Regular Claim Deadline.

(5) If at the beginning of the Agreement Term the Service Provider is unable to meet the deadlines for submission of Regular Claims, or other requirements set out in Section 2.1 of this Schedule the LHIN may, in its sole discretion, identify a period of time during which the Service Provider will be permitted to adjust its billing system to meet the requirements of this Schedule.

(6) The Service Provider's Requests for Payment shall be in accordance with the format (either electronic or hard copy) and specific instructions of the LHIN.

(7) On request by the LHIN, the Service Provider shall attend LHIN training sessions, at the Service Provider's own cost and expense, in respect of the electronic format and software to be used by the Service Provider in submitting Requests for Payment to the LHIN.

(8) The LHIN may, in its sole discretion and from time to time, change the format to be used for the submission of Requests for Payment by the Service Provider, including a change from hard copy to electronic format or a change to a different electronic format, and the Service Provider shall change the format as instructed by, and at no cost to, the LHIN.

2.2 Payment of Regular Claims

(1) For those Regular Claims that the Service Provider submits by the applicable Regular Claim Deadline,

- (a) the LHIN shall, no later than 15 days after the applicable Regular Claim Deadline, notify the Service Provider which of the Regular Claims will not be paid by the LHIN, which notice shall include a description of the basis for non-payment; and
- (b) the LHIN shall,
 - (i) pay the Regular Claims in full; or
 - (ii) pay only those Regular Claims that do not require clarification or correction,

no later than 15 days after the applicable Regular Claim Deadline.

2.3 Resubmitted Claims

(1) For those Regular Claims that the LHIN has not paid in accordance with Section 2.2(1) of this Schedule, the Service Provider shall have until 60 days after the original (corresponding) date the Services were provided to resubmit the claim (the “Resubmitted Claim”).

(2) The Service Provider shall make its best efforts to ensure that a Resubmitted Claim is not submitted until it is properly clarified, corrected or revised to the satisfaction of the LHIN, acting reasonably.

(3) If the Service Provider fails to submit a Resubmitted Claim that is to the satisfaction of the LHIN, acting reasonably, prior to the deadline set out in Section 2.3(1) of this Schedule, the LHIN may in its sole discretion, refuse to pay the claims for payment.

(4) The LHIN shall pay all Resubmitted Claims that have been properly clarified, corrected or revised to the satisfaction of the LHIN, acting reasonably, no later than 30 days after the date of resubmission of the properly clarified, corrected or revised (to the satisfaction of the LHIN) Resubmitted Claim.

2.4 Restocking Credits

(1) The Service Provider shall provide a Restocking Credit to the LHIN for items of Supplies that are not picked up by a Client from a Depot within 14 days after the date of delivery specified in an Supplies Order. The Service Provider shall track all Restocking Credits owed to the LHIN in each Quarter.

(2) On the Request for Payment submitted to the LHIN for the first Billing Cycle after the end of a Quarter, the Service Provider shall deduct all Restocking Credits owed to the LHIN for the previous Quarter from any payments owed to the Service Provider by the LHIN.

Attachment 1 to the Pricing and Compensation Schedule

PRICE FORM

[Note: For the 2017 Template Equipment and Supplies Documents, this Attachment will be taken from the Respondent's Proposal. It is the Successful Respondent's Price Form submitted in accordance with the RFP.]

[Note: for the 2017 Template Equipment and Supplies Documents (Extensions), the Price Form (Extensions) will be distributed to the Service Provider during negotiations. The final negotiated Price Form is to be inserted here.]

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