# Statement of Work No. 2

This Statement of Work Number 2 ("**Statement of Work**" or "**SOW**") is issued pursuant to the Master Services Agreement first dated as of December 13, 2012, as amended by Amendment No.1 dated as of February 28, 2013 (collectively, the "**MSA**") between State of Vermont ("**SOV**") and CGI Technologies and Solutions Inc. ("**Supplier**"). This Statement of Work incorporates the terms and conditions of the MSA as if the MSA were fully set forth in the text of this Statement of Work. Capitalized terms not defined in this Statement of Work are defined in the MSA.

## 1. EFFECTIVE DATE AND TERM OF THIS STATEMENT OF WORK.

This Statement of Work is effective as of May 1, 2013 ("**Statement of Work Effective Date**") and shall continue through December 31, 2016, which shall constitute the "**Statement of Work Term**". The Statement of Work Term may be extended for up to two (2) one-year periods, at the option of SOV.

This Statement of Work references a Subcontract Agreement, together with its exhibits, entered into by Supplier and COCO Development, LLC d/b/a Benaissance (the **"Subcontractor"**) dated as of May 1, 2013 (the **"Subcontract Agreement"**) and attached hereto as Schedule B. The parties acknowledge and agree that, provided that neither Supplier nor Subcontractor is in material breach of their respective obligations under this SOW, as of February 1, 2014 or such other date at which full implementation of Schedule A (described below) has been delivered and accepted by SOV (the **"Assignment Date"**), this Statement of Work with its attachments, exhibits and applicable terms and conditions, shall be deemed assigned from Supplier to Subcontractor and the Subcontract Agreement shall be deemed assigned from Supplier to SOV and that any contractual relationship regarding the Services to be provided hereunder after the Assignment Date will be between SOV and Subcontractor.

## 2. SERVICES TO BE PERFORMED AND SCHEDULE OF PERFORMANCE.

A. Scope of Services

The Supplier will provide Services in the Requirements Traceability Matrix ("RTM") attached hereto as Schedule A to this SOW.

B. Location of Services.

Supplier will perform Services under this SOW at an SOV provided facility and/or Supplier facilities in Omaha, NE. Supplier will also perform testing at its facilities in Belton, Texas and Omaha, NE.

C. Deliverables and Work Product.

The list of Deliverables is provided in Schedule C, Payment Provisions, attached to this SOW.

D. Milestone Schedule

Supplier will provide the Services in accordance with the timeframes set forth in the Milestone Schedule contained in Schedule C, Payment Provisions.

E. Acceptance Criteria and Process.

The Deliverable acceptance criteria for and process will be set forth in the Project Management Plan (PMP).

F. Supplier Personnel.

Process for approval of Supplier Personnel in Key Supplier Positions is described in the Subcontract Agreement. Key Personnel to include:

| Key Personnel | Role |
|---|---|
| David Simmons | CGI Project Manager |
| Mark Waterstraat | Project Director/Functional Lead |
| Vik Kodipelli | Technical Architect |
| Tom Kern | Technical Lead |
| Steve Cudly | Project Manager |
| Liz Kerrigan | Business Analyst |

G. Supplier Resources.

Description of Supplier Resources will be set forth in the PMP. Supplier is responsible for providing computer equipment needed for its staff.

H. SOV Roles and Responsibilities.

1. The SOV is responsible for assigning resources responsible for the premium processing and financial management processes within DVHA to work as subject matter experts to support the information needs of the Supplier teams. SOV resources will provide support as required to assist during the design, development, testing and implementation phases as Supplier teams work to satisfy the requirements in the RTM.
2. The SOV is responsible for providing space and furnishings for Supplier to co-locate their project teams in a joint facility. For the avoidance of doubt, in no event shall SOV be responsible for providing space and furnishings to the Subcontractor after the Assignment Date. .
3. The SOV will provide badge access for Supplier personnel to identified locations for the duration of the Project as long as Supplier staff meets the SOV security requirements necessary to provide a badge.
4. The SOV will provide wireless, internet connectivity to Supplier staff at the joint facility.

I. Governance Structure, Meetings and Reports.

Governance Structure, Operation and Executive level meeting process and weekly status report standards will be mutually agreed by the parties and set forth in the PMP.

J. Termination for Convenience.

SOV shall have the right to terminate this Statement of Work, in whole or in part, for convenience and without cause by providing Supplier with not less than sixty (60) days prior written notice.

---

**3. HOSTING SERVICES.**

Not applicable to this SOW.

---

**4. SOFTWARE.**

Not applicable to this SOW.

---

**5. HARDWARE.**

Not applicable to this SOW.

---

**6. THIRD PARTY CONTRACTS.**

SOV acknowledges and understands that Supplier has third party contracts with the following Supplier subcontractors as of the Effective Date: (i) Cosentry, Inc. for data center hosting; (ii) Allison Payment Systems, LLC for printing and postal delivery of invoices; and (iii) Sage Payment Solutions, a merchant acquirer for processing card based payment transactions. SOV hereby consents to the use by Supplier of these subcontractors.

## 7. SERVICE LEVELS.

The service levels provided herein (the "Service Levels") shall apply only to the Services contemplated under this SOW. Service Levels are as set forth in the table below and will be measured and reported monthly to SOV beginning with the month February 2014.

**Definition** – "Performance Penalty" is defined as a percentage of the monthly Per Subscriber Per Month (PSPM) fee (as defined in Schedule C) assessed if a Service Level measure defined in the table below, Back Office Processing Service Levels, is not achieved in a given month. Each Performance Penalty defined below may not be assessed more than once in any one calendar month. The total cumulative monthly performance penalty may not exceed five percent (5%) of the monthly PSPM fees in any one calendar month. Each Performance Penalty shall be paid within two months of the measurement period.

### TABLE – BACK OFFICE PROCESSING SERVICE LEVELS

| Category | Description | Measure | Performance Penalty |
|---|---|---|---|
| **Inbound Paper Premium Payments** | Paper premium payments coming into the Benaissance lockbox. | Process and deposit all inbound paper payments received within one business day of receipt on all non-State holiday business days (Monday through Friday). | 2% |
| **Misapplied Payment Accuracy** | Inadvertent application of a paper payment to an incorrect subscriber record. | Limit misapplication of paper payments to an incorrect member record to no more than 1 per 5,000. | 1% |
| **Inbound Electronic Premium Payments (online)** | Electronic premium payments made online through the VT HBE portal by credit/debit card or virtual check (i.e. one-time ACH). | Electronically acknowledge receipt of approved online electronic transactions as follows: Process and settle daily batch of all card and virtual check transactions received from online HBE portal once daily on all non-holiday business days (Monday through Friday) between 5:00 PM and 11:59 PM Eastern Time. Online electronic payments initiated through the online HBE portal after the Friday evening batch settlement will be settled on the following Monday or first business day thereafter. | 1% |
| **Recurring ACH Premium Payment Transactions** | Monthly scheduled recurring ACH premium payment transactions. | Initiate monthly ACH debit transaction file for all Individuals and small business employers who elect to pay by monthly recurring ACH debit one time per month so that the debit transaction occurs on the first of the month or the first business day thereafter. | 1% |

| | | | |
|---|---|---|---|
| **Premium Remittance to Issuers** | Monthly remittance of collected premiums to Issuers. | Remit posted and adjusted whole premiums to issuers monthly in arrears which apply to the immediately preceding premium month or any prior premium month (due to 90-day payment grace period) monthly on a date no later than the fifth business day of the month via ACH with an accompanying HIPAA 820 EDI file. | 2% |
| **Process Refunds** | Process and provide refunds to Individuals and small business employers who terminate with a partial balance. | Process refunds to all individuals and employers with a remaining partial balance who terminated with an effective date of termination at least ninety (90) days prior (due to 90 day payment grace period) monthly on a date no later than the seventh business day of the month. | 1% |
| **Customer Service Response** | Provide affirmative acknowledgement of receipt of a billing or payment related Level 3 customer service case | Respond to all in-bound payment or billing related Level 3 customer service issues within 2 business hours. | 0.5% |
| **Customer Inquiry Resolution** | Resolve billing or payment related Level 3 customer service | Provide resolution of all inbound payment or billing related Level 3 customer service issues within one business day. | 0.5% |
| **Inbound File Batch Processing** | Files coming into HBEpoint from the Enterprise Service Bus (ESB) | Process inbound files within twelve (12) hours of receipt of file | 0.5% |
| **Outbound File to ESB** | Files exported from HBEpoint to ESB | If the ESB requires a file from HBEpoint the file will be provided within one (1) hour | 0.5% |

## 8. SECURITY, DISASTER RECOVERY, BUSINESS CONTINUITY PROCEDURES, CONTROLS

As required by the MSA.

## 9. FORECASTING

Any forecasting needed will be set forth in the PMP.

## 10. FACILITIES TO BE PROVIDED BY SUPPLIER.

Not applicable.

## 11. ASSUMPTIONS.

A. Cost assumptions are as set forth in the Schedule C, Assumptions.
B. This Statement of Work will be assigned to and accepted by SOV as of the Assignment Date in Section 1 above and upon assignment to SOV, except for any outstanding warranty obligations incurred prior to the Assignment Date, the parties agree that CGI will be relieved of all obligations pursuant to this SOW, and the CGI Project Manager named in Section 2.F above will be replaced with an SOV Project Manager.
C. Pursuant to Section 12.3 of the MSA (Dedicated/Partitioned Environment), SOV hereby agrees to and authorizes provision of the Premium Billing Services from a shared Software as a Service processing environment.
D. Notwithstanding anything else in the MSA to the contrary, the Services provided hereunder shall not materially deviate from Schedule A attached hereto for a period of one hundred and eighty (180) days from the acceptance of such Services ("Warranty Period") by SOV. This Warranty Period shall be in addition to, and not in lieu of, any other warranties in the MSA or the Subcontract Agreement.

## 12. OPTIONAL SERVICES.

Not applicable to this SOW.

## 13. OTHER SERVICES.

Not applicable to this SOW.

## 14. CHARGES AND PASS-THROUGH EXPENSES.

Schedule C provides for all charges and expenses.

Agreed to and accepted by:

| CGI Technologies and Solutions Inc. (CGI) | State of Vermont |
|---|---|
| By: E-SIGNed by Gregg Mossburg on 2013-May-01 | By: E-SIGNed by Mark Larson on 2013-May-01 |
| Name: | Name: |
| Title: | Title: |
| Date: | Date: |

**SCHEDULE A**

RTM

[see attached]

## Schedule A - Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-001 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Establish an interface with the Exchange in order to receive enrollment and premiums data (e.g., members' share of the premium, advance premium tax credit (APTC), cost sharing reductions (CSRs), state premium subsidy amount(s), etc.) for each family unit enrolled in coverage through the Exchange. | Validated | | | | |
| PPRFP-071 | Financial Management | Exchange/State Agencies | Premium Processor | Establish an interface with the Exchange in order to receive enrollment and premiums data (e.g., members' share of the premium, advance premium tax credit (APTC), cost sharing reductions (CSRs), state premium subsidy amount(s), etc.) for each family unit enrolled in coverage through the Exchange. | Validated | | | | |
| FM-084 | Financial Management | Issuer Payment Reconciliation | Premium Processor | Provide appropriate data to the Exchange to support Customer Service workers in completing customer service requests. | Validated | | Functional | | |
| PPRFP-032 | Financial Management | Small Group Employer Exchange | Premium Processor | Establish an interface with the Exchange in order to receive enrollment and premium data (e.g., total amount due, employer share, employee | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | share) from the Exchange for each group that enrolls in coverage. | | | | | |
| PPRFP-072 | Financial Management | Exchange/State Agencies | Premium Processor | Establish a lockbox or lockboxes for premium payments and state subsidies. | Validated | | | | |
| FM-114 | Financial Management | Cash Management | Premium Processor | Support the management of the receipt of premium payments, including the provisioning of a lockbox, and track the accounting and reconciliation of cash receipts | Validated | | Functional | | |
| PPRFP-030 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Maintain books, records, documents, and other evidence of accounting procedures and practices of the premium processing program including fiscal recognition of APTCs, CSRs, State CSRs, state premium subsidy/(ies) for each benefit year for at least 10 years. | Validated | | | | |
| PPRFP-060 | Financial Management | Small Group Employer Exchange | Premium Processor | Maintain books, records, documents, and other evidence of accounting procedures and practices of the premium processing program for each benefit year for at least 10 years. | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-082 | Financial Management | Exchange/State Agencies | Premium Processor | Maintain books, records, documents, and other evidence of accounting procedures and practices of the premium processing program for each benefit year for at least 10 years. | Validated | | | | |
| PPRFP-031 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Implement hierarchical rules for allocation of (partial) payments to premiums. | Validated | | | | |
| PPRFP-064 | Financial Management | Issuer | Premium Processor | Establish a process to remit premiums to Issuers on behalf of a family unit and groups with members enrolled in QHPs. | Validated | | | | |
| PPRFP-065 | Financial Management | Issuer | Premium Processor | Establish a process to remit premiums to the State Treasurer's Account on behalf of family units with members enrolled in State programs (e.g. Medicaid). | Validated | Need complete and definitive list of state programs. | | | |
| PPRFP-004 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Support the ability for individuals and family units to pay by paper payment methods (e.g. check or money order). | Validated | | | | |
| FM-046 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide the ability for individuals and family units to pay premium via ACH Debit (Automated Clearing House) and credit card in compliance with the Payment Card Industry Data Security Standards for public and private plans. | Validated | | Functional | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-035 | Financial Management | Small Group Employer Exchange | Premium Processor | Support the ability for small businesses to pay by paper payment methods (e.g. check or money order). | Validated | | | | |
| FM-028 | Financial Management | SHOP Premium Collection | Premium Processor | Provide the ability for employers to pay premiums via electronic payment on Exchange with options to pay by ACH Debit (Automated Clearing House) and credit card in compliance with the Payment Card Industry Data Security Standards. | Validated | | Functional | | |
| FM-035 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Record individual premium payment option. | Validated | | Functional | | |
| FM-048 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Support individuals making recurring or scheduled premium payments to the Exchange. | Validated | | Functional | | |
| FM-031 | Financial Management | SHOP Premium Collection | Premium Processor | Support small businesses making recurring or scheduled premium payments to the Exchange. | Validated | | Functional | | |
| FM-036 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Calculate individual premium payment amount itemized by billing cycle and by product. | Validated | | Functional | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| FM-039 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Send Invoice notification to Individual for monthly premium payment using USPS mail or secure email link | Validated | | Functional | | |
| FM-041 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | The invoice should include upcoming month's premium due, year to date paid amounts, and if applicable, prior unpaid premium amounts and adjusted amounts. | Validated | | Functional | | |
| FM-040 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | The invoice notification would include a website address to login to the Exchange and make an electronic payment. | Validated | | Functional | | |
| FM-042 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Produce electronic or hard-copy monthly premium invoice to individual or family unit, itemized by product/program and summarized to one total amount | Validated | | Functional | | |
| FM-049 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Receive and process premium payments from individuals and family units. | Validated | | Functional | | |
| FM-051 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | When electronic payment methods are used record payment type and premium payment amount and card | Validated | | Functional | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | surcharges, if any. | | | | | |
| PPRFP-066 | | Issuer | Premium Processor | Receive premiums for individual on behalf of the Issuers and the State. | Validated | | | | |
| PPRFP-008 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Reconcile each family unit's premium amount received with the amount due. | Validated | | | | |
| PPRFP-067 | Financial Management | Issuer | Premium Processor | Reconcile payments received against the invoiced amount; and remit reconciled premiums to the appropriate Issuers and the State. | Validated | | | | |
| FM-052 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Track premium payments by individuals, including information related to payment type | Validated | | Functional | | |
| FM-068 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Provide automated process for identifying unpaid individual premiums and/or premium payment discrepancies | Validated | | Functional | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| FM-054 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Produce payment exception report and notification to individual. | Validated | | Functional | | |
| FM-078 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Generate and send invoice adjustment (positive or negative) when there is a change in circumstance that affects the amount due for premiums. | Validated | | Functional | | |
| PPRFP-013 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Inform the family unit of an over payment. | Validated | | | | |
| FM-043 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide capability to resend an existing invoice to an individual upon request. | Validated | | Functional | | |
| FM-069 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Provide automated processing to generate a notification to the individuals regarding unpaid premiums and/or premium discrepancies. | Validated | | Functional | | |
| FM-071 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Send notifications of unpaid premiums to Individuals. | Validated | | Functional | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-014 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Inform the family unit that a credit for an overpayment has been applied to the family unit's account. | Validated | | | | |
| FM-050 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Track premium payment timing relative to the premium due date, and not the grace period end. | Validated | | Functional | | |
| FM-030 | Financial Management | SHOP Premium Collection | Premium Processor | Track premium payment timing relative to the premium due date, and not the grace period end. | Validated | | Functional | | |
| PPRFP-020 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Transmit the family unit's complete premium payment for qualified health plans (QHP) to the Issuers no more frequently than weekly. | Validated | | | | |
| PPRFP-021 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Transmit the family unit's premium payment for public programs (e.g., Dr. Dynasaur) to the State Treasurer's bank account no more frequently than weekly. | Validated | | | | |
| PPRFP-073 | Financial Management | Exchange/State Agencies | Premium Processor | Transmit the family unit's premium payment for public programs (e.g., Dr. Dynasaur) to the State Treasurer's bank account no more frequently than weekly. | Validated | | | | |
| PPRFP-026 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide data to the Exchange to support the Exchange developing and sending premium payment reports via EDI 834 and EDI 820 | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | transactions to the Issuers. | | | | | |
| PPRFP-041 | Financial Management | Small Group Employer Exchange | Premium Processor | Provide data to the Exchange to support the Exchange developing and sending premium payment reports via EDI 834 and EDI 820 transactions to the Issuers. | Validated | | | | |
| PPRFP-075 | Financial Management | Exchange/State Agencies | Premium Processor | Provide data daily to the Exchange with 'paid through date' information to support determine payments past due. | Validated | | | | |
| PPRFP-022 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide data daily to the Exchange to support the Exchange providing regular updates including "paid through date" reporting (834 'benefit coverage period') to the Issuers and the State's Medicaid Business Office. | Validated | | | | |
| FM-056 | Financial Management | Employer Premium Discrepancy Resolution | Premium Processor | Produce daily data feed to the Exchange of Employer premiums due, payments made, and payments applied to premiums | Validated | | Functional | | |
| PPRFP-027 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide data to the Exchange to support the Exchange developing and sending premium payment reports to the State's G/L system (Vision). | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-028 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Integrate with the Exchange system to allow family units to view their payment history and manage their account through the Exchange system. | Validated | Confirm that the customer will view their payment history and manage their account through the OneGate portal, viewing Premium Processor information. | | | |
| PPRFP-059 | Financial Management | Small Group Employer Exchange | Premium Processor | Integrate with the Exchange system so that the Exchange system can allow groups to view their payment history and manage their account through the Exchange system. | Validated | Confirm that the customer will view their payment history and manage their account through the OneGate portal, viewing Premium Processor information. | | | |
| PPRFP-025 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | In the case the family unit has terminated coverage and has a balance outstanding; send the family unit any refunds due. | Validated | | | | |
| PPRFP-078 | Financial Management | Exchange/State Agencies | Premium Processor | Receive termination notification from the Exchange and update the family unit and group account. | Validated | Assumption is that Exchange is passing along termination information from Issuers. | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-024 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Update the family unit's account as a result of the termination notice. | Validated | Assumption is that Exchange is passing along termination information from Issuers. | | | |
| PPRFP-048 | Financial Management | Small Group Employer Exchange | Premium Processor | Receive notification from Customer Service of any group premium invoice discrepancy. | Validated | | | | |
| PPRFP-009 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Receive notification from Customer Service of any individual or family unit premium invoice discrepancy. | Validated | | | | |
| PPRFP-011 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide Level 3 customer support to the Exchange call center via phone and web. (Premium Processor will not be expected to provide live direct service to consumers or employers). | Validated | | | | |
| PPRFP-049 | Financial Management | Small Group Employer Exchange | Premium Processor | Provide Level 3 customer support to the Exchange call center via phone and web. (Premium Processor will not be expected to provide live direct service to consumers or employers). | Validated | | | | |
| PPRFP-070 | Financial Management | Issuer | Premium Processor | Provide Level 3 customer support to level 2 Exchange Issuer Support Team via phone and web. (Premium Processor will not be expected to provide live direct service to Issuers). | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-081 | Financial Management | Exchange/State Agencies | Premium Processor | Provide Level 3 customer support to the Exchange call center via phone and web. (Premium Processor will not be expected to provide live direct service to State Agencies). | Validated | | | | |
| PPRFP-010 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Investigate the premium invoice discrepancy raised by the family unit and post resolution of the same. | Validated | Duplicated with FM74 and 75 | | | |
| PPRFP-050 | Financial Management | Small Group Employer Exchange | Premium Processor | Resolve the invoice discrepancy, and notify the Exchange call center of the resolution. | Validated | | | | |
| FM-076 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Provide process to update the individual account with an invoice adjustment as a result of a discrepency resolution. | Validated | | Functional | | |
| FM-019 | Financial Management | SHOP Premium Collection | Premium Processor | Calculate employer premium based on Exchange enrollment requirements | Validated | | Functional | | |
| PPRFP-036 | Financial Management | Small Group Employer Exchange | Premium Processor | Generate an invoice on paper or electronically (viewable through the Exchange) for each group based on inputs provided by the Exchange (e.g., amounts due for each member of the group, QHP enrollment information, employee share of | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | premium, employer share of premium, total premium), as well as invoice adjustments. | | | | | |
| FM-024 | Financial Management | SHOP Premium Collection | Premium Processor | Produce email notification to employer that invoice is ready, and to logon to Exchange to see the invoice | Validated | | Functional | | |
| PPRFP-042 | Financial Management | Small Group Employer Exchange | Premium Processor | Send the employer and the employees a late payment notification upon the trigger that an invoice has not been paid. | Validated | | | | |
| PPRFP-043 | Financial Management | Small Group Employer Exchange | Premium Processor | Send the employer and the employees an underpayment notification upon the trigger that an invoice has not been fully paid. | Validated | | | | |
| FM-029 | Financial Management | SHOP Premium Collection | Premium Processor | Receive and process premium payments. | Validated | | Functional | | |
| PPRFP-037 | Financial Management | Small Group Employer Exchange | Premium Processor | Reconcile the payments received against the invoiced amount. | Validated | | | | |
| PPRFP-038 | Financial Management | Small Group Employer Exchange | Premium Processor | Remit the reconciled premium payment to the appropriate Issuers. | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-039 | Financial Management | Small Group Employer Exchange | Premium Processor | If any discrepancies are found during reconciliation, credit overpayments towards future billiing, update account balance, or trigger notification of underpayment. | Validated | | | | |
| PPRFP-040 | Financial Management | Small Group Employer Exchange | Premium Processor | Allow for premium adjustments resulting from changes to employee enrollments or employer discrepancy resolution after the invoice has been issued, and establish a process to accommodate these changes in the next billing cycle. | Validated | | | | |
| PPRFP-054 | Financial Management | Small Group Employer Exchange | Premium Processor | Receive termination notification from the Exchange. | Validated | Assumption is that Exchange is passing along termination information from Issuers. | | | |
| PPRFP-055 | Financial Management | Small Group Employer Exchange | Premium Processor | Update the group account accordingly once termination notification is received. | Validated | Assumption is that Exchange is passing along termination information from Issuers. | | | |
| PPRFP-056 | Financial Management | Small Group Employer Exchange | Premium Processor | In the case the group has terminated coverage and has a credit outstanding; refund the group any overpayments due. | Validated | | | | |
| PPRFP-061 | Financial Management | Issuer | Premium Processor | Aggregate individual Exchange premium remittances for State programs (e.g. Medicaid). | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| FM-098 | Financial Management | Issuer Payment Transfers | Premium Processor | The system will aggregate premium payments for each Issuer. | Validated | | Functional | | |
| PPRFP-062 | | Issuer | Premium Processor | Aggregate individual Exchange premium remittances for QHP Issuers. | Validated | | | | |
| PPRFP-063 | Financial Management | Issuer | Premium Processor | Aggregate group Exchange premium remittances. | Validated | | | | |
| PPRFP-068 | Financial Management | Issuer | Premium Processor | Generate premium remittance reports and send to the Exchange so that the Exchange can format and send to the Issuers. | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-069 | Financial Management | Issuer | Premium Processor | Reconcile premiums, APTCs, Federal CSRs, State CSRs, and state premium subsidy/(ies). | Validated | Duplicated with FM10 for federal APTC and CSR requirements, and new BRD requirements for state subsidies.Note: this process includes the reconcilliation of money paid by CMS to the Issuers, where CMS may have advanced $ to the Issuers in excess of what the Issuers should have received. | | | |
| New-003 | Financial Management | Exchange Internal Accounting | Premium Processor | The Premium Processor will provide daily transactional financial information to the Exchange to support ad-hoc and predetermined financial reporting through to the State's Financial System. | Validated | | | | |
| New-014 | Financial Management | | Premium Processor | The Premium Processor shall provide financial data to the Exchange to support analytics and reporting. | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| New-015 | Financial Management | | Premium Processor | The Premium Processor shall provide financial data to the Exchange which will support automatic uploading to the State's Financial Management System (Vision). | Validated | | | | |
| New-017 | Financial Management | | Premium Processor | The Premium Processor system shall provide the data to support reporting of credit card fees to the CGI Solution monthly. | Validated | | Functional | | |
| FM-010 | Financial Management | Fed APTCs and CSRs | Premium Processor | Verify results and discrepancies received from CMS of individual Federal APTC and CSR amounts against the Exchange Eligibility and Enrollment datastore to support the reconciliation process between CMS and Issuers | Validated | | Functional | | |
| FM-008 | Financial Management | Fed APTCs and CSRs | Premium Processor | Provide the ability to receive Federal APTC and CSR premium payment history reports from Issuers | Validated | | Functional | | |
| New-110 | | State premium subsidies | Premium Processor | Quarterly, provide the data to the Exchange to support the reporting of the state premium subsidy payments that have not been forwarded to the Issuer due to a lack of matching premium payments from the individual. | Validated | | | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| New-025 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Invoice State Premium Subsidy to the State, to pay Issuers on the State's behalf, when premiums are remitted by an individual. | Validated | | | | |
| New-026 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Invoice State CSR payment to the State, to pay Issuers on the State's behalf. | Validated | | | | |
| New-027 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Collect State Premium Subsidy payment from State and transmit to Issuer. | Validated | | | | |
| New-028 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Collect State CSR payment from State and transmit to Issuer | Validated | | | | |
| New-029 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Confirm receipt by Issuer of State Premium Subsidy payment. | Validated | | | | |
| New-030 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Confirm receipt by Issuer of State CSR payment. | Validated | | | | |
| New-031 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Reconcile the amount advanced to the Issuer for the State CSR against the amount that the Premium Processor invoiced. | Validated | | | | |
| New-105 | | State Premium Subsidy and CSR | Premium Processor | Receive from the Exchange actual State CSR due amounts as calculated by the Issuers to reconcile against the advanced State CSR payments, at the individual level. | Validated | | | | |
| FM-015 | Financial Management | Fed APTCs and CSRs | Premium Processor | Receive, from the Exchange, the electronic payment history report from Issuers. | Validated | | Interface | | |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| New-150 | | Fed APTCs and CSRs | Premium Processor | Perform monthly reconcilliation of Federal APTC payments made to Issuers against Exchange data, at the individual level. | Validated | | | | |
| New-001 | Financial Management | Fed APTCs and CSRs | Premium Processor | Annually, reconcile amount of actual Federal CSR due to Issuers, as calculated by Issuers, against the advance Federal CSR payments made to Issuers by Federal government, at the individual level. | Validated | | | | |
| FM-013 | Financial Management | Fed APTCs and CSRs | Premium Processor | Compare payments data made by CMS to payment report data provided to CMS and report exceptions. | Validated | | Functional | | |
| PPRFP-029 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide access to the premium processing system for DVHA Business Office workers. | Validated | | | | |
| PPRFP-058 | Financial Management | Small Group Employer Exchange | Premium Processor | Provide access to the premium processing system for DVHA Business Office workers. | Validated | | | | |
| PPRFP-080 | Financial Management | Exchange/State Agencies | Premium Processor | Provide access to the premium processing system for DVHA Business Office workers. | Validated | | | | |
| FM-021 | Financial Management | SHOP Premium Collection | Premium Processor | Calculate employer fee if applicable. | Deferred | | Functional | | Y |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| FM-022 | Financial Management | SHOP Premium Collection | Premium Processor | Update Exchange database with employer fee information. | Deferred | | Functional | | Y |
| FM-038 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Calculate Individual Fee if applicable. | Deferred | | Functional | | Y |
| New-160 | Financial Management | Employer Premium Discrepancy Resolution | Premium Processor | Invoice the consumer for NSF fees, collect the NSF fee from the consumer, and remit to the State. | Deferred | | Functional | Y | |
| New-170 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Invoice the small business for NSF fees, collect the NSF fee from the small business and remit to the State. | Deferred | | Functional | Y | |
| FM-092 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | The system will calculate the user fee from Issuers and update the financial accounts. Charging Issuers should be a configurable option. | Deferred | | Functional | | Y |
| FM-093 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | Support multiple categories or levels of fees. | Deferred | | Functional | | Y |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| FM-094 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | The Issuer invoice will be generated and a Notification sent to the Issuer. | Deferred | | Functional | | Y |
| FM-095 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | Provide functionailty for Issuers to make electronic payments of user fees include e-check, electronic funds transfer, and credit card in compliance with the Payment Card Industry Data Security Standards. | Deferred | | Functional | | Y |
| FM-096 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | The system will allow for the fee to reduce the amount of premiums the Exchange pays the Issuer as an alternative. | Deferred | | Functional | | Y |
| FM-097 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | Provide data extract of receipt of user fees to support Annual Financial Reporting for the Exchange | Deferred | | Functional | | Y |
| FM-100 | Financial Management | Issuer Payment Transfers | Premium Processor | The system will account for the type of fee being charged and aggregate the correct amount for the Issuer. | Deferred | | Functional | | Y |
| FM-105 | Financial Management | Exchange Internal Accounting | Premium Processor | Track and report on user fees received by the Exchange to support Exchange operations | Deferred | | Functional | | Y |
| New-010 | Financial Management | | Premium Processor | The Premium Processor system shall provide HIPP payment transaction summaries to the State Finance & Management system (daily, weekly or | Deferred | | Functional | | Y |

## Schedule A - Requirements Traceability Matrix

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | monthly batch) | | | | | |
| New-011 | Financial Management | | Premium Processor | The Premium Processor system shall issue user fee transaction summaries to the State Finance & Management system (daily, weekly or monthly batch) | Deferred | | Functional | | Y |
| FM-067 | | Employer Premium Discrepancy Resolution | Premium Processor | Provide for processing adjustments for bad checks or payments due to NSF or other reasons. | Deferred | Y | | Y | |
| FM-081 | | Individual Premium Discrepancy Resolution | Premium Processor | Provide for processing adjustments for bad checks or payments due to NSF or other reasons. | Deferred | Y | | Y | |
| PPRFP-044 | Financial Management | Small Group Employer Exchange | Premium Processor | Collect from the group any user fee payments, if applicable. | Deferred | | | | Y |
| PPRFP-045 | Financial Management | Small Group Employer Exchange | Premium Processor | Remit user fee payments to the Exchange or the State Treasure's Account, if applicable. | Deferred | | | | Y |
| PPRFP-083 | Financial Management | Exchange/State Agencies | Premium Processor | Remit user fee payments to the Exchange or the State Treasure's Account, if applicable. | Deferred | | | | Y |

# Schedule A - Requirements Traceability Matrix

**SCHEDULE B**

Subcontract

[see attached]

CGI

# SUBCONTRACTOR AGREEMENT

This is a Subcontractor Agreement dated as of March 6, 2013 (the "Effective Date") by and between COCO Development, LLC, DBA Benaissance ("Subcontractor"), a Nebraska limited liability company having a place of business at 7101 Mercy Road, Suite 300, Omaha NE 68106 and CGI Technologies and Solutions Inc. ("CGI"), a Delaware corporation, having its principal place of business at 11325 Random Hills Road, 8th Floor, Fairfax, Virginia 22030.

WITNESSETH

WHEREAS, **the State of Vermont, Vermont Department of Health Access** (the "Client"), has entered into an agreement with CGI for the purpose of obtaining expert technical services for the design, coding, fabrication, delivery, installation and implementation of a **Health Benefits Exchange** (the "Prime Contract");

WHEREAS, Client has requested that CGI enter into a subcontract agreement with Subcontractor so that Subcontractor may provide certain services to Client and CGI;

WHEREAS, CGI agrees to subcontract to Subcontractor certain of the services it has agreed to provide to the Client under the Prime Contract; and

WHEREAS, Subcontractor agrees to serve as a Subcontractor to CGI to provide certain services.

NOW, THEREFORE, CGI agrees to obtain and Subcontractor agrees to provide the services outlined in one or more Statements of Work in accordance with the following terms and conditions.

---

## 1. DEFINITIONS

Capitalized terms used in the Subcontract shall have the meanings given below or in the context in which the term is used, as the case may be.

A. "Deliverables" mean any tangible materials to be prepared by Subcontractor and delivered to CGI pursuant to a Statement of Work. Deliverables will be Written Deliverables or Software as a Service Deliverables.

B. "Prime Contract Terms" means the additional terms set forth in *Exhibit B* which will apply to Subcontractor's Services hereunder.

C. "Project Plan" means a document that sets forth at a detailed level the responsibilities and tasks that the parties each have under a particular Statement of Work. A Project Plan may be amended from time to time in writing, as mutually agreed-to by both parties. Each amended Project Plan, when approved by both parties in writing, will supersede all prior Project Plans with respect to the applicable Statement of Work.

D. "Services" mean the consulting and other professional services (including premium billing and payment processing services including the Benaissance HBEpoint enterprise class premium billing Software as a Service application optimized for Health Benefit Exchanges) provided by Subcontractor pursuant to a Statement of Work.

E. "Specifications" include the functional, technical, and performance requirements set forth in the Statement of Work, and other requirements that are mutually agreed upon by the parties with respect to the Deliverables.

F. "Statement of Work" means a document substantially in the form attached as *Exhibit A* and signed by an authorized representative of both parties under which Subcontractor agrees to perform Services for CGI in support of the Client. Each Statement of Work is incorporated into this Subcontract by reference.

G. "Subcontract" means this Subcontractor Agreement, its Exhibits, and all Statements of Work issued under this Subcontractor Agreement, as each may be amended from time to time.

CGI

H. "Subcontractor Materials" means Subcontractor or third-party-owned materials developed independently of this Subcontract, including but not limited to Supplier IP as such term is defined in Exhibit B Prime Contract Terms.

I. "Written Deliverables" mean Deliverables that are documents, such as reports, system designs or documentation delivered in connection with providing the Services.

## 2. SCOPE OF WORK

**A.** **Authorization to Perform Services**. Each separate project or Subcontractor work assignment will be authorized by the issuance of a Statement of Work.

**B.** **Statement of Work Managers**. Each Statement of Work will identify the Statement of Work Manager for each party who will be responsible for the day-to-day activities related to the Statement of Work.

**C.** **Key Personnel**. See Exhibit B Section 13.2 Key Supplier Personnel.

**D.** **Consideration of Statement of Work**. Each party acknowledges that its request for or preparation of a Statement of Work does not guarantee that the Statement of Work will be agreed upon and entered into by the parties. Each party agrees to consider in good faith any Statement of Work requested or proposed by the other party.

## 3. COMPENSATION

**A.** **Professional Services Fees**. The method of payment to Subcontractor for performing Services under a Statement of Work will be as stated in the Statement of Work.

(1) Time and Materials Basis. Unless otherwise agreed in a Statement of Work, charges for all Services performed on a time and materials basis will be invoiced and payable monthly based on actual labor hours expended at the rates set forth in the applicable Statement of Work. If compensation is made on an hourly basis, it will be subject to an aggregate dollar cap specified in the Statement of Work.

(2) Fixed-Price Basis. Charges for Services performed on a fixed-price basis will be based on the fixed-price specified in the Statement of Work inclusive of Reimbursable Expenses unless the Statement of Work provides expressly that Reimbursable Expenses are in addition to the fixed-price. The Statement of Work will specify the specific performance milestones against which payment will be made.

**B.** **Invoices**. Subcontractor will submit invoices to CGI as specified in the Statement of Work. Each invoice will identify the Statement of Work to which it relates by date or number, whichever is applicable. For any professional services being invoiced on a time and materials basis, the invoice will also state the current and cumulative number of hours worked by billable labor category, and approved Reimbursable Expenses. This Section 3.B applies only as between CGI and Subcontractor and is not in any way binding upon Client at any time including but not limited to after any assignment of this Subcontract to Client. Exhibit B Section 20.1 Invoices and Section 20.2 Payment and Retainage shall apply as between Subcontractor and Client after any such assignment of this Subcontract.

**C.** **Reimbursable Expenses**. "Reimbursable Expenses" mean actual and documented expenses reasonably incurred by Subcontractor in performing its obligations under the Subcontract. CGI will reimburse Subcontractor for Reimbursable Expenses provided the Subcontractor has received the prior written approval of CGI to incur them, or such Reimbursable Expenses are agreed to under a Statement of Work.

CGI

D. **Payment Terms**. Unless otherwise agreed in a Statement of Work, Subcontractor's invoices are due and payable in full within thirty (30) calendar days from the date CGI receives payment from Client. If there are any good faith disputes related to an invoice, CGI will notify Subcontractor in writing of CGI's basis for withholding payment of the disputed amount. Upon receipt of CGI's dispute notice, Subcontractor and CGI will work together in good faith pursuant to the process in Exhibit B Section 20.3 Payment Disputes to resolve such dispute in a prompt and mutually acceptable manner.

E. **Taxes**. Unless the Client is tax exempt, CGI agrees to reimburse Subcontractor for any taxes arising out of the Subcontract, excluding taxes on CGI's net income and all employer reporting and payment obligations with respect to its personnel. This Section 3.E applies only as between CGI and Subcontractor and is not in any way binding upon Client at any time including but not limited to after any assignment of this Subcontract to Client. Exhibit B Section 19.4 Taxes shall apply as between Subcontractor and Client after any such assignment of this Subcontract.

## 4. CHANGE ORDERS

See Exhibit B Section 4.2 Changes to Statements of Work.

## 5. NOT AN EXCLUSIVE AGREEMENT

It is expressly understood and agreed that this Subcontract grants to Subcontractor the exclusive rights to provide the Services to CGI for the benefit of Client and the Health Benefits Exchange, unless otherwise so directed by Client or in the event of a termination for cause per Section 10.C hereunder. CGI may contract with other suppliers for the procurement of other non-related services. CGI makes no guarantee or commitment for any minimum or maximum amount of Services to be purchased under this Subcontract. CGI will not, during the term of this Subcontract and with respect to Client, market, develop, use or perform services or products similar to or competitive with the services and products furnished under the Subcontract. Nothing in this Subcontract will prevent CGI from marketing, developing, using and performing services or products with other clients similar to or competitive with the services and products furnished under the Subcontract.

## 6. PROPRIETARY RIGHTS

See Exhibit B.

## 7. NONDISCLOSURE

See Exhibit B including but not limited to Section 21 Confidentiality and Section 22 Security.

## 8. WARRANTIES AND REMEDIES FOR BREACH OF WARRANTY

### I. SUBCONTRACTOR WARRANTIES

A. **Quality of Services**. Subcontractor warrants that the Services will be performed in a highly professional manner consistent with industry standards applicable to the performance of such Services and subject to the terms and conditions of the Requirements Traceability Matrix attached as Schedule A to Statement of Work No. 1. Subcontractor will promptly correct or re-perform any affected Services as necessary to cause them to comply with this warranty. There will be no additional charge to CGI for the investigation and correction efforts performed by Subcontractor. Subcontractor's failure to properly perform its obligations under this Subcontract will be excused if and to the extent that such failure would not have occurred but for CGI's (or CGI's contractor or

agent) failure to perform its responsibilities required under this Subcontract, and Subcontractor provides CGI with reasonable notice of such nonperformance and uses commercially reasonable efforts to perform notwithstanding CGI's failure to perform.

**B.** **Noninfringement**. Subcontractor warrants that the results of Subcontractor's Services, including without limitation, any Subcontractor Materials or any Developed Materials provided under this Subcontract, will not infringe any third party intellectual property rights. If a third party brings an action against CGI or Client based upon a claimed breach of this warranty, then Subcontractor will, at its own expense, settle the claim or defend CGI and Client in such proceeding and Subcontractor will pay all settlements, costs, damages and legal fees. If such a claim is brought CGI will: promptly notify Subcontractor in writing of the proceeding, provide Subcontractor a copy of all information received by CGI with respect to the proceeding, cooperate with Subcontractor in defending or settling the proceeding, and allow Subcontractor to control the defense and settlement of the proceeding, including the selection of attorneys; provided, however, any such settlement that creates an obligation on CGI or Client must be approved in advance by CGI. CGI and/or Client may participate in the proceeding at its own expense. If such a proceeding is brought or appears to Subcontractor to be likely to be brought, Subcontractor may, at its sole option and expense, either obtain the right for CGI and Client to continue using the allegedly infringing item(s) or replace or modify the item(s) to resolve such proceeding. If Subcontractor finds that neither of these alternatives is available to it on commercially reasonable terms, Subcontractor may require CGI to return the allegedly infringing item(s), in which case CGI will receive a refund of the amounts paid by it for the returned item(s) and/or any associated Services fees under the applicable Statement of Work.

**C.** **Third-Party Products**. To the extent Subcontractor has the legal right to do so, Subcontractor agrees to assign or pass through to CGI and/or Client or otherwise make available for the benefit of CGI, any manufacturer's or supplier's warranty applicable to any third-party equipment or software furnished by Subcontractor as expressly required to be delivered under a Statement of Work. Subcontractor does not itself give or make any warranty of any kind with respect to third-party equipment or software.

**D.** **Compliance with Laws.** Subcontractor warrants that it will comply with all applicable laws, regulations and rules in Subcontractor's performance under this Subcontract, including without limitation the laws, regulations and rules of any foreign countries in which Subcontractor (or, where applicable, Subcontractor's employees or contractors) resides or performs the Services.

**E.** **Disclaimer**. THE WARRANTIES UNDER THIS SUBCONTRACT AND ANY STATEMENTS OF WORK ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

---

## II. CGI WARRANTIES

This Section 8.II applies only as between CGI and Subcontractor and are not in any way binding upon Client at any time including but not limited to after any assignment of this Subcontract to Client.

**A.** **Standard Warranties**. CGI warrants that:

(i) this Subcontract constitutes a legal, valid and binding obligation of CGI, enforceable against it in accordance with its terms except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent

conveyance, and any other laws of general application affecting enforcement of creditors' rights generally;

(ii) it is a corporation duly incorporated (or is any other form of legally recognized entity), validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and is duly qualified and in good standing in each other jurisdiction where the failure to be so qualified and in good standing would have an adverse effect on its business, activities, ability to perform its obligations under this Statement of Work or compliance with any of its promises, representations and warranties hereunder;

(iii) it has all necessary corporate power and authority to own, lease and operate its assets and to carry on its business as presently conducted and as it will be conducted pursuant to this Subcontract; and

(iv) it has all necessary corporate power and authority to enter into this Statement of Work and to perform its obligations hereunder, and the execution and delivery of this Subcontract and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate actions.

**B.** **Work Standards**. CGI warrants that it will properly render CGI services in accordance with the terms of the Prime Contract, with promptness and diligence and will execute them in a workmanlike manner, in accordance with the practices and high professional standards used in well-managed operations performing services similar to the CGI services, with an adequate and sufficient number of qualified individuals with suitable training, education, experience and skill to perform the CGI services.

**C.** **Requirements**. CGI warrants that the development, creation, delivery, provision, implementation, testing, maintenance and support of all CGI services shall be performed and conform to the terms of the Prime Contract.

**D.** **Maintenance**. CGI warrants that CGI will make available and maintain the CGI Resources as required by the provisions of the terms of the Prime Contract and this Subcontract.

**E.** **Ownership; Non-Infringement**. CGI warrants that CGI: (i) is either the owner of, or authorized to use, the CGI resources and related material used in connection with the CGI services; and (ii) is fully authorized to grant Subcontractor all rights; and (iii) will perform under this Subcontract in a manner that does not violate, infringe, misappropriate or constitute an infringement or misappropriation of any patent arising under the laws of the United States, and any copyright, trademark, trade secret or other intellectual, industrial or proprietary rights of any third party.

**F.** **Viruses**. CGI warrants that CGI will not insert, introduce or include, or permit, enable or cause any third party to insert, introduce or include, any program code, programming instruction or set of instructions constructed with the ability or the intention to damage, interfere with, interrupt or otherwise affect the Services in any manner without the authorization, knowledge or approval of any actual or intended user, operator, administrator, publisher, licensor or licensee, or any worms or so called 'Trojan Horses' or logic bombs, or any back door, trap door or other access means or portal which would enable an entity or device to access any programs, data, systems or communications devices, without the knowledge or authorization of the owner, operator or user of the programs, data, systems or communications devices, or any other code typically designated to be a virus or other form of malicious code (each is a "Virus").

**G.** **Compliance with Laws**. CGI warrants that CGI and its permitted contractors will at all times comply with all applicable laws, regulations and rules in CGI's performance under the Prime Contract and this Subcontract, including, without limitation, the laws,

regulations and rules of any foreign countries in which CGI (or, where applicable, CGI's employees or contractors) resides or performs the CGI services.

**H.** **Debarment**. CGI certifies under pains and penalties of perjury that as of the Effective Date, neither CGI nor any of CGI's principals (officers, directors, owners or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

**I.** **Consents, Licenses and Permits**. As part of the CGI services, except as otherwise expressly set forth herein, CGI will be responsible for obtaining, maintaining and complying with all applicable licenses, authorizations, consents, approvals and permits required of CGI in connection with the performance of CGI services and to otherwise carry out CGI's obligations. CGI will have financial, management and compliance responsibility for, and will pay, all fees and taxes associated with such licenses, authorizations, consents, approvals and permits relating to CGI's ability to provide CGI services.

**J.** **Facilities; Labor Conditions**. In all respects under any and all circumstances:

CGI shall comply with the requirements of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. CGI shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs and activities provided by CGI under this Statement of Work. CGI further agrees to include this provision in all subcontracts.

**K.** **Disclaimer of Warranty**. EXCEPT AS SPECIFIED IN THIS SUBCONTRACT, CGI DOES NOT MAKE ANY OTHER REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THIS STATEMENT OF WORK AND EXPLICITLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

---

## 9. INDEMNIFICATION AND INSURANCE

**A.** **Indemnification by Subcontractor**. If, as a result of Subcontractor's negligence, CGI or Client's employees suffer personal injury or property damage, Subcontractor will reimburse CGI for that portion of any claims CGI actually pays for which Subcontractor is legally liable.

Subcontractor is solely responsible for payment of wages, salaries, benefits, and other compensation of, or claimed by, Subcontractor's employees including, without limitation, contributions to any employee benefit, medical, or savings plan, and is responsible for all payroll taxes including, without limitation, the withholding and payment of all federal, state, and local income taxes, FICA, unemployment taxes, and all other payroll taxes. Subcontractor is also solely responsible for compliance with applicable worker's compensation laws with respect to maintenance of worker's compensation coverage on subcontractor's employees. Subcontractor will indemnify and defend CGI from all claims by any person, government, or agency relating to payment of taxes, or payment of benefits for Subcontractor's employees, or failure to comply with applicable worker's compensation laws, including without limitation, any penalties and interest which may be assessed against CGI.

**B.** **Indemnification by CGI.** If, as a result of CGI's negligence and/or the negligence of a separate service provider of CGI, Subcontractor or Subcontractor's employees suffer

personal injury or property damage, CGI will reimburse Subcontractor for that portion of any claims Subcontractor actually pays for which CGI is legally liable.

C. **Insurance**. See Exhibit B Section 24. 1 Required Insurance Coverage and Section 24.3 General Insurance Requirements.

## 10. TERM AND TERMINATION

A. **Term**. This Subcontract will commence on the Effective Date, and will expire on the third (3rd) anniversary of that date unless sooner terminated as provided in this Section 10. This Subcontract will automatically be renewed for successive one (1) year periods, unless a party provides the other with written notice at least ninety (90) calendar days prior to its next scheduled expiration stating that it does not wish for this Subcontract to be renewed. If this Subcontract expires its terms and conditions will continue to apply to any Statements of Work then in effect until the Statements of Work expire or are terminated.

B. **Termination of a Statement of Work for Convenience**. CGI may terminate any outstanding Statement of Work, or any portion of such a Statement of Work, for convenience upon fifteen (15) calendar days' prior written notice to Subcontractor, or immediately if (i) the Prime Contract is terminated in whole or in part by Client or (ii) Client requires that Subcontractor cease work under the Subcontract or the applicable Statement of Work. Upon receipt of notice of such termination, Subcontractor will inform CGI of the extent to which performance is completed and Subcontractor will take steps to wind down work in progress in an orderly fashion during any notice period. At the end of the notice period, Subcontractor will deliver to CGI all completed Deliverables and any work-in-progress, and CGI will pay Subcontractor for all Services mutually agreed as having been properly performed by Subcontractor through the effective date of such termination.

C. **Termination of a Statement of Work for Cause**. If either party materially fails to perform its obligations under a Statement of Work and does not, within twenty (20) calendar days after receiving written notice, directed to the Statement of Work Manager for the applicable Statement of Work, from the other party describing the alleged failure in reasonable detail, cure the material failure, then the non-breaching party may terminate the affected Statement of Work, in whole or in part, for cause by written notice to the Statement of Work Manager of the breaching party. This Section 10.C applies only as between CGI and Subcontractor and is not in any way binding upon Client at any time including but not limited to after any assignment of this Subcontract to Client. Exhibit B Section 26.2 Termination by State of Vermont for Cause shall apply as between Subcontractor and Client after any such assignment of this Subcontract.

D. **Survival**. Any provision of the Subcontract that imposes or contemplates continuing obligations on a party will survive the expiration or termination of the Subcontract or applicable Statement of Work. The termination of any particular Statement of Work will not affect the parties' respective rights, duties and obligations under any other Statements of Work then in effect.

## 11. LIMITATION OF LIABILITY AND REMEDIES

A. **Limitations**. If either party should become entitled to claim damages under this Subcontract (including without limitation, for breach of contract, breach of warranty, negligence or other tort claim), each party will be liable only for the amount of the parties' actual damages up to twice the amount of the Subcontract.

CGI

B. **Exclusion of Certain Damages**. In no event will either party be liable for any lost profits, loss of business, loss of use, lost savings or other consequential, special, incidental, indirect, exemplary or punitive damages, even if the party has been advised of the possibility of such damages. Neither party will be held responsible, or to have failed to meet its obligations under the Subcontract, if it either delays performance or fails to perform as a result of any cause beyond its reasonable control.

C. **Exclusions; Survival**. The foregoing limitations do not apply to a breach of a party's obligations under Section 7, the payment of settlements, costs, damages and legal fees referred to in Section 8.C., or to any claims for reimbursement under Sections 9.A and 9.B. The limitations of liability set forth in this Section 11 will survive and apply notwithstanding the failure of any limited or exclusive remedy for breach of warranty set forth in the Subcontract.

D. **Disclaimer of Client Indemnification and Obligations.** Subcontractor acknowledges and agrees that the laws and the public policy of the State of Vermont prohibit Client from agreeing to indemnify contractors and other parties. Subcontractor agrees that to the extent this Subcontract or any Statement of Work expressly provide for or imply indemnification of Subcontractor and/or other third parties by CGI, such actions shall be waived and have no force and effect with respect to Client at any time including but not limited to after any assignment of this Subcontract to Client.

## 12. LAW AND DISPUTES

A. **Governing Law**. See Exhibit B Section 27.3 Governing Law and Section 27.4 Jurisdiction and Venue.

B. **Informal Dispute Resolution**. See Exhibit B Section 27 Dispute Resolution.

C. **Deleted**.

## 13. GENERAL

A. **Notices**. Any notice or other communication required or permitted to be made or given by either party pursuant to the Subcontract will be in writing, in English, and will be deemed to have been duly given: (i) five (5) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested; (ii) when transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine and a copy of such facsimile is promptly sent by another means specified in this section; or (iii) when delivered if delivered personally or sent by express courier service. All notices will be sent to the other party at its address as set forth below or at such other address as such party will have specified in a notice given in accordance with this section:

| In the case of Subcontractor: | with a copy to: |
|---|---|
| COCO Development, LLC, DBA Benaissance<br>7101 Mercy Road, Suite 300<br>Omaha NE 68106<br>Attn: John Jenkins and Mark Waterstraat<br>Fax: 402-991-5374 | Kutak Rock, LLP<br>1650 Farnam Street<br>Omaha, NE 68102<br>Attn: Anthony Scioli<br>Fax: 402-346-1148 |
| In the case of CGI: | with a copy to: |
| CGI Technologies and Solutions Inc.<br>600 Federal Street<br>Andover, MA 01810 | CGI Technologies and Solutions Inc.<br>11325 Random Hills Road, 8th Floor |

CGI

| | |
|---|---|
| Attn: Jonathan Light, Vice President, Consulting Services\| FAX: 978-946-3224 | Fairfax, Virginia 22030 Attn: Office of General Counsel FAX: 703-267-7288 |

**B.** **Publicity.** Neither party will disclose to any third party the terms of this Subcontract or use Client's name or the other party's name without the prior written consent of the non-disclosing party. Notwithstanding the foregoing, (a) CGI may disclose the terms of this Subcontract with the Client, and (b) Client shall not be prohibited from making any disclosure as required by law.

**C.** **Records/Access.** Subcontractor shall maintain all financial records and other records relating to its performance under this Subcontract in accordance with generally accepted accounting principles and in such a manner as to clearly document Subcontractor's performance. Subcontractor shall retain and keep accessible all such records for a minimum of six (6) years, or such longer period as may be required by the Prime Contract Terms or applicable law, following termination of this Subcontract, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Subcontract, whichever date is later. CGI and Client will have the right to audit during normal business hours, and upon written notice to Subcontractor, the facilities, records and accounts applicable to Subcontractor's performance under this Subcontract. These audits may include, without limitation, review of records related to hours charged and billable expenses incurred. CGI agrees during any such audit to abide by Subcontractor's reasonable standard security procedures communicated prior to such onsite audit. This Section 13.C applies only as between CGI and Subcontractor and is not in any way binding upon Client at any time including but not limited to after any assignment of this Subcontract to Client.

**D.** **Background Checks.** Subcontractor and any of its personnel provided to perform Services under this Subcontract and who will have access to CGI or Customer data, systems, or facilities will be required to undergo and pass a background check at the expense of the Subcontractor, prior to Services being performed by Subcontractor and prior to such access. The background check may include, without limitation and at CGI's discretion, unique Client background check requirements, a seven year criminal background check (felony, misdemeanor) based on residential, education and employment addresses at the local and federal levels; a national criminal record locator or similar search; a check of global watch lists or similar search, verification of Social Security number, and, if applicable in the case of a fiduciary role, a credit history check. CGI may refuse to allow access to CGI's facilities and Confidential Information to Subcontractor or any of its personnel who do not cooperate fully with and ultimately pass the background check to CGI's reasonable satisfaction. Subcontractor affirms that its personnel have all applicable Federal, State, or local authorizations for employment in the United States.

**E.** **Reasonable Behavior.** Each party will act in good faith in the performance of its respective responsibilities under the Subcontract and will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required by the other party in order to perform its responsibilities under the Subcontract.

**F.** **Subcontracting/Assignment.** Unless there is a Change of Control (as defined in Exhibit B Prime Contract Terms) Subcontractor may not subcontract, assign or otherwise transfer the Subcontract or any of its obligations or rights granted hereunder without the prior written consent of CGI, such consent not to be unreasonably withheld. In the event

of a Change of Control, the provisions of Section 26.3(d) ("Change of Control") of Exhibit B Prime Contract Terms shall apply. Any purported assignment in violation of the preceding sentence will be void and of no effect. The Subcontract will be binding upon Subcontractor's successors and permitted assigns.

**G.** **Integration**. The Subcontract constitutes the entire agreement between the parties, and supersedes all other prior or contemporaneous communications between the parties (whether written or oral) relating to the subject matter of the Subcontract. No terms and conditions in any Subcontractor form, document, purchase order or otherwise, shall or shall be construed to modify, amend or in any way alter the terms and conditions set forth herein. No supplement, modification, amendment to or waiver of this Subcontract shall be binding unless executed in writing by the party against whom enforcement of such supplement, modification, amendment or waiver is sought and is executed, if applicable, in the manner and with respect to the subject matter, consistent with the requirements of this Subcontract.

**H.** **Severability**. The provisions of the Subcontract shall be deemed severable, and the unenforceability of any one or more provisions shall not affect the enforceability of any other provisions. In addition, if any provision of the Subcontract, for any reason, is declared to be unenforceable, the parties shall substitute an enforceable provision that, to the maximum extent possible in accordance with applicable law, preserves the original intentions and economic positions of the parties.

**I.** **Order of Precedence**. In the event of any conflict between or among the provisions contained in the Subcontract, the following order of precedence will govern: (i) the Prime Contract Terms; (ii) this Subcontract, exclusive of its Statements of Work; and (iii) Statements of Work (except as to terms specifically identified in a particular Statement of Work as modifying or amending terms of this Subcontract, which terms will control over the Subcontract for that Statement of Work only).

**J.** **No Waiver**. No failure or delay by either party in exercising any right, power or remedy will operate as a waiver of such right, power or remedy, and no waiver will be effective unless it is in writing and signed by the waiving party. No waiver of any of the provisions of this Subcontract shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

**K.** **Nonsolicitation**. During the term of this Subcontract and for twelve (12) months after its expiration or termination, neither party will, either directly or indirectly, solicit for employment or employ (except as permitted below) by itself (or any of its affiliates) any employee of the other party (or any of its affiliates) who was involved in the performance of the party's obligations under this Subcontract, unless the hiring party obtains the written consent of the other party. The foregoing provision will not (i) prohibit a general solicitation of employment in the ordinary course of business or prevent a party from employing any employee who contacts such party as a result of such a general solicitation; or (ii) be read so as to limit employment opportunities to an extent that would not be permitted under applicable law (e.g., California law). This Section 13.K applies only as between CGI and Subcontractor and is not in any way binding upon Client at any time including but not limited to after any assignment of this Subcontract to Client. Exhibit B Section 13.6 Non-Solicitation shall apply as between Subcontractor and Client after any such assignment of this Subcontract.

CGI

**L.** **Time of the Essence.** Time is of the essence with respect to the performance of Services and delivery of Deliverables under this Subcontract.

**M.** **Exhibits**. The Exhibits referred to in and attached to this Subcontract are made a part of it as if fully included in the text.

Each party has caused its authorized representative to execute this Subcontract as of the Effective Date.

| CGI Technologies and Solutions Inc. (CGI) | COCO Development, LLC, DBA Benaissance (Subcontractor) |
|---|---|
| By:_____ | By:_____ |
| Name:_____ | Name:_____ |
| Title:_____ | Title:_____ |

CGI

**EXHIBIT A**

**CGI TECHNOLOGIES AND SOLUTIONS INC.**
**Subcontractor Agreement**
**Statement of Work Form**

**STATEMENT OF WORK No. ___**

This Statement of Work Number ___ is issued pursuant to the Subcontractor Agreement dated as of _____, 20__ (the "Subcontract") between _____ ("Subcontractor"), and CGI Technologies and Solutions Inc. ("CGI").

---

**1. Effective Date of this Work Order.**

This Statement of Work is effective as of [*insert effective date*].

---

**2. Services to be Performed.**

[*Insert description of services to be performed.*]

Subcontractor will provide to CGI monthly written reports of the progress of the work.

---

**3. Deliverables and Schedule of Performance.**

The following are the Written Deliverables subject to Acceptance testing under the Subcontract:
[*List the Written Deliverables to be provided and the schedule for performing the Services.]*

---

**4. Compensation.**

**A.** Method:

**B.** [Payment Terms: *Insert the payment terms if not as provided in the Subcontract.*]

Contractor shall submit invoices either (i) electronically by email to subcontractors.ss.crp@cgi.com or (ii) by overnight carrier or postal service to CGI Shared Services Accounts Payable, 1350 Rene –Levesque Blvd. West, 15th Floor, Montreal, Quebec H3G 1T4. Invoices must include the applicable Statement of Work's contract reference number issued through CGI's Accounts Payable system, iSource.

---

**5. Statement of Work Managers.**

The Statement of Work Managers are:

| CGI | Subcontractor |
|---|---|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

---

**6. Other Resources and Responsibilities of Subcontractor.**

[*Insert any resources to be provided by Subcontractor and responsibilities of Subcontractor not already covered above.*]

CGI

7. **Other Provisions.**
[*Insert any additional terms agreed to by the parties.*]

Agreed to and accepted by:

CGI Technologies and Solutions Inc. (CGI)

By:_____

Name:_____

Title:_____

Date:_____

COCO Development, LLC d/b/a Benaissance
(Subcontractor)

By:_____

Name:_____

Title:_____

Date:_____

CGI

# EXHIBIT B

## Prime Contract Terms

## Exhibit B

## Prime Contract Terms

The following provisions are excerpted from the contract between CGI and the State of Vermont, Vermont Department of Health Access (the "Prime Contract") and shall apply to any Statement of Work entered into pursuant to the Subcontract Agreement between CGI and COCO Development, LLC d/b/a Benaissance (the "Agreement"). References below to "MSA" shall mean this Prime Contract Terms document; "Supplier" shall be read so as to mean the Subcontractor as CGI's subcontractor under the Prime Contract, and all assignments, indemnifications, insurance, warranties, etc. shall be to CGI's benefit as prime contractor. References to SOV shall be read to mean CGI unless given the context of the provision it should be read to mean The State of Vermont. Subcontractor shall comply with all provisions in the Prime Contract Flow Downs set forth below as applicable to Subcontractor's scope of work as defined in the Statement of Work.

**1. BACKGROUND.**

**1.1 Deleted.**

**1.2 Deleted.**

**1.3 Deleted.**

**1.4 Interpretation**. For ease of reference, the terms of this MSA are to be interpreted and construed in accordance with the following rules of construction:

(a) References to this MSA shall be construed and deemed to include any and all Statements of Work, Exhibits and other attachments and documents referred to in any of the foregoing, unless otherwise specifically noted or the context clearly and unambiguously requires otherwise.

(b) The term "**including**" and its derivatives (such as "**include**" and "**includes**") shall be construed as meaning "including, but not limited to" or "including, without limitation" and not as limiting or limited. The terms "**shall**" and "**will**" have the same meaning and indicate mandatory obligations. Words importing the singular include the plural and vice versa and words importing gender include all genders.

(c) The word "**entity**," subject to the context in which such term is used shall and shall be construed to mean and include individuals (*i.e.*, natural persons), partnerships, agents, associations, corporations, firms or other forms of business enterprises, trustees, executors, administrators, successors, permitted assigns, legal representatives and/or other recognized legal entities.

(d) The words "**contractor**", "**subcontractor**" (whether "**independent**" or not), "**supplier**", "**agent**" and/or "**representative**", refer to any entity contracted, engaged or otherwise retained by one party, directly or indirectly, to perform or provide goods or services, directly or indirectly, in connection with this MSA. When used in this MSA in relation to responsibilities, performance, the provision of Services, Work Product and/or any other obligation or requirement for which Supplier is responsible hereunder, unless specifically indicated to the contrary, the term "**Supplier**" shall be construed to include each and every contractor, subcontractor, supplier, agent, representative, supplier or other similar entity.

(e) References to an Article, Section, subsection, paragraph, clause or other subdivision shall be construed as references to that specified Article, Section, subsection, paragraph, clause and/or all other subdivisions and associated or referenced Exhibits and other attachments, unless noted otherwise or the context clearly and unambiguously requires otherwise. Notwithstanding the foregoing, the division of this MSA into Articles,

Sections, subsections and/or other subdivisions, the insertion of any captions or headings and any and all references to these are for convenience only and are not part of this MSA, nor shall they affect its meaning, construction or interpretation.

(f) References to "**days**" means calendar days unless "business days" are specified and when computing a period of time from a specified date to a later specified date, the word "**from**" means "from and including" and the words "**to**" and "**until**" each mean "to but excluding."

(g) The word "**dollar**" and the symbol **"$"** refer to United States dollars and all references to payments, compensation, monetary amounts or currency shall be in United States dollars unless otherwise expressly stated.

(h) Defined terms in this MSA shall be deemed to include their respective derivatives, contractions, conjugations, tenses and other forms so as to give due and proper intended meaning within the context of their usage.

(i) Whenever approvals, consents or other forms of assent are required, permitted or intended, such approvals, consents and assent shall be determined in good faith and shall not be unreasonably withheld or delayed; provided, however, that any words or terms such as "**sole discretion**," "**sole judgment**," "**sole and exclusive**," "**arbitrary**" and the like when used in conjunction with any such discretion, judgment, approvals, consents or other assent or action shall, with respect to that particular provision, be construed and interpreted to mean that the party whose approval, consent, assent or action is required may withhold or refrain from giving same, at any time and for any reason, which decision and determination shall be conclusive and binding for all purposes.

(j) Unless otherwise expressly provided in this MSA, rights and remedies hereunder are cumulatively reserved by each party and are in addition to and not in lieu of any and all other remedies available to either party at law, in equity or otherwise as provided hereunder.

**1.5 Deleted.**

**2. DEFINITIONS.** Capitalized terms used in this MSA not specifically defined in the text of the MSA or in its Exhibits or Statements of Work have the following meanings:

(a) "**Affiliate**" means any Supplier entity or entities Controlling, Controlled by or under common Control with the Supplier.

(b) "**BP Services**" means any and all business process services set forth on a Statement of Work, which may include finance and accounting, support and administration, reconciliation and processing, treasury management, account and transaction processing, records management, accounts payable, human resources, benefits administration, customer relationship management, supply chain logistics, inventory management, procurement, distribution, facilities management and any other service involving, related to or designated by SOV as a business process service, and all materials, information and/or deliverables related to or in support of any of the foregoing.

(c) "**CC Services**" means any and all call center services set forth on a Statement of Work, which may include call center facilities, communications, telecommunications, devices and resources, equipment, software, switching, routing and other systems, customer, client and operational call center support services, management, consulting, training, help desk and any other call center services involving, related to or designated by SOV

as a call center service, and all materials, information and/or deliverables related to or in support of any of the foregoing.

(d) Reserved.

(e) "**Control**" with regard to an entity means the legal, beneficial or equitable ownership, directly or indirectly, of fifty percent (50%) or more of the capital stock (or other ownership interest, if not a corporation) of such entity ordinarily having voting rights, or effective control of the activities of such entity regardless of the percentage of ownership.

(f) "**Customer Data"** means the following data, whether provided or produced before, on, or after the Effective Date, and whether owned by SOV or by others, including data owned by SOV's Clientele: (1) all data that is provided by or on behalf of SOV, or any SOV Clientele, to Supplier in order for Supplier to provide the Services, including keyed input and electronic capture of information by Supplier; (2) all data that is provided by or on behalf of Supplier to SOV by means of the Services; (3) all data that is produced by means of Services as an intermediate step in using or producing any of the other Customer Data, including databases and files containing other Customer Data; and (4) all other data related to the performance of the Services, including resource volumes, asset lists, configurations, service levels, scripts, job schedules, and any Statements of Work or other Exhibits. Without limiting the generality of the foregoing, Customer Data specifically includes "Personal Information" as defined in Section 21.1 and "Protected Health Information" as defined 45 CFR 160.103.

(g) "**Customer Data Laws**" means the laws and regulations applicable at any time and from time to time during the Term to the proper handling of Customer Data, including data privacy, handling of personal data, trans-border data flow and data protection, including, but not limited to the rules and regulations promulgated under HIPAA and HITECH and Chapter 62 of Title 9 of the Vermont Statutes.

(h) **"Data Security Standards"** means the highest industry standard administrative, technical, and physical safeguards and controls consistent with *NIST Special Publication 800-53* and *Federal Information Processing Standards 200* and including, but not limited to, those promulgated under HIPAA and HITECH, as well as the specific provisions specified in Exhibit F [Security Policies], and such other applicable SOV policies as may be implemented during the Term of the MSA, including policies, procedures and practices agreed upon between SOV and Supplier.

(i) "**Documentation**" means any and all descriptions and specifications of the Requirements for each Statement of Work, included therein or created or developed thereunder, operational, functional and supervisory reference guides, manuals and instructive materials, in whatever form and regardless of the media on which it may be contained, stored or transmitted, which is developed, prepared, used or otherwise available from Supplier and/or Supplier's suppliers, in connection with and applicable to the provision, use, operation and support of the Services hereunder. Documentation shall be sufficient to enable SOV personnel to understand, operate, use, access, support, maintain, update and modify Services, notwithstanding that Supplier is or may be responsible for any or all of the foregoing obligations. Documentation shall also include all standards applicable to the Services, including those applicable to: (i) Supplier for its own comparable items or services; (ii) SOV for its own comparable items or services; and (iii) such standards and guidelines as the parties mutually agree apply to the Services involved.

(j) "**Equipment**" means all hardware and tangible equipment, including computers, information processing units, servers, network facilities, controllers, routers, modems, communications and telecommunications equipment (voice, data, audio and video), cables, storage devices and media, printers, terminals, peripherals, input, output and transmission devices, and other tangible fixtures, mechanical and electronic equipment, whether owned or leased by or for the benefit of Supplier or SOV in connection with the Services or used by or for the benefit of Supplier to provide or support the provision of Services. Absent any specific reference to the contrary, the term "Equipment" shall refer to: (i) all or any portion of Equipment owned by SOV ("**SOV Equipment**"); and (ii) Equipment leased, rented or otherwise contracted from a third party ("**Third Party Equipment**"); and/or (iii) Equipment that is owned or controlled by Supplier ("**Supplier Equipment**").

(k) "**Exhibit**" means any exhibit, schedule, attachment or other document attached to this MSA or executed by the parties at any time hereafter, including each Statement of Work hereunder, if such document states that it is an attachment or otherwise part of this MSA.

(l) "**Final Acceptance**" will be defined in each applicable Statement of Work.

(m) "**Facilities**" means the physical premises, locations and operations owned or leased by a party and from or through which the Supplier and/or its permitted contractors will provide any Services, whether or not specifically identified in a Statement of Work.

(n) "**Information**" means all information, in any form and on any medium, now known or hereafter discovered or developed, furnished or made available directly or indirectly by or on behalf of one party to the other or otherwise obtained by or available to a party from any source as a result of or in connection with this MSA, including: (i) all information of a party to which the other and/or its permitted contractors has had or will have access, whether in oral, written, graphic or machine-readable form, including business or financial information, plans, strategies, forecasts, forecast assumptions, business practices and methods, marketing information and material, customer, supplier, and employee information, and all information concerning relationships with customers, suppliers and employees, proprietary ideas, concepts, know-how, methodologies, specifications, operations, processes and systems manuals, profiles, system and management architectures, diagrams, graphs, models, sketches, technical data, research and all other information related to a party's past, present or future business activities or operations; (ii) all Work Product; (iii) all information of a third party, including customers and suppliers, and all notes, analyses, reports and studies prepared by or on behalf of either party, during the Term or anytime thereafter; and (iv) all information entered or to be entered into Software or Equipment by or on behalf of or in respect of a party, as well as information obtained or derived from this information, including any such information as stored in, accessed or transmitted through or processed by Equipment or Software.

(o) "**Insurance Industry Regulations**" means the statutes, rules and regulations governing the business of Vermont's Exchange and any of the Services to be provided by Supplier under this MSA, including, but not limited to the Affordable Care Act, which consists of The Patient Protection and Affordable Care Act, as amended by the federal Health Care and Education Reconciliation Act of 2010, pertaining to the federal mandate to render health insurance coverage widely available to the public, (as any of these or existing acts or future acts may be amended from time to time), 33 V.S.A. Chapter 18, subchapter 1, 8 V.S.A. Chapter 107, and such other statutes, rules and regulations that

otherwise govern the sale of insurance, the business of the Exchange, and the Services to be provided by Supplier hereunder, including, but not limited to, the statutes, rules and regulations of any compliance regulations promulgated under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("**HIPAA**"), the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, Public Law 111-5 ("**HITECH**"), any regulations and guidance issued pursuant to HIPAA and/or HITECH, and such guidance that may be provided by the Centers for Medicare & Medicaid Services ("**CMS**") from time to time.

(p) **"IT Services"** means the information technology services set forth in a Statement of Work, which may include information or technology systems, Information, Equipment, Software, design, development, application support, web hosting, cloud hosting, application services, data and application engineering, data and database management or processing, data center Resources and Facilities, management information systems, operational, data processing, maintenance and support, consulting, monitoring, reporting, training, installation, help desk and any other services involving, related to or designated by SOV as an information technology service, and all materials, information and/or deliverables related to or in support of any of the foregoing.

(q) "**Laws**" means any and all federal (national), state, provincial, municipal and/or local laws, regulations, rules, judicial decrees, decisions and judgments, executive and government orders and ordinances, including any and all directives of legislative and regulatory bodies, as well as rules and regulations of any self-regulatory organization by which a party may be bound, and unless the context clearly requires otherwise, shall include the Laws of each and every jurisdiction applicable to SOV, Supplier, this MSA and the performance of Services. Specifically, Laws shall include the Insurance Industry Regulations.

(r) "**Losses**" means all losses, liabilities, damages, demands and claims, and all related costs and expenses (including reasonable legal fees and costs of investigation, litigation, settlement, judgment, appeal, regulatory fines, interest and penalties) incurred in connection with, arising from or caused by this MSA or the performance or failure of performance of any of the obligations or requirements of this MSA.

(s) "**Out-of-Pocket Expenses**" means reasonable and actual out-of-pocket expenses necessarily incurred by Supplier for Equipment, materials, supplies or Services provided to SOV, but not including Supplier's overhead costs, administrative expenses or other mark-ups.

(t) "**Requirements**" means any and all Documentation, conditions, considerations and other criteria, terms and/or conditions that Supplier has agreed to provide, arrange or comply with in providing Services and otherwise performing Supplier's obligations as they relate to any Statement of Work, including all representations, warranties, Service Levels and other specifically identified requirements applicable to the Statement of Work, as well as all Documentation arising during the course of developing, implementing and performing Services and obligations in accordance with and as contemplated by the specific terms and conditions of this MSA, including but not limited to the Scope Assumptions as set forth in Exhibit E and the Appendix thereto.

(u) "**Resources**" means any and all Facilities, Software, Equipment, personnel, Information and all other goods, services, materials, fixtures, tangible and intangible items, intellectual property, assets, licenses, rights and capabilities of either Supplier or SOV,

regardless of the nature of the ownership, leasehold, licensing or the basis upon which any of the foregoing or the foregoing capabilities are available to such party.

(v) "**Service Level**" means the specific level of performance Supplier is required to comply with and adhere to in providing the Services in conformity with the Requirements as set forth in each Statement of Work, consistent with the criteria and parameters specified in the Statement of Work.

(w) "**Services**" means, individually and collectively, the BP Services, CC Services, IT Services, as well as any and all other services, materials and items, tangible or intangible, now known or hereinafter developed or discovered, and which the parties include in Statements of Work, including development and design services, project and operations management, support and maintenance, consulting, training, facilities and resource management, engineering and application development and such other functions, processes and responsibilities as the parties agree upon and set forth in Statements of Work, all in furtherance of the delivery of the Exchange.

(x) "**Software**" means the object code (and to the extent explicitly specified in a Statement of Work, source code) versions of applications programs, operating system software, licensing keys, network protocols and operating programs, computer software languages, utilities, other computer programs and related documentation, in whatever form or media, including the tangible media on which any of the foregoing are recorded, stored, transmitted and/or printed, together with all corrections, improvements, updates, derivative works, adaptations, versions, translations and releases thereof, which are used to provide or otherwise in support of the provision of the Services. Absent any specific reference to the contrary, the term "Software" shall refer to: (i) all or any portion of Software owned by SOV ("**SOV Software**"); (ii) Software used under license from a third party ("**Third Party Software**"); and/or (iii) Software that is owned or for which Supplier has an exclusive license ("**Supplier Software**"). References to Software shall be deemed to include the Documentation for such Software unless otherwise specifically indicated.

(y) "**SOV Clientele**" means any of the clientele of SOV, including, but not limited to, individuals and small businesses, that use the Exchange to assist with their decision-making processes regarding the type and manner of insurance that they obtain, and any other issues or concerns that may arise regarding their insurance coverage.

(z) **"SOV Facility"** means any Facility owned, operated or managed by or on behalf of SOV.

(aa) "**Supplier IP**" and COCO IP means all of the intellectual property utilized by Supplier in its efforts to provide the Services and operate Supplier's business including, but not limited to, all patent applications, as well as any and all divisions, continuations, continuations-in-part, reissues, renewals, extensions, reexaminations, foreign counterpart applications and issued patents which relate to or claim the priority of same, including the right to file any and all such applications and receive letters patent thereon worldwide, including, without limitation, work done, independently or with other parties, and all other technology and intellectual property rights throughout the world of Supplier (including all derivatives thereof), including, but not limited to, trade secrets, trademarks, trademark applications and registrations (together with all goodwill of the business symbolized by such trademarks and the portion of the business of Supplier to which such trademarks pertain), domain names and copyrights, provided that no trademark, trademark application or registration, domain name or copyright contains any SOV Information. COCO IP shall have the meaning set forth in Section 15.7. Supplier IP or

COCO IP shall not contain any trademark, trademark application or registration, domain name or copyright of SOV or any other SOV Information.

(bb) "**Supplier Personnel**" means and refers to Supplier's employees and employees of Supplier's permitted contractors or permitted agents assigned by Supplier to perform Services under this MSA or a Statement of Work.

(cc) "**Term**" means the period of period of performance of the Statement of Work or such earlier date as this MSA may expire or be terminated, as provided and permitted by the terms and conditions hereof.

(dd) Deleted.

(ee) "**Work Product**" means any tangible or intangible work product, creation, material, item or deliverable, documentation, information and/or other items created by Supplier, either solely or jointly with others, including by Supplier Personnel that are specifically commissioned by SOV pursuant to a Statement of Work or the Change Control Procedures under an existing Statement of Work, and which are developed, conceived of, prepared, procured, generated or produced by Supplier in connection with the delivery of Services. For purposes of clarification and the avoidance of doubt, Work Product does not include Supplier IP, provided SOV shall be granted a license to any such Supplier IP that is incorporated into Work Product as set forth in Section 15.7 below.

(ff) **Other Definitions.** Any other terms not defined above are defined in the text of this MSA below, generally when the term is first referred to or used. Specific terms applicable to a particular Statement of Work and not defined in this MSA may be defined in the Statement of Work involved.

## 3. MASTER SERVICES AGREEMENT

**3.1 Deleted.**

**3.2 Interpretation and Precedence.** This MSA is to be interpreted so that all of its provisions are given as full effect as possible.

**3.3 No Implied Agreement; Non-Exclusivity.**

(a) Nothing in this MSA obligates the State of Vermont to direct SOV to enter into any Statement of Work with Supplier or requires Supplier to perform or provide any Services to SOV except to the extent that Supplier hereby commits to prepare good faith proposals for and offers to perform work as requested by SOV as requested by the State of Vermont, at rates and on terms no less favorable than those set out herein.

(b) The State of Vermont may request information, proposals, offers or competitive bids from third parties on any terms and conditions, determined by the State of Vermont in its sole discretion, whether the same, similar or different than the terms in this MSA.

(c) The State of Vermont may obtain, or direct SOV to obtain, services similar to, identical to, or in addition to or outside the scope of the Services at any time during the Term from a third party or provide them internally. The State of Vermont shall have no obligation to obtain from Supplier any services, whether or not included within the definition of Services hereunder and SOV shall only be obligated to pay for Services, in such amounts, to the extent, at such locations and in such other manner as is specifically set forth in a Statement of Work mutually agreed upon and executed by the parties.

## 4. STATEMENTS OF WORK.

**4.1** Deleted

**4.2** **Changes to Statements of Work**. Any and all changes to a Statement of Work and the Services to be performed thereunder, except for specific changes identified and provided within the framework of procedures and terms and conditions specifically identified and provided for in Exhibit B or the Statement of Work itself, shall only be made in accordance with the change control criteria and procedures applicable to any particular Services or any aspect of any Services as described and specified in Exhibit H attached to Exhibit B ("Change Control Procedures") and, if applicable, any supplementary procedures set forth in the applicable Statement of Work as permitted by such Change Control Procedures. Each change to any Services made by the parties properly in accordance with the Change Control Procedures shall form part of the Services for all purposes thereafter, as that term is defined and used in this MSA, for any and/or all Statements of Work involved and affected thereby

**5. DELETED.**

**6. SERVICES.**

**6.1** **Description of Services.** Supplier agrees to provide and shall perform the Services described in the applicable Statement(s) of Work in accordance with and subject to the terms and conditions set forth in this MSA, including in compliance with all applicable Laws, Data Security Standards and Insurance Industry Regulations. If any services, functions or responsibilities are not specifically described or included within the definition of "Services" hereunder, but are required for the proper performance of Services hereunder, they will be deemed to be implied by and included within the scope of the Services to the same extent as if specifically described in this MSA or each Statement of Work involved.

**6.2** **Service Delivery Mechanisms.** Supplier acknowledges SOV operates in a business environment characterized by constant change, and the performance of Services may require the continued and dynamic setting of priorities based on changing business requirements, transactions and operations from time to time as may be communicated to Supplier by SOV (subject to any confidentiality and contractual restrictions by which SOV may be bound) at any time and from time to time during the Term, and necessitated by changes in the Insurance Industry Regulations or otherwise, but in all events subject to the Change Control Procedures. So long as Supplier meets all of its obligations under this MSA, including achieving the applicable Service Levels, and meeting the requirements of each Statement of Work, except as provided in a Statement of Work otherwise, Supplier shall have the right to change the Supplier Personnel used to perform Services hereunder. Notwithstanding the above, nothing herein shall be deemed to require Supplier and/or SOV to violate any Laws, and if, during the course of the Term, there is a change in Law that requires modifying, altering, eliminating, diminishing or otherwise making any substantive change to the Statement of Work, the provisions of Section 23.2(m) [Compliance with Laws] shall control.

**6.3** **Deleted.**

**6.4** **Resources**. Unless otherwise expressly provided in this MSA, all Resources required for the proper performance of Services by Supplier hereunder shall be under the control, management and supervision of Supplier and Supplier shall be responsible, at its sole cost and expense, for procuring, obtaining and making available, in proper and qualified, professional and high quality working and performing order, all such Resources.

**6.5** **Proposal Assistance**. If at any time during the Term, the State of Vermont elects to request any bid, quote, information and/or proposal from one or more third party service providers for the provision of all or any part of the Services being provided by Supplier hereunder, Supplier shall cooperate with SOV by providing SOV reasonable access to relevant Supplier Personnel for the benefit of the State of Vermont in connection with the State of

Vermont's request. Nothing herein shall be deemed to create an affirmative obligation on the part of Supplier to disclose any of its confidential information or to provide any such third party provider with access to Supplier's Facilities, if in Supplier's reasonable judgment in good faith, such third party provider is a competitor of Supplier. In the event that such third party provider is not a competitor, then Supplier's obligations pursuant to this Section are subject to the conditions that: (i) each such third party service provider agree, in writing, to reasonable security and confidentiality restrictions, generally in accordance with the provisions and requirements of this MSA; and (ii) that such activities shall not adversely disrupt Supplier's ability to provide Services.

**6.6 Premier Customer**. Supplier will treat SOV as a premier and significant customer in all respects, consistent with Supplier's practices and treatment of its best and most favored customers. As such, SOV shall be entitled to the following:

(a) **Continuous Improvement**. Throughout the Term, Supplier shall, subject to and always consistent with the Requirements and provisions of this MSA, proactively stay abreast of emerging technology and processes and present to SOV for SOV consideration: (i) opportunities to implement improved Supplier Resources, processes and methodologies in connection with the Services; (ii) opportunities to implement improved State of Vermont Resources, processes and methodologies then currently used by the State of Vermont in performing services and operations which have been retained by and are performed by the State of Vermont and which relate to the Services; (iii) any other opportunities Supplier may choose to bring to SOV's attention which Supplier is or becomes aware of and may be of potential benefit for SOV to consider; and (iv) potential improvements in Service Levels, whether identified as proven techniques and tools from other installations within its operations or through industry awareness or otherwise. Supplier shall include references to all of the foregoing items in the periodic reports provided to SOV in connection with Statements of Work and this MSA generally. Supplier shall cooperate with SOV in evaluating such proposed improvements, which, for the avoidance of ambiguity, shall not be implemented by Supplier unless reviewed, approved and agreed upon in accordance with the Change Control Procedures or a subsequent Statement of Work entered into by the parties.

(b) **Disaster Recovery Priority**. In accordance with the requirements of this MSA, in the event of a disaster, material interruption or any disruption in or affecting the Services, in prioritizing and dedicating efforts by Supplier to recover and resume normal and proper Service delivery and the provision of services, information and resources to its other customers generally, no other Supplier customer will receive higher priority than the State of Vermont, including all efforts and activities with respect to the Resources involved in performing such efforts and activities and recovering or resuming Services.

(c) **Priority Staffing**. Supplier shall make a good faith effort throughout the Term to assign qualified personnel resources to the State of Vermont account and overseeing the Services and interfacing with SOV and State of Vermont personnel.

**6.7 Third Party Resources**. From time to time SOV may request that Supplier obtain and provide to SOV, at SOV's expense, third party Resources related to the Services but outside the scope of what Supplier is then obligated to provide under a Statement of Work, including the benefit of any volume purchasing discounts, pricing or terms available to SOV or its suppliers. Supplier shall notify SOV at the time of any such request of any relationships Supplier may have with such suppliers that may be of benefit to SOV in this respect. To the extent that SOV may have a more favorable relationship with any third party supplier, upon notice from SOV, Supplier agrees to consider such Resources from SOV's designated supplier and unless otherwise

specifically agreed by SOV in writing, Supplier will not add an administrative fee or other markup to any third party Resources it procures on behalf of or for the benefit of SOV and the Services provided hereunder.

## 7. DEVELOPMENT, IMPLEMENTATION AND DOCUMENTATION.

**7.1 Specifications.** For each of the aspects and/or functional areas of the Services to be designed and/or delivered by Supplier under this MSA, Supplier shall develop, create and deliver to SOV, as applicable, detailed functional specifications for the Services required by each Statement of Work, (the "**Specifications**"). The scope and details of the Specifications, including, but not limited to, delivery times, approval processes, Milestone Schedule(s) and any Migration Plans shall be set forth in the applicable Statement of Work.

## 8. ACCEPTANCE.

**8.1 Acceptance, Acceptance Testing and Acceptance Testing Procedures.** The criteria for acceptance of all deliverables under this MSA ("**Acceptance**"), criteria for testing and determining Acceptance ("**Acceptance Testing**"), timing for resubmission in the event that any of the Acceptance Testing fails, and all other details related to Acceptance and Acceptance Testing, shall be set forth in the applicable Statement of Work.

## 9. THIRD PARTY COOPERATION

If the State of Vermont contracts with, or directs SOV to contract with, a third party to perform any service similar to or to enhance all or any portion of any of the Services, Supplier will cooperate with SOV and the third party, including provision of: (i) written Documentation so that any enhancements or developments may be operated by Supplier; (ii) commercially reasonable assistance and support services to such third party at the Charges specified in the applicable Statement of Work; and (iii) reasonable access to Supplier's Resources and Services operations as necessary for such third parties to perform their work; provided, however, that cooperation with third party auditors and benchmarkers shall be as otherwise set forth in this MSA. SOV shall use reasonable efforts to require such third parties to comply with Supplier's reasonable requirements regarding confidentiality, operations, standards, and security. Supplier shall support and maintain such third party work product, provided the service provider complies with any Documentation applicable to Supplier in respect of the Services involved. The cost, if any, of any incremental Resources necessary to accommodate such third party work and activity shall be borne by the third party service provider.

## 10. MAINTENANCE AND SUPPORT

**10.1 Corrective Maintenance**. Supplier shall immediately, upon discovery of same or upon electronic, telephonic or any other form of notice from SOV or any other entity, commence the correction of any errors, defects and problems which prevent any Services from performing or being provided in accordance with the Requirements. Supplier shall immediately notify SOV of the nature of the problem and steps being taken to resolve and correct same. A Severity Level (as defined in the Statement of Work) shall be assigned as described in the Statement of Work to such problem and Supplier agrees to follow the Service Level Agreements applicable and defined therein. If Supplier identifies more than one commercially reasonable and equally satisfactory method for properly resolving a particular problem, Supplier shall promptly inform SOV of each of the various solutions, the time required to implement each, the differences of each potential solution, including the impact of each upon the Services, and a recommendation and Supplier's reasons therefor. SOV shall have the opportunity to select the solution to be implemented by Supplier, but no such selection shall relieve Supplier of its obligations to meet the Requirements hereunder with respect to the Services involved.

**10.2 Forecasting.** Unless otherwise set forth in a Statement of Work, Supplier shall be responsible for providing reasonable forecasts (of staffing and other matters relevant to SOV's operations and the provision of Services by Supplier hereunder) and updated forecasts upon such times to be agreed upon and set forth in, or under, the Statement of Work, with such further detail as the parties may agree from time to time. Based upon such forecasts, to the extent relevant for the applicable Statement of Work, Supplier will make recommendations for any changes to the Services, taking into account factors that are unique to such Services, the geographic location where the Services are to be provided, and other relevant factors that will reasonably impact the operation of the Exchange or the provision of the Services, including, but not necessarily limited to, hardware and/or software capacity training and other considerations applicable to the Services involved. Any changes and/or recommendations will be designed to minimize interruptions, disruptions and/or any degradation of Services. Supplier shall update and notify SOV as and when any forecast changes are required or appropriate based on updated information.

**10.3 Preventative Maintenance.** Supplier shall provide on-going support and perform preventive maintenance for all Services, including process improvements, upgrades, new releases, enhancements, performance engineering and coding updates and improvements, routine by-passes, fixes and patches of minor problems, pending a new release version or more permanent correction, application tuning, code restructuring, and other efforts undertaken to improve the efficiency and reliability of the Services and minimize on-going maintenance requirements, while maintaining the Services in conformity with the Requirements. Supplier shall, within thirty (30) business days of each Statement of Work Effective Date and on or before each annual anniversary of that date thereafter during the Statement of Work Term, provide SOV with an annual forecast and projected schedule of regularly scheduled preventive maintenance for the Services, structured to minimize any interruption, disruption and/or degradation of the Services. Supplier shall update and notify SOV as and when any changes to such schedule are required or appropriate based upon updated information or changed Requirements.

**10.4 General Support.** Supplier agrees to provide SOV with the following general support for the Services, at no additional cost unless otherwise specifically provided in the applicable Statement of Work:

(a) Supplier shall correct and repair all Services, following telephonic, electronic or other notification of any failure, malfunction, defect or nonconformity which prevents the Services from performing as warranted and otherwise required hereunder;

(b) Supplier shall acknowledge and confirm to SOV, by telephone (or other confirmed means), the commencement of problem resolution activities in response to any failure, malfunction, defect or nonconformity in any Services, within one (1) hour, and shall apply on a continuous, dedicated basis all necessary Supplier Personnel and Resources to resolve the problem and restore Services to the requisite Service Levels, as soon as possible but in no event later than four (4) hours from the commencement of problem resolution activities. Supplier's activities shall be consistent with the Service Level assigned in accordance with the Statement of Work. If the problem cannot be satisfactorily resolved within said four (4) hour period and said problem may or actually does cause the Services to fail to meet the Service Levels (on an extrapolated basis, if applicable), then in addition to any Service Level Credits or other rights, obligations and activities required or permitted hereunder, Supplier shall immediately institute the Contingency Plans (as defined in Section 25.6 (d) [Force Majeure; Contingency Plans] applicable to the Services involved and maintain same in effect until the original problem is resolved and proper Service can be restored.

(c) Supplier and SOV shall provide consultation, cooperation and technical advice and information to each other in order to assist in problem resolution and problem prevention efforts hereunder;

(d) Supplier shall provide, on a best commercially reasonable efforts basis, any services mutually agreed and directly related to the Services under any Statement of Work, to cause the Services achieve or exceed the Service Levels (provided that nothing in this Section excuses any failure of Supplier to achieve or exceed the Service Levels).

(e) Deleted.

## 11. PERFORMANCE STANDARDS AND SERVICE LEVELS

**11.1 Service Levels.** In providing Services hereunder, Supplier shall meet or exceed the Service Levels applicable to each of the Services hereunder. Unless otherwise set forth in the applicable Statement of Work, Supplier's actual performance against the required Service Levels will be measured on a monthly basis.

**11.2 Performance Standards.**

(a) If any of the Services hereunder does not have a specifically defined, designated or associated Service Level, Supplier shall perform such Service or obligation with a level of accuracy, quality, completeness, timeliness, and responsiveness that meets or exceeds the highest industry standards of other sophisticated outsourcing companies providing services similar to the Services, taking into consideration any differences in the delivery of services by SOV or any third party that would reasonably impact different outcomes for Supplier.

(b) Supplier shall at all times: (i) perform all Services and obligations promptly, diligently and in a workmanlike and professional manner, using qualified Supplier Personnel; and (ii) perform the Services and its obligations hereunder in a manner consistent with the mutually agreed upon pricing methodology for Charges payable by SOV set forth in the Statement of Work while still meeting required Service Levels and the Requirements.

**11.3 Measurement and Monitoring Tools.** Supplier shall implement measurement and monitoring tools and procedures satisfactory to SOV reasonably designed to measure the Services and compare such performance to the applicable Service Levels. Supplier shall provide SOV with periodic reports of Service Level performance, with such frequency and in such formats as are mutually agreed upon, with information and a level of detail sufficient to verify Supplier's compliance with said Service Levels. Upon SOV's request, Supplier shall provide SOV or its auditors with any information and access to the measurement and monitoring tools necessary to verify compliance by Supplier with the Service Levels and shall maintain a database of such information and reports and make same available to SOV and its auditors for verification purposes at all times. Each Statement of Work shall, at SOV's option, specify such additional and more frequent monitoring, auditing and reporting tools and reports, to correspond to SOV's requirements and the Services applicable to that Statement of Work.

**11.4 Failure to Meet Service Levels.**

(a) Supplier acknowledges that its failure to meet any Service Levels may have a material adverse effect on the business and operations of SOV and that the actual amount of damage sustained by SOV because of such failure would be impracticable, extremely difficult or impossible to determine. Accordingly, Service Level Credits for failures to meet a Service Level may be included in the applicable Statement of Work for the Services involved.

(b) If any Services fail to meet the requisite Service Levels or otherwise upon SOV's request for any deficiencies in the Services, Supplier shall immediately: (i) perform a root-cause analysis reasonable under the circumstances to identify the cause of any deficiency or failure of a Service to meet applicable Service Levels; (ii) provide SOV with a written report detailing such root cause of, and procedure for correcting, such deficiency or failure; (iii) implement such correction procedure; and (iv) provide SOV with assurances reasonably satisfactory to SOV that such deficiency or failure will not recur following the completion of the implementation of the procedure. Notwithstanding anything to the contrary, the parties agree that Supplier will not be responsible for the failure to perform the Service Levels under any Statement of Work as a result of the failure of SOV, the State of Vermont and/or any other SOV or State of Vermont supplier or SOV or State of Vermont third party to perform its obligations under this MSA or the applicable Statement of Work, the failure of SOV's software or systems provided, the acts and/or omissions of any third party vendors of SOV, or as otherwise set forth in the Statement of Work.

**11.5 Adjustment to Service Levels.** The parties will review the Service Levels at least bi-annually, or more frequently as either party may request. The parties may by mutual written agreement add to, delete or adjust the Service Levels, in whole or in part; provided, however, that in no event will SOV be obligated to agree to any additions, deletions or adjustments that it believes to be less advantageous than the Service Levels contained in any Statement of Work. The reasons for additions, deletions or adjustments to the Service Levels hereunder may include improved performance capabilities associated with advances in the technology and methods used to perform Services, or changes in SOV's business or technology environment, such as the implementation of a major initiative that changes the nature of the Services or any business process or operational improvements implemented or instituted by SOV or improvements in Supplier's Resources or operations; or other changes to the scope of work which render the achievement of the originally agreed upon Service Levels unreasonable or impractical.

## 12. EQUIPMENT AND FACILITIES

### 12.1 Equipment.

(a) Except for Equipment specifically provided by SOV and specified in a Statement of Work, Supplier, itself or through its suppliers, will be solely responsible for procuring, maintaining and making available all Equipment necessary and/or appropriate to effectively and properly provide the Services. If specifically set forth in a Statement of Work, SOV shall make available SOV Resources, that will continue to be owned or leased by or for SOV, then Supplier shall: (i) use the SOV Resources solely and exclusively to provide Services and Supplier shall not use SOV Resources to provide any goods, services, information, material or resources to or for the benefit of any third party; (ii) comply with any directions from SOV concerning the location, use and disposition of SOV Resources; (iii) upon SOV's written request, provide, or arrange for third parties to provide, maintenance of and necessary support for the SOV Resources equal or superior to that provided prior to the Statement of Work Effective Date, at the same or lower cost; and (iv) if applicable, return such SOV Resources to SOV's possession, custody and control at a SOV designated location, upon the expiration or termination of the applicable Statement of Work, in the same condition it was in on the Statement of Work Effective Date or such other date such SOV Resources were initially made available to Supplier, if later, in each case ordinary and reasonable wear and tear excepted.

(b) If specified in a Statement of Work, SOV shall assign, and Supplier shall assume, all of SOV's obligations under leases for Equipment used to provide Services in such Statement of Work or SOV may sell Equipment owned by it to Supplier ("**Transferred Equipment**"). Supplier, with SOV's assistance, shall seek to obtain consents to such assignments and shall arrange for full releases of SOV's liability under such leases and provide such other security, collateral or insurance, as SOV may reasonably require, to indemnify and hold SOV harmless from and against any further liability. The Statement of Work shall state any other terms and conditions applicable to such Transferred Equipment, if any. Assignment of SOV's interests in the Transferred Equipment is and shall be made "AS IS," AND "WHERE IS," WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND AND SPECIFICALLY WITHOUT ANY IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**12.2 Facilities**. Except for SOV Resources as described in this Section and as specifically set forth in a Statement of Work, Supplier will be responsible for procuring, managing, maintaining and otherwise making available all Resources necessary to provide the Services in accordance with the Requirements hereunder. Supplier will seek and obtain SOV's prior written approval for any relocation of any Supplier Facilities at, from or through which the Services are provided and shall mitigate any impact to SOV. Any such relocation shall be without additional cost to SOV. Unless otherwise provided in a Statement of Work, no Supplier Facility providing Services pursuant to this MSA and any Statement of Work shall be located outside the United States.

**12.3 Dedicated/Partitioned Environment.** Unless otherwise provided in a Statement of Work, Supplier shall provide all Services in the United States using customer care consultants and line leadership dedicated to supporting SOV and Supplier shall not provide any Services from a non-partitioned or shared processing environment unless specifically approved in writing by SOV, in its sole discretion. In addition to any other security requirements and protections specified in this MSA, those areas of Supplier's Facilities used in the provision of the Services or in which SOV Information is stored, used, accessible, transmitted, processed or otherwise available shall be partitioned and separately secured. Security controls will include, at a minimum: (i) inspecting, authenticating and verifying identification and allowing only authorized personnel to enter such Supplier Facilities and partitioned areas; (ii) monitoring and logging access to Supplier Facilities and partitioned areas; (iii) utilizing Equipment and Software that do not allow for the physical download of SOV Information (*e.g.*, computers without attached CD-ROM); and (iv) printing and/or reproducing physical copies only as necessary to perform the Services (*i.e.,* on a "need-to-print", "need to copy" basis), providing SOV with access, upon request and on a periodic basis, to print logs maintained by Supplier, and establishing, maintaining and enforcing policies approved by SOV requiring the shredding and secure disposal of documents, materials and all media containing SOV Information and that no physical copies are removed from secured and partitioned areas of Supplier's Facilities. Equipment located in partitioned SOV areas of Supplier's Facilities will be on a separate local area network and will have a separate file server and Supplier Personnel will not have access (*e.g.*, email or Supplier file servers) therefrom. The cost of building out the segregated and partitioned SOV areas of Supplier's Facilities will be borne by Supplier.

**12.4 SOV Facilities.** If and to the extent specified on the Statement of Work, during the Statement of Work Term, SOV shall make available to Supplier space in any SOV facility applicable to the Services and Statement of Work involved ("**SOV Facility**"), subject to the conditions that Supplier: (i) shall only use such space solely and exclusively for and in support of the Services; (ii) shall not use SOV Facilities to provide goods or services to or for the benefit

of any third party; (iii) shall comply with the leases, security, use and rules and agreements applicable to the SOV Facilities; (iv) shall not use SOV Facilities for any unlawful purpose; (v) shall comply with all policies and procedures governing access to and use of SOV Facilities that are provided to Supplier in writing; (vi) instruct Supplier Personnel not to photograph or record, duplicate, disclose, transmit or communicate any SOV Information or any other information, materials, data or other items, tangible or intangible, obtained or available as a result of permitted use of SOV Facilities; and (vii) return such space to SOV in the same condition it was in on the Statement of Work Effective Date, ordinary wear and tear excepted. SOV Facilities will be made available to Supplier on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

## 13. SUPPLIER PERSONNEL

### 13.1 Qualifications; Personnel Security; Continuity.

(a) Supplier will perform and support the Services consistent with the Requirements. Supplier Personnel will be properly educated, trained and qualified for the Services they are to perform and Supplier will put appropriate training in place to meet initial and on-going training requirements of Supplier Personnel assigned to perform Services.

(b) Supplier shall be responsible, at its own cost and expense, for any and all recruitment, hiring, Supplier-specific training, education and orientation for all Supplier Personnel assigned or to be assigned to perform Services or support the Requirements, including any costs and expenses to smoothly and successfully transition or migrate Services to Supplier in a timely and efficient manner, if and as specified in the Statement of Work. The Charges for SOV program-specific training will be set forth in the Statement of Work.

(c) Except as otherwise agreed in a Statement of Work, all Supplier Personnel, in addition to any Supplier security policies and procedures, shall be required to comply with the security requirements in this MSA and SOV's Security Policies, as set forth in Exhibit F, as such policies may be modified, amended or replaced from time to time. Supplier Personnel in a position to obtain or have access to SOV Information shall be subject to the background checks set forth in Exhibit F-1.

(d) All Supplier employees providing or assigned to provide Services or otherwise in a position to obtain or have access to SOV Information, shall execute the Intellectual Property Rights Agreement substantially in the form attached as Exhibit B-1, prior to being assigned by Supplier and commencing performance of any Services or work in support of any Services hereunder. Supplier shall provide SOV with a signed copy of each such agreement immediately after each is signed as required.

(e) The timing for transfer, reassignment or replacement of Supplier Personnel will be coordinated with requirements for timing and other elements of the Services so as to maintain continuity in the performance of the Services and avoid interruption or disruption to the Services or any failures to maintain Service Levels. Except as otherwise set forth herein, with respect to Key Supplier Positions, a transfer, reassignment or replacement will only be performed in accordance with a succession plan mutually agreed upon by the parties.

(f) If SOV believes any Service requires continuity and dedicated support or attention from Supplier, SOV may request, by written notice to Supplier, that Supplier assign one or more individuals, on a full time, dedicated and exclusive basis to the support, performance and provision of such Service and the parties will work through the details of any such assignment, temporary or permanent, in accordance with the Change Control Procedures, including the documentation of additional Charges, if any, for same.

**13.2 Key Supplier Positions.**

(a) Certain Supplier Personnel positions are or will be identified in this MSA or a Statement of Work as "**Key Supplier Positions**" which shall include, at a minimum, the Supplier Account Manager described below and a project manager for each Statement of Work ("**Supplier Statement of Work Project Manager**") described below. SOV reserves the right to approve Key Supplier Position assignments which approval shall not be unreasonably delayed or withheld, and SOV and Supplier may agree to change or update the Key Supplier Positions at any time and from time to time based on mutual agreement. Unless otherwise set forth in a Statement of Work, Supplier will cause the personnel filling the Key Supplier Positions to devote full time and dedicated effort to the provision of the Services and the achievement of Service Levels required for the Services. Personnel filling Key Supplier Positions will be assigned for the period of time set forth in the Statement of Work, if any, or if not, then the shorter of the duration of their positions under the applicable Statement of Work, or eighteen (18) months, and Supplier will obtain SOV's written approval at least sixty (60) days prior to changing or reassigning any personnel filling the Key Supplier Positions; provided, however, Supplier will have no obligation to obtain such sixty (60) days prior approval of the Key Supplier Position change in the event that (i) Supplier is terminating the employment of the individual for cause, (ii) the individual has terminated his or her employment with Supplier, or (iii) the individual is physically unable to perform his or her required functions (e.g., death, illness, military service, or in compliance with the Family and Medical Leave Act) (provided that in any event SOV shall have the right to approve the replacements therefor which approval shall not be unreasonably delayed or withheld).

(b) Supplier will designate an individual to serve as the "**Supplier Account Manager**" who will: (i) be a senior employee within Supplier's organization, with the information, authority and resources available to cause Supplier to properly discharge its responsibilities to SOV required hereunder (including all then current Statements of Work); (ii) serve as primary interface and the single-point of accountability and responsibility for the relationship between the parties; (iii) have responsibility for SOV customer satisfaction and authority to manage resolution of issues raised by SOV; (iv) devote all appropriate efforts to managing and coordinating the Services (and the parties on the Effective Date estimate this will require approximately one quarter dedication); and (v) periodically visit Supplier's Facilities, or SOV's Facilities or such other appropriate location as reasonably requested by SOV.

(c) Supplier will under each Statement of Work designate an individual to serve as the "**Supplier Statement of Work Project Manager**" who will: (i) be a senior employee within Supplier's organization, with the information, authority and resources available to properly discharge the responsibilities required hereunder; (ii) serve as primary interface and the single-point of accountability and responsibility for the provision of Services by Supplier; (iii) have day-to-day responsibility for, and authority to manage, SOV customer satisfaction; (iv) devote full time and dedicated efforts to managing and coordinating the Services; and (v) be located at Supplier's Facilities, or State of Vermont Facilities or such other appropriate location as Supplier and SOV may mutually agree.

**13.3 Personnel Assigned to SOV Account.**

(a) SOV and Supplier both agree it is in their best interests to maintain the continuity of Supplier Personnel performing the Services. Accordingly, Supplier will provide SOV with data concerning the turnover rate of Supplier Personnel under this MSA (including the turnover rate applicable to staff holding 'middle-management' positions and other

separate categories reasonably requested by SOV), meet with SOV to discuss the reasons for, and impact of, staff turnover and otherwise keep and/or restore such turnover rate to a level commercially reasonable in light of the geographic locations of the Services and the nature of the Services being performed, as may be further described in the applicable Statement of Work. If appropriate, Supplier will submit to SOV its proposals for reducing the turnover rate, and the parties will mutually agree on a program to bring the turnover rate to acceptable levels.

(b) If SOV reasonably determines for any lawful purpose that any Supplier Personnel may be adversely affecting the Services, SOV, SOV's business, operations or reputation, is acting in a manner inconsistent with or detrimental to the proper performance and delivery of Services, is or may be disruptive or unqualified, or has violated any Laws or any Supplier or SOV policies or Requirements hereunder, Supplier will attempt to remediate the situation, and if unable within a reasonable time to remediate the situation to the reasonable satisfaction of SOV, or if Supplier determines instead to remove such individual, then Supplier shall promptly remove such individual from the SOV account and shall replace such individual with another individual of suitable ability and qualification.

(c) There will be no charge to SOV for any replacement or temporary employee or other personnel while the replacement acquires the necessary orientation and training to properly take on the position and make a productive contribution commensurate with the requirements of the position.

**13.4 Changes in Supplier Personnel.**

(a) If Supplier fails in any material respect to meet the Requirements, and a root cause analysis determines that the failure was due in material part to an inadequate number of personnel, then Supplier shall promptly assign appropriate personnel to address the inadequacy. As mutually agreed, changes to the number of Supplier Personnel shall be documented either as part of the forecasting process or in accordance with the Change Control Procedures. Notwithstanding the foregoing, nothing herein shall be deemed to require Supplier to increase the number of those Supplier Personnel who are assigned to perform Services for SOV on a variable basis (e.g., CC agents) without adjusting the Charges as set forth in the applicable Statement of Work.

(b) Unless SOV is paying for specific Services hereunder on a fixed price basis, if SOV believes that Supplier is inefficiently utilizing any Resources or Supplier Personnel assigned to perform Services, SOV may give Supplier a notice requesting a decrease in the number of Supplier Personnel. Upon receipt of such notice, Supplier shall, within five (5) days from SOV's notice, provide SOV with a recommendation which Supplier reasonably considers will accomplish the requisite decrease or Supplier may provide an objection to such decrease, citing the reasons therefor in reasonable detail. SOV and Supplier will discuss any objections and mutually agree upon any modifications necessary to Supplier's recommendation. The provisions of this Section shall be deemed to amplify, where necessary, the staffing procedures set forth in Section 10.2 [Forecasting].

**13.5 Transition of Supplier Employees.** During each Statement of Work Term, Supplier shall make available to SOV or SOV's designee any Supplier Personnel performing Services on a time and materials basis in connection with that Statement of Work at the Charges applicable to that individual based upon the rates applicable under that Statement of Work.

**13.6 Non-Solicitation.** Except as specifically set forth in this MSA or otherwise agreed to by the parties in writing and subject to 3 V.S.A. §312, during and for a period of one (1) year after the later of the expiration or termination of the Term or any Statement of Work Term, SOV shall not directly solicit, recruit, hire, retain or engage the services of any of Supplier's personnel, without the express prior written consent Supplier. If any of Supplier's personnel choose to apply for employment with SOV, SOV will consider the candidate in the same manner it evaluates any applicant, and can freely hire Supplier's personnel, consistent with applicable law.

**14. THIRD PARTY CONTRACTS.**

**14.1 Third Party Contracts – SOV –Deleted.**

**14.2 Third Party Contracts – Supplier.** SOV acknowledges and understands that Supplier has third party contracts with the following Supplier subcontractors: (i) Cosentry, Inc. for data center hosting; (ii) Allison Payment Systems, LLC for printing and postal delivery of invoices; and (iii) Sage Payment Solutions, a merchant acquirer for procuring card based payment transactions. SOV hereby consents to the use by Supplier of these subcontractors, provided however that any such consent is not deemed acceptance of the terms of any subcontracts by SOV and that the provisions of Section 16.3 apply .

**15. INTELLECTUAL PROPERTY RIGHTS.**

**15.1 Software; Escrow**. Deleted.

**15.2 New Software**. Any new Software to be used in connection with Services after the Statement of Work Effective Date shall only be added to the Statement of Work using the Change Control Procedures and shall be subject to the terms and conditions applicable to such Software as set forth herein or as may be otherwise mutually agreed in the Change Control Procedures.

**15.3 SOV Software and Intellectual Property.** Each Statement of Work shall identify any SOV Software that Supplier will be authorized to use to perform the Services and effective as of the applicable Statement of Work Effective Date and subject to any additional restrictions contained therein, Supplier will have a limited license, during that Statement of Work Term, to use and access the identified SOV Software; provided, however, that under no circumstances shall Supplier access or use any SOV Software for any purpose other than the performance of Services or in support of Supplier's obligations to SOV under this MSA. Supplier shall discontinue and cease use of such SOV Software upon completion, expiration or termination of the Statement of Work.

(a) Except for the limited rights and licenses granted to Supplier in connection with the Services as specified in this MSA, SOV shall retain all right, title and interest in and to all Customer Data, and to all Information that is created under this MSA as a result of the provision of Services, including, but not limited to, all data that is generated under this MSA as a result of the use by Supplier, SOV or any third party of any technology systems or knowledge bases that are developed for SOV and used by Supplier to deliver the Services under this MSA ("**SOV Information**"), and to SOV Resources, SOV Software, SOV intellectual property, and all other rights, tangible or intangible (collectively, "**SOV Intellectual Property**"). Supplier may not use SOV Intellectual Property for any purpose other than as specified in this MSA. Upon expiration or termination of this MSA or any applicable Statement of Work, all such licenses granted to Supplier in connection therewith shall immediately terminate without further notice required, and Supplier shall return or destroy all SOV Intellectual Property and all copies thereof, and Supplier shall have no further right or license to such SOV Intellectual Property.

(b) SOV retains all right, title and interest in and to SOV Software and except for the specific rights and limited license granted to Supplier hereunder, nothing shall or shall be construed as granting to Supplier any right or license under any of SOV's present or future patent rights or copyrights, or as granting to Supplier any right or license to use for any purpose other than those purposes expressly stated herein any SOV Information or any other Resources, Work Product or other items received, discovered, or produced by Supplier in connection with the Services nor shall or shall be construed to restrict, impair, transfer, license, convey or otherwise alter or deprive SOV of any of its rights or proprietary interests therein, all of which are hereby expressly reserved.

**15.4 Third Party Software.** Each Statement of Work will specify any Third Party Software licensed by SOV to which Supplier will be granted access or licensed by Supplier on behalf of and for the benefit of SOV, under the same conditions and restrictions as SOV Software noted above, for use in connection with the provision of the Services; provided, however, the Statement of Work shall include any additional restrictions or terms and conditions applicable to such Third Party Software, including such duties, use and confidentiality obligations imposed on SOV under the licenses for such Third Party Software. All licenses for Third Party Software are subject to prior SOV approval. Unless otherwise specified in a Statement of Work, Supplier will assume operational and financial responsibility for such Third Party Software and any related maintenance obligations during the applicable Statement of Work Term, to the same extent as if Supplier were the licensee of such Third Party Software. Unless otherwise specified in a Statement of Work, Supplier will pay such third party licensors directly, or reimburse SOV upon receipt of invoices therefor, for all license fees, royalties, use, support and other charges and amounts due under such Third Party Software licenses commencing upon the Statement of Work Effective Date and continuing throughout the Statement of Work Term. Supplier will cease use of such Third Party Software upon expiration or termination of the applicable Statement of Work. Subject to the indemnification procedures set forth in Section 24.6, Supplier agrees to defend, indemnify, and hold SOV and its respective officers, directors, employees, suppliers, customers, successors and permitted assigns, harmless from and against any and all actual or alleged Losses in connection with any claim or action relating to or arising out of Supplier's breach or failure to comply with its obligations to SOV or to the owner or licensor of said Third Party Software.

**15.5 Supplier Software**. Each Statement of Work will identify any Supplier Software that will be used to provide Services and in all respects, Supplier will be responsible for such Supplier Software. Supplier shall not use any Supplier Software to provide Services that is not set forth in a Statement of Work or added thereafter through the Change Control Procedures. Supplier shall install, operate, update and maintain, at its expense, all Supplier Software used in connection with the Services. Supplier shall not use any Supplier Software to provide Services that is not available to SOV on reasonable commercial terms in the marketplace unless SOV's written approval, which may be withheld in SOV's sole discretion, is obtained in advance. As of the applicable Statement of Work Effective Date and continuing until the expiration of the Statement of Work, Supplier grants to SOV and its suppliers, a limited, revocable, worldwide, royalty free, non-exclusive right and license (or such other equivalent or comparable rights required) to access and use all Services solely in connection with, and to the extent necessary to receive the deliverables and Work Product specifically set forth in the Statement of Work. Except for the limited rights and licenses as are granted to SOV in connection with the Services as specified in this MSA, Supplier shall retain all right, title and interest in and to its Information, Resources, Facilities, Supplier Software, Supplier IP and derivatives thereof (as that term is defined under U.S. copyright law, Title 17 U.S.C.), and all other rights, tangible or intangible

("**Supplier Goods**"). Upon expiration or termination of this MSA or any applicable Statement of Work for any reason, (except as otherwise set forth in the Statement of Work or another document agreed to by the parties) all such licenses granted to SOV in connection therewith shall immediately terminate without further notice required, and SOV shall return all Supplier Goods and all copies and SOV shall have no further right or license to such Supplier Goods. So long as SOV has any right to use any Supplier Goods, Supplier grants to SOV a nonexclusive, royalty-free, worldwide and limited right and license to receive the Services described in a Statement of Work for its operation of the Exchange. The parties specifically agree that any language or provisions contained in any "shrinkwrap" or "clickwrap" or other electronic version of any license agreement or other document which may accompany the Supplier Software is of no force and effect if, and to the extent that, any such language or provisions conflict with any terms of this MSA.

**15.6 Work Product.**

(a) All Work Product shall belong exclusively to SOV, with SOV having the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection. To the extent exclusive title and/or complete and exclusive ownership rights in and to any Work Product may not originally vest in SOV by operation of Laws or otherwise as contemplated hereunder, Supplier shall immediately upon request, unconditionally and irrevocably assign, transfer and convey to SOV all right, title and interest therein. Without any additional cost to SOV, Supplier Personnel shall promptly give SOV all reasonable assistance and execute all documents SOV may reasonably request to assist and enable SOV to perfect, preserve, enforce, register and record its rights in and to all Work Product; provided, however, SOV shall reimburse Supplier for reasonable Out-of-Pocket Expenses incurred at the specific request of SOV in connection therewith. Supplier hereby appoints SOV, through its designated signatory, as Supplier's agent and Attorney-in Fact to execute, deliver and file, as and if necessary, any and all documents necessary to give effect to the provisions of this Section and to take all actions necessary therefore, in Supplier's stead and name, with the same force and effect as if executed, delivered and/or filed by Supplier.

(b) Pursuant to Section 13.1(d), Supplier shall cause all Supplier Personnel charged with performing Services in connection with this MSA, or who are otherwise in a position to obtain or be granted access to SOV Information, to execute Exhibit B-1. Supplier shall require that all Supplier Personnel comply with the provisions of the attached Exhibit B-1 and Supplier is responsible for any failure of any Supplier Personnel to comply with all such provisions, and Supplier shall be responsible for enforcing the provisions of such forms; provided, however, that SOV shall have the right to do so, at Supplier's cost and expense, if and/or to the extent Supplier is unwilling or unable or fails to do so for any reason. Periodically, and unless otherwise specified in the Statement of Work, no less frequently than each week during the Statement of Work Term, Supplier shall provide SOV with the most current versions of all Work Product and related Documentation.

**15.7 Supplier Property.** Nothing in this MSA shall be construed to transfer, convey, restrict, impair or deprive Supplier of any of its ownership or proprietary rights or interest in any Supplier IP, work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements, computer processes, specifications, operating instructions, notes, and any other documentation (whether or not patentable) created by Supplier prior to, or, other than Work Product, during the provision of the Services and the delivery of Work Product or which has been independently developed by Supplier without use of or reference to any SOV Information

(hereinafter, "Supplier Property"). Supplier Property will not be incorporated into any Work Product. Supplier retains all right, title and interest in and to Supplier IP and except for the specific license relating to the receipt of Supplier Services granted to SOV hereunder and ownership by SOV of Customer Data, nothing shall or shall be construed as granting to SOV, the State of Vermont and/or any third party any right or license under any of Supplier's present or future Supplier IP, or as granting to SOV, the State of Vermont and/or any third party any right or license to use for any purpose other than those purposes expressly stated herein any Supplier Information or any other Supplier Resources or Supplier Facilities or other Supplier proprietary items received, discovered or produced by Supplier in connection with the Services nor shall or shall be construed to restrict, impair, transfer, license, convey or otherwise alter or deprive Supplier of any of its rights or proprietary interests therein, all of which are hereby expressly reserved.

(a) CGI and the State of Vermont acknowledge that Supplier is a provider of commercial premium billing and payment processing services enabled by Supplier's proprietary technology and has developed materials, processes and systems prior to entering into this Agreement. Supplier will continue to develop materials, processes and systems as Supplier provides services to third parties and as Supplier provides the Services, and in addition to the Supplier IP, Supplier may own other patent, trade secret, copyright, trademark and other proprietary rights in techniques, brands, models, systems and concepts that were not paid for by the State of Vermont (collectively **"COCO IP"**). COCO IP and Supplier IP are proprietary to Supplier and shall remain Supplier's exclusive property. As Supplier provides the Services, CGI and the State of Vermont will receive the benefit of COCO IP and Supplier IP (in their current state and as each is improved/developed), but CGI (on its own behalf and not on behalf of the State of Vermont) hereby waives any and all claims that it may have now or may hereafter have in any jurisdiction to so-called "rental rights," "moral rights" and all rights of "droit moral" with respect to COCO IP and Supplier IP and to the results and proceeds thereof.

(b) If SOV requests and agrees in a Statement of Work to directly and explicitly pay for customizations of Supplier's COCO IP ("Customizations"), the terms and conditions of ownership of and rights to use of the Customizations shall be governed by this Section 15.7(b). SOV agrees that Customizations shall remain the exclusive property of Supplier, and that Supplier shall retain all right, license, and interest thereto. However, consistent with Section 15.7(d) below, Supplier agrees to grant SOV and the Centers for Medicare & Medicaid Services, an agency of the Department of Health and Human Services, a royalty-free, nonexclusive and irrevocable right to use the Customizations as part of the Services or under contract with Supplier for similar services for Federal purposes and to authorize others to do so. "Federal purposes" include the purpose of administering health insurance exchanges under the Affordable Care Act of 2010. Supplier is further subject to applicable regulations governing patents and inventions, including those issued by the Department of Commerce at 37 CFR Part 401.

(c) SOV and Supplier acknowledge that SOV and Supplier may also agree in a Statement of Work that Supplier will develop custom software for SOV which are not Customizations and which will become SOV Software. Any such agreement will be clearly stated in the Statement of Work.

(d) Without limiting any rights of SOV in this MSA or any Statement of Work, Supplier acknowledges that this MSA is in support of SOV's implementation of the Patient Protection and Affordable Care Act of 2010, and is subject to the certain property rights

provisions of the Code of Federal Regulations and a Grant from the Department of Health and Human Services, Centers for Medicare & Medicaid Services. This MSA is subject to, and incorporates by reference, 45 CFR 74.36 and 45 CFR 92.34 governing rights to intangible property. Supplier must deliver all SOV Software and all Work Product to SOV in a manner that ensures the Centers for Medicare & Medicaid Services, an agency of the Department of Health and Human Services, obtain a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use the SOV Software and Work Product for Federal purposes and to authorize others to do so. "Federal purposes" include the purpose of administering health insurance exchanges under the Affordable Care Act of 2010. Supplier is further subject to applicable regulations governing patents and inventions, including those issued by the Department of Commerce at 37 CFR Part 401.

**15.8 Residual Knowledge**. Nothing contained in this MSA shall restrict either party from the use of general ideas, concepts, know-how, methodologies, processes, technologies, algorithms or techniques retained in the undocumented mental impressions of such party's personnel relating to the Services which either party, individually or jointly, develops or discloses under this MSA or any Statement of Work ("**Residual Knowledge**"); subject to the condition that in or by doing so such party does not infringe the intellectual property or other proprietary rights of the other party or any third parties, does not violate any Laws or breach any obligation, including any confidentiality obligation under this MSA.

**16. CONTRACT AND PROJECT MANAGEMENT.**

**16.1 Meetings.** The types, frequency and mutual responsibilities of the parties with respect to the manner in which they conduct meetings during the Term shall be set forth in the applicable Statement of Work.

**16.2 Reports.** Supplier shall provide SOV with periodic reports as described in the applicable Statement of Work (hereinafter, each a "**Report**") and hereby warrants that the information provided in such Reports shall be true and accurate at the time that it is provided, and that Supplier will act reasonably in accordance with the information provided in such Reports.

**16.3 Subcontracting**.

(a) Other than as explicitly provided for herein, Subcontracting under this MSA is strictly prohibited without the prior written consent of SOV, which consent SOV may withhold in its sole and absolute discretion. Supplier contractors approved by SOV shall be identified in the applicable Statement of Work; provided, however, that Supplier will be and remain SOV's primary point of contact; and provided, further, that Supplier will at all times remain responsible and liable for all obligations, services and functions performed by any such third parties, whether contractors or any other permitted parties, to the same extent as if performed or to be performed by Supplier.

(b) Supplier will include, as flow-down provisions in each agreement with an approved contractor, terms and conditions substantially similar to the provisions of this MSA necessary to cause Supplier and each Supplier contractor to remain in compliance with the obligations of this MSA. Such flow-down provisions will be deemed to include, to the extent applicable to each such subcontractor, but are not limited to, Section 6.2 [Service Delivery Mechanisms], Section 6.7 [Premier Customer], Article 8 [Acceptance], Article 9 [Third Party Cooperation], Section 10. 1 [Corrective Maintenance], Section 10.3 [Preventive Maintenance], Section 11.3 [Measurement and Monitoring Tools], Section

12.3 [Dedicated/Partitioned Environment], Section 12.4 [SOV Facilities], Section 13.1 [Qualifications; Personnel Security; Continuity], Section 13.6 [Non-Solicitation], Article 15 [Intellectual Property Rights], Section 16.3 [Subcontracting], Article 17 [Audits], Article 21 [Confidentiality], Article 22 [Security], Section 23.2 [Supplier Representations and Warranties], Section 26.7 [Termination Assistance], Section 28.2 [Assignment], Section 28.10 [Severability], and Section 28.12 [Survival]. In addition, to the extent that any subcontractor will have access to Customer Data or otherwise have contact with SOV Clientele (and prior to permitting any subcontractor to access Customer Data), Supplier shall be responsible for ensuring that such subcontractor is fully knowledgeable about and will remain compliant with the rules, regulations, policies and guidelines promulgated by CMS, including those relating to HIPAA, as well as in compliance with all other Insurance Industry Regulations and Data Security Standards. Supplier will not disclose SOV Information to any third party, including any Supplier Affiliates, contractor or other entity or any Supplier Personnel, until due and proper execution of the applicable forms attached as Exhibit B. Supplier will also cause any approved Supplier contractor to enter into a Business Associate Subcontract in substantially the form of the Business Associate Agreement attached as Exhibit K.

(c) Without limiting SOV's discretion under this MSA, SOV shall have the right to withhold or, if applicable, revoke approval of any Supplier contractor, if its performance is deficient, misrepresentations were found to have been made at any time, or for other factors related to SOV's experience with or any background reference checks made regarding such contractor (whether or not related to this MSA); provided, however, that in no event will such revocation be deemed to relieve Supplier of its obligations to continue to perform the Services of such subcontractor or otherwise relieve Supplier of its liability to SOV for the acts and/or omissions of such subcontractor or any other contractor that may subsequently perform such Services.

**16.4 Quality Assurance and Improvement** Supplier will provide quality assurance and continuous quality improvement through: (i) identification and application of proven techniques and tools from other accounts under its control or supervision (i.e., "best practices"); (ii) the use and application of products, processes and procedures, such as, by way of example, only: CMM for Software and eSCM models, Six-Sigma processes, ISO 900-2000 standards and COPC guidelines; and (iii) implementation of concrete programs, practices and measures approved by SOV in writing. Supplier shall provide SOV with detailed documentation describing its quality assurance processes, tools, methodologies, procedures and protocols to be implemented and adhered to in connection with the Services, and once approved by SOV shall be included as part of the Requirements applicable to the Services associated with said quality assurance and quality improvement.

**16.5 Customer Satisfaction Survey.** Supplier shall conduct a customer satisfaction survey for SOV designated end-users of the Services, unless SOV opts to forego any such survey as provided more fully in the applicable Statement of Work. The scope, timing, format and content of such survey and the procedures by which each such survey will be conducted and administered shall be set forth in the Statement of Work or in accordance with the Change Control Procedures, and therefore, subject to SOV's prior written approval.

**16.6 Training.** Each of the parties shall notify the other of their respective training policies and procedures and, at least once per year during the Statement of Work Term or any time upon SOV's request, Supplier will provide SOV with a copy of all documentation applicable to Supplier's training program, including training manuals and documentation. Supplier, upon request, shall provide such training to a reasonable number of individuals designated by SOV, to enable SOV personnel to understand the operations of the Services, at a minimum, to train

SOV personnel involved in supervising or assisting in the provision of Services, and each of the parties may be required to engage in "train-the-trainer" training to enable the other party personnel to provide Services training to others. Supplier shall implement product-specific training that is provided to Supplier by SOV and any other training Supplier deems necessary or reasonably requested by SOV to ensure an adequate number of trained, qualified Supplier Personnel are available to meet the Requirements and perform the Services at the required Service Levels.

**16.7 Problem Codes; Credits**. In the event of any Service problems or failure to meet the Service Levels or Requirements hereunder, howsoever caused, regardless of how such problem or failure came to the attention of either party and regardless of which party or entity discovers, notifies any other party hereunder, SOV shall, upon learning of the problem, report the problem to Supplier as described in the Statement of Work. SOV shall notify Supplier of the Problem as set forth in the Statement of Work. Supplier shall commence problem resolution activities as set forth in the Statement of Work. Service Level Credits applicable to any failure to meet the Service Levels under any Statement of Work shall be taken, consistent with this MSA and the provisions specified in the applicable Statement of Work.

**17. AUDITS.**

**17.1 Audit Rights.** Supplier will maintain and cause its permitted contractors to maintain a complete audit trail of all transactions and activities, financial and non-financial, in connection with this MSA. Supplier will provide to SOV, its internal or external auditors, clients, inspectors, regulators and other designated representatives, at reasonable times (and in the case of State or federal regulators, at any time required by such regulators) access to Supplier Personnel and to any and all Supplier Facilities or where the required information, data and records are maintained, for the purpose of performing audits and inspections (including unannounced and random audits) of Supplier and/or Supplier Personnel and/or any or all of the records, data and information applicable to this MSA. At a minimum, such audits, inspections and access shall be conducted to the extent permitted or required by any Laws applicable to SOV or Supplier (or such higher or more rigorous standards, if any, as SOV or Supplier applies to its own similar businesses, operations or activities), to (i) verify the accuracy of charges and invoices; (ii) verify the integrity of SOV Information and examine the systems that process, store, maintain, support and transmit that data; (iii) examine and verify Supplier's and/or its permitted contractors' operations and security procedures and controls; (iv) examine and verify Supplier's and/or its permitted contractors' disaster recovery planning and testing, business resumption and continuity planning and testing, contingency arrangements and insurance coverage; and (v) examine Supplier's and/or its permitted contractors' performance of the Services including audits of: (1) practices and procedures; (2) systems, communications and information technology; (3) general controls and physical and data/information security practices and procedures; (4) quality initiatives and quality assurance, (5) contingency and continuity planning, disaster recovery and back-up procedures for processes, resources and data; (6) Supplier's and/or its permitted contractors' efficiency and costs in performing Services; (7) compliance with the terms of this MSA and applicable Laws, and (8) any other matters reasonably requested by SOV. Supplier shall provide and cause its permitted contractors to provide full cooperation to such auditors, inspectors, regulators and representatives in connection with audit functions and with regard to examinations by regulatory authorities, including the installation and operation of audit software. Notwithstanding anything in this Article 17 to the contrary, audits conducted on Supplier premises shall be limited to systems and data solely related to SOV and the Services; provided that if any audit to be conducted by or on behalf of SOV would be prevented or restricted because of systems and data that relate to both SOV and to other Supplier customers, Supplier will reasonably cooperate to permit an audit that meets SOV's needs while

not providing access to the confidential information of other Supplier customers or any systems, data or information belonging or relating to any customer other than SOV. Further, SOV shall only be provided access to cost data which forms the basis upon which SOV is charged (e.g., reimbursable expenses, out-of-pocket expenses, or cost-plus charges) and/or are necessary to calculate the applicable variable fees, but not cost components of any fixed price charges. In performing audits, SOV and any auditors shall endeavor to avoid unnecessary disruption of Supplier's operations and unnecessary interference with Supplier's ability to perform the Services in accordance with the Service Levels. Any external auditor retained by SOV in connection with audits under this Section shall execute a non-disclosure agreement with provisions no less stringent than those set forth in Article 21 [Confidentiality].

**17.2 Supplier Audits and Certifications.**

(a) **Certifications.** Supplier shall obtain and maintain all certifications listed in each Statement of Work. Supplier shall promptly notify SOV of any other certifications obtained by Supplier relating to the Services or the Resources used by Supplier to provide the Services. Supplier shall promptly notify SOV of any failure to obtain or maintain any required certification, or any other certification of which SOV is notified under this Section, and shall provide SOV with a written plan to obtain or re-acquire each such failed certification.

(b) **SSAE-16.** Unless otherwise expressly stated in the applicable Statement of Work, each year, starting in Supplier's new fiscal year which follows the first Services to support SOV's production activities, Supplier shall cause its external auditors to (i) perform a SSAE-16 SOC 2 audit, regarding those security, privacy, financial and processing integrity controls performed by Supplier that are relevant to SOV's operations, based on Supplier's fiscal year and Supplier's internal controls framework (the "Baseline Internal Controls Audit"), and (ii) produce an audit report in connection therewith (the "Baseline Internal Controls Audit Report"). On or about April 1st of each year, Supplier shall provide to SOV a copy of the most current Baseline Internal Controls Audit Report. The Baseline Internal Controls Audit shall be performed and the Baseline Internal Controls Audit Report shall be produced at no additional cost to SOV. In the event that SOV requests audit and reporting which are not covered by the Baseline Internal Controls Audit, such additional audit and reporting shall be (i) addressed through the Change Control Procedures, and (ii) performed by the same auditors who have performed the Baseline Internal Controls Audit, at SOV's cost and expense, unless Supplier is subject to another SSAE-16 audit for the same or similar operations that is acceptable to SOV, in which case SOV shall be provided with a copy of that other SSAE-16 audit.

(c) **Government Audits.** On an annual basis, unless otherwise requested in writing by SOV, Supplier shall inform SOV of any audit of Supplier's data center(s) from which it provides Services or any other of its Facilities or operations it uses to provide Services by any agency of the federal government or the state of Vermont, and shall, to the extent not prohibited by applicable law, provide SOV with a copy of the report or results of each such audit.

**17.3 Audit Follow Up.** Supplier shall promptly respond and rectify the deficiencies identified and implement changes suggested by any audit report relating to Supplier in a manner approved by SOV in writing. In the event that any audit of Charges or Services reveals that SOV has overpaid any amounts due to Supplier, Supplier shall promptly refund such overpayment.

**17.4 Records Retention**. Until the later of: (i) three (3) years after expiration or termination of this MSA; (ii) such time as is required by applicable Laws; or (iii) the date that all pending matters relating to this MSA (e.g., disputes) are closed or resolved by the parties, Supplier will

maintain and provide access (and cause its permitted contractors to maintain and provide access) upon request to the records, data, documents and other information required to fully and completely enable and permit SOV to take advantage of its audit rights under this MSA ("**Audit Records**"). Upon termination or expiration of this MSA, SOV and Supplier shall mutually agree as to any records or documentation of which Supplier may retain one archived copy following the periods set forth above, and Supplier shall not destroy Audit Records without first giving SOV the option to have Supplier provide the same to SOV. Each Statement of Work may include additional retention provisions.

**17.5 Financial Reports**. The State of Vermont shall periodically review Supplier's financial statements. To the extent that such financial statements are not publicly available, then at the State of Vermont's request, Supplier shall provide the State of Vermont with copies of such financial statements. In addition, Supplier shall, at the State of Vermont's request, provide the State of Vermont with access to Supplier's senior financial executives, in order to discuss financial statements with the State of Vermont. The financial statements shall be reasonably detailed, prepared in accordance with generally accepted accounting principles, such as the International Financial Reporting Standards (IFRS), and be audited by an independent certified public accountant.

## 18. SOV RESPONSIBILITIES.

Except as otherwise set forth in Article 26 [Termination], SOV's failure to perform any of its responsibilities set forth in this MSA or any Statement of Work shall not be deemed to be grounds for termination by Supplier; provided that Supplier's failure to properly perform its obligations under this MSA or a Statement of Work will be excused if and to the extent that such failure would not have occurred but for SOV's failure to perform its responsibilities required under this MSA and the Statement of Work involved, and Supplier provides SOV with reasonable notice of such nonperformance and uses commercially reasonable efforts to perform notwithstanding SOV's failure to perform. SOV agrees to reimburse Supplier for Supplier's additional Out Of Pocket Expenses for such efforts directly attributable to such SOV failure.

## 19. CHARGES.

### 19.1 General.

(a) The Charges applicable to Services provided to SOV pursuant to Statements of Work entered into hereunder shall be Supplier's current Charges as set forth in each Statement of Work. The Charges shall remain unchanged for the duration of the initial term of each Statement of Work. It is understood by the parties that this MSA is based on a fixed price per Work Product, all inclusive of overhead and expenses of the Supplier. Unless otherwise mutually agreed to in writing by the parties, the Charges for any Statement of Work renewal term will not increase by more than the increase in the previous year of the Northeast Region Consumer Price Index Average for "all items" shown in such index for "Urban Wage Earners and Clerical Workers (including single workers), all items, groups, subgroups and special groups of items" published by the Bureau of Labor Statistics of the U.S. Department of Labor, or a successor index or a comparable index for the State of Vermont (or Burlington, Vermont) if one shall be determined by the Bureau of Labor Statistics, or except as set forth in the Statement of Work otherwise.

(b) All Charges for the Services will be calculated, priced and billed to SOV in U.S. dollars and will not be subject to any adjustment for fluctuations in currency exchange rates, unless specifically identified in the applicable Statement of Work.

(c) In accordance with the provisions of this MSA, SOV shall pay Supplier the Charges set forth in each Statement of Work as payment in full for the Services under such Statement of Work performed by Supplier. Unless otherwise specifically set forth in this MSA and always subject to and in accordance with Exhibit H, SOV shall not be obligated to pay any amounts other than as set forth in the Statements of Work.

**19.2 Pass-Through Expenses.**

(a) "Pass-Through Expenses" means charges to be paid directly by SOV or through Supplier on an Out-of-Pocket Expenses basis. If the parties agree that a Pass-Through Expense is to be paid: (i) by SOV directly, Supplier will promptly provide SOV with the original third party invoice and back-up substantiation for the expense, together with a written confirmation that Supplier has reviewed the invoiced charges and has determined the charges are proper and valid and should be paid by SOV; or (ii) by Supplier, Supplier will act as payment agent for SOV and after reviewing the invoiced charges and determining the charges are proper and valid, will pay third party charges comprising the Pass-Through Expense. In the event Supplier is acting as SOV's payment agent pursuant to (ii) above, Supplier will provide SOV with a reasonable opportunity to review the invoice to confirm Supplier's determination. Following this review by Supplier and SOV, Supplier will pay the amounts due and will invoice SOV for such Pass-Through Expense.

(b) Supplier will use commercially reasonable efforts to minimize the amount of Pass-Through Expenses. With respect to services or materials paid for on a Pass-Through Expense basis, SOV reserves the right to: (i) obtain these services or materials directly from a third party; (ii) designate the third party source for these services or materials; (iii) designate the particular services or materials (e.g., equipment make and model); provided that, if Supplier demonstrates to SOV this designation will have an adverse impact on Supplier's ability to meet the Service Levels, this designation will be subject to Supplier's approval; (iv) require Supplier to identify and consider multiple sources for these services or materials or to conduct a competitive procurement or bidding process; and (v) review and approve the Pass-Through Expense for these services or materials before entering into a contract for these services or materials.

**19.3 Incidental Expenses.** Supplier acknowledges that, except as expressly provided otherwise in the applicable Statement of Work, all other costs and expenses that Supplier incurs in performing the Services are included in Supplier's Charges to SOV and rates applicable hereunder. Accordingly, such Supplier expenses are not separately reimbursable by SOV unless, on a case-by-case basis for unusual expenses, SOV has agreed in advance and in writing to reimburse Supplier for the expense.

**19.4 Taxes.**

(a) Supplier understands and acknowledges responsibility, if applicable, for compliance with all SOV tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property within the State, corporate and/or personal income tax on income earned within the State.

(b) Supplier certifies under the pains and penalties of perjury that, as of the Effective Date of this MSA, and the Effective Date of any Statement of Work, Supplier is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.

(c) Supplier understands that final payment under this MSA or any Statement of Work may be withheld if the Commissioner of Taxes determines that Supplier or any of its Affiliates is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.

(d) Supplier also understands that State of Vermont may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if Supplier has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and Supplier has no further legal recourse to contest the amounts due.

**19.5 New Services.** Any services outside the scope of the Services that are materially different from or which are not, explicitly or implicitly, already covered by the descriptions or categories of Services and which are requested by SOV will be considered "**New Services**." New Services will be priced by Supplier at the rates that are (i) set forth in the applicable Statement of Work, if such rates for the New Services are contained therein, or (ii) such other rates as the parties may mutually agree upon and specify in the applicable Statement of Work. Supplier will not begin performing any New Services until the charges therefor have been approved by SOV or, if charges cannot be agreed upon, upon SOV's instruction to begin work and agreement to pay the charges proposed by SOV while the charges are being resolved. Any dispute over Charges will be resolved in accordance with dispute resolution procedures set forth in this MSA.

**19.6 Deleted**

**20. INVOICING; PAYMENT; PAYMENT DISPUTES**

**20.1 Invoices.** Unless otherwise specifically provided in this MSA or the Subcontract or Statement of Work involved, Supplier shall issue to SOV, monthly in arrears, a separate invoice in U.S. Dollars for the amounts due under such Statement of Work for Services provided in the previous month. Each invoice shall separately state Charges for each Statement of Work, Pass-Through Expenses and taxes payable, and shall include such detail and categories of information as mutually agreed upon by the parties. Each invoice shall separately itemize the specific sections of this MSA or the Statement of Work on which such Charge is based and include calculations used to establish such Charges. Invoices shall be coded and charges segregated as directed by SOV to facilitate proper accounting among multiple funding sources and different cost allocations among different parts of the solution. All periodic Charges under this MSA (excluding charges based upon actual usage or consumption of Services) shall be computed on a calendar month basis and shall be prorated for any partial month.

**20.2 Payment and Retainage.**

(a) Unless otherwise provided in this MSA or a particular Statement of Work, the undisputed portion of each invoice properly rendered and delivered hereunder shall be due and payable within thirty (30) days following the date such invoice is actually received by SOV. Any amounts disputed by SOV shall be disputed in accordance with the provisions of Section 20.3 [Payment Disputes]. All payments shall be made to Supplier by SOV in U.S. dollars, unless otherwise specifically agreed upon and set forth in the applicable Statement of Work.

(b) Supplier will be compensated solely by SOV. Accordingly, Supplier may not seek payment for Services provided to SOV under this MSA or any Statement of Work from any other person or entity. No payments made under this MSA shall be construed as evidence of the adequate performance of the Services nor shall any payments be construed as acceptance of any unsatisfactory Services by SOV.

**20.3 Payment Disputes**. In order to dispute an invoice, or any part thereof, SOV must set forth in writing the amount(s) disputed and the specific basis or reason for the dispute, which shall be reasonably detailed and not general or speculative in nature ("**Payment Dispute Notice**"). SOV shall forward a Payment Dispute Notice to Supplier on or prior to the due date of the invoice disputed. SOV shall not dispute any invoice unless SOV believes, in good faith, that SOV is being charged for Services which have not been provided or at prices higher than those set forth in the applicable Statement of Work(s), or that manifest errors in calculation or the like have occurred, or that SOV is otherwise being charged for items contrary to specific provisions of Exhibit H, the applicable Statement of Work(s) and/or the other provisions of this MSA. Upon compliance with the foregoing provisions, SOV may, at its option, withhold payment of the disputed amount(s) of the invoice, and shall remit to Supplier the undisputed amount(s), if any, in a timely manner. Upon receipt of the Payment Dispute Notice, both parties shall make reasonable, diligent, good faith efforts to resolve the dispute as soon as possible in accordance with the dispute resolution procedures set forth in Section 27.2 [Informal Dispute Resolution].

**20.4 Liquidated Damages**. The parties agree that failed, delayed, and/or other performance by Supplier not in compliance with the terms of this MSA or any Statement of Work will cause damages to SOV which may be uncertain and impractical or difficult to ascertain, and SOV shall assess, and Supplier promises to pay SOV in the event of such failed, delayed and/or other performance not in compliance with the terms of this MSA or any Statement of Work, the amounts described in the Statement of Work as liquidated damages ("**Liquidated Damages**") and not penalties. The process for assessment of such Liquidated Damages is set forth in the Statement of Work. Any assessment of Liquidated Damages shall not constitute a waiver or release of any other remedy SOV may have under this MSA for Supplier's failed or delayed performance or any other breach of this MSA, including without limitation, SOV's right to terminate this MSA or any Statement of Work, or to recover damages caused by Supplier's failure to perform its obligations under this MSA and each Statement of Work, subject to Section 25.2 (b); provided, however, that SOV will reduce such actual damages by the amounts of Liquidated Damages received for the same events causing the actual damages.

**20.5 Credits; Refunds; Set Off.** To the extent SOV is entitled to any credit other than a Service Level Credit, such credit shall be reflected on the first invoice rendered after the credit is earned. If the amount of any credit exceeds the amount owing to Supplier reflected on any invoice, Supplier shall pay the balance of the credit to SOV within thirty (30) days after the invoice date. If no further amounts are payable to Supplier under this MSA, Supplier shall pay the amount of the credit to SOV within thirty (30) days after the last invoice due date under the applicable Statement of Work. SOV shall be entitled to make payments in respect of all Charges and other amounts which become due to Supplier hereunder, in case, by wire transfer, purchase, debit or comparable payment card, device or other instrument and Supplier will undertake and establish any and all mechanisms, accounts or other arrangements to enable and facilitate any mechanism reasonably selected by SOV to make such payments hereunder. If Supplier receives a refund, credit or rebate for goods or services for which a corresponding Charge has been paid by SOV, Supplier shall promptly notify SOV and either credit such amount to the Statement of Work to which such refund, credit or rebate applies, or pay such amount to SOV, within thirty (30) days after Supplier's receipt thereof. With respect to any amount to be reimbursed to SOV or that is otherwise payable to SOV, SOV may upon notice to Supplier deduct the entire amount owed to SOV against the Charges payable or any other amounts owed or becoming due to Supplier. Further, SOV may set off any sums (including but not limited to Liquidated Damages or other damages) that Supplier owes SOV against any sums due Supplier under this MSA or any

Statement of Work, provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided in 32 V.S.A. §3113.

## 21. CONFIDENTIALITY.

### 21.1 Non-Disclosure; Use Restricted; Exceptions.

(a) Subject to the requirements of 1 V.S.A. §§ 315-320, the Vermont Access to Public Records Act, each party agrees to regard and preserve as strictly confidential all Information of the other party that may be obtained by such party from any source or may be developed as a result of this MSA. Each party agrees to hold the Information of the other in trust and confidence and will not disclose such Information to any individual or entity, except where required by Law, or use (directly or indirectly) any such Information for its own benefit or the benefit of any other party other than in the performance of its obligations under this MSA. Even when disclosure is permitted, each party agrees to limit access to and disclosure of the other party's Information to its employees and contractors (subject to any further provisions of this Agreement relating thereto) on a "need to know" basis. Without limiting the generality of the foregoing, Information includes trade secrets, Supplier IP, proprietary or competitive information, financials, the specific terms of this MSA, past and present operations, future plans and strategy and, unless the parties mutually agree upon a publicity or press release or other form of public announcement, the existence of a contractual or other relationship between the parties. In addition, in this MSA, without limiting the generality of any of other provision of this MSA, Personal Information, as hereinafter defined, is and shall be considered confidential and proprietary information, subject to all of the confidentiality, non-disclosure, security and other obligations applicable thereto. The term "**Personal Information**" means any and all information about individuals, including but not limited to names, signatures, addresses, driver's license numbers, any State-issued identification number, telephone numbers, account numbers, social security numbers, credit reports, demographic information, financial and other personal data, transaction information, and lists of customers, employees, or investors, received from, created, received, available, accessible or obtained in any manner and/or from any source by Supplier as a result of this MSA and/or Services hereunder. The following provisions shall, to the extent the obligations herein are not already included comprehensively in any other sections of this MSA, shall apply to Personal Information:

i. Supplier specifically acknowledges that in the performance of its obligations under this MSA and any Statement of Work, it will be a "data collector" pursuant to Chapter 62, Title 9 of the Vermont Statutes (9 V.S.A. §2430(3)).

ii. Supplier shall each implement and maintain a comprehensive written information security program (hereinafter, the "**Information Security Program**") which shall include all necessary measures, including, as appropriate, the establishment and maintenance of policies, procedures and technical, logical, physical, and administrative safeguards, to (i) ensure the security and confidentiality of Personal Information, (ii) protect against any foreseeable threats or hazards to the security or integrity of Personal Information, (iii) protect against unauthorized access to or use of such information, (iv) ensure that all Personal Information is encrypted in transit and during transmission and communication, and (v) ensure appropriate disposal of the Personal Information. Without limiting the generality of the foregoing, Supplier's Information Security Program shall provide for (i) continual assessment and re-assessment of the risks to the security of Personal

Information acquired or maintained by Supplier and its agents and contractors in connection with the Services, including but not limited to (X) identification of internal and external threats that could result in unauthorized disclosure, alteration or destruction of Personal Information and systems used by Supplier and its agents and contractors, (Y) assessment of the likelihood and potential damage of such threats, taking into account the sensitivity of such Personal Information, and (Z) assessment of the sufficiency of policies, procedures, information systems of Supplier and its agents and contractors, and other arrangements in place, to control risks; and (ii) appropriate protection against such risks. The adequacy of Supplier's Information Security Program shall be subject to the review and approval of SOV and Supplier agrees to make such adjustments that SOV may deem necessary. Supplier shall, and shall require its agents and contractors to, regularly test key controls, systems and procedures relating to the Information Security Program. The frequency and nature of such Supplier tests shall be determined by Supplier's risk assessment, in consultation with SOV. Supplier shall provide SOV with the results of all such tests and any other audit, review or examination relating to its Information Security Program. Supplier certifies that its Information Security Program is and shall be in compliance with all applicable Laws as well as the specific provisions specified in Exhibit F [Vermont Security Policies], including all privacy, data security, data protection, breach notification, identity theft or other statutes, regulations, ordinances, court or regulatory orders applicable to Personal Information. For purposes of this MSA, references to and compliance with applicable Laws shall include compliance with Laws applicable to Personal Information of the jurisdiction in which an individual resides, even if such Laws do not otherwise impose an obligation on Supplier. Supplier will deliver such additional certifications as SOV may request in its efforts to comply with applicable Laws.

iii. Subject to the audit procedure in Section 17.1, SOV or its designee (which may include regulatory authorities with jurisdiction over SOV, or outside auditing firms retained by SOV) shall have the right at any reasonable time to enter any premises at which any Services are performed or Personal Information is or may be accessible or available, for the purpose of inspecting and auditing the provision of such Services and to determine, among other things, whether the Services are being provided in accordance with applicable Laws and the terms of this MSA, and whether Supplier and its agents and contractors have adequate policies, procedures, and controls in place to protect the security of Personal Information. During any such inspection or audit or at any other reasonable time, Supplier shall make its officers and employees available to SOV to discuss the Supplier's measures to comply with the provisions of this MSA and shall give SOV or its designee access to all records, in whatever form maintained, relating to the provision of the Services and to all facilities, resources, devices, programming, databases and other items used by Supplier or its agents or contractors in performing the Services. Such records shall include all audits, test results, and other evaluations relevant to compliance that have been conducted by Supplier or any other party.

(b) Supplier shall, in advance and in writing, ensure each individual who obtains or is in a position to obtain Information, including, without limitation, Personal Information, of SOV, understands and has agreed to comply with the obligations in this MSA. In the event either party is required by Laws to respond to and comply with any judicial, regulatory or governmental compulsion to disclose the other party's Information, the party compelled

shall (i) immediately notify the other party of receipt of such demand; (ii) take all reasonable and legally permissible actions to limit the compelled disclosure to only such Information and to such persons as specifically required by and solely for the purposes of such compulsion; and (iii) take all available steps to maintain the confidentiality of the Information, limit and restrict disclosure and use as stated above, and protect the Information from further disclosure to the extent permitted by applicable Laws. State of Vermont shall immediately notify Supplier (either by facsimile or email as set forth in Section 28.10 [Notices]) of any request made under the Access to Public Records Act, or any request or demand by any court, governmental agency or other person asserting a demand or request for this MSA. Supplier may, in its discretion, seek an appropriate protective order, or otherwise defend any right it may have to maintain the confidentiality of this MSA under applicable Law within ) three (3) business days of Supplier's receipt of State of Vermont's notice. Supplier agrees that it will not make any claim against State of Vermont if State of Vermont makes available to the public any Information in accordance with the Access to Public Records Act or in response to a binding order from a court or governmental agency compelling its production.

(c) Each party agrees that upon the expiration or termination of this MSA for any reason or upon the request of either party at any time, the other party will immediately return to such requesting party any and all Information under the other party's control or in its possession, and will not at any time thereafter itself use, copy, reproduce, transmit or furnish to any other party, any such Information; provided, however, either party may retain, subject to the restrictions and conditions herein, copies of such Information as is actually necessary for: (i) archival, audit copies required by Laws; (ii) litigation (subject to obtaining appropriate judicial protective orders) and otherwise protecting the legal and proprietary interests of such party in relation to threatened or actual legal proceedings; (iii) compliance with Laws; (iv) preservation of such party's Information to the extent it actually is embedded in and inextricable from the other party's Information; and (v) enforcement and/or protection of such party's legal rights, including any intellectual property rights. Any permitted archives containing SOV Information shall be used by Supplier solely for audit and recovery purposes and shall be maintained and used in accordance with the Vermont Security Policies attached as Exhibit F, as such policies may be modified, amended or replaced from time to time and provided to Supplier.

(d) Except as otherwise specifically provided in this MSA, each party shall not during the Term and after expiration or earlier termination hereof: (i) disclose, in whole or in part, any Information of the other party; or (ii) sell, rent, lease, transfer, encumber, pledge, reproduce, publish, transmit, translate, modify, reverse engineer, compile, disassemble, adapt, create derivative works from or otherwise use or allow anyone else to use, any such Information.

(e) Each party shall exercise the same care in preventing unauthorized disclosure or use of the other party's Information that it takes to protect its own proprietary and confidential information of a similar import, but in no event less than reasonable care. Reasonable care includes, without limiting the generality of the foregoing: (i) informing each and every entity who does or is in a position to receive, obtain or have access to Information, of the strictly confidential and sensitive nature of the Information and the applicable terms of this MSA, requiring them to comply with these terms, and obtaining their written acknowledgment that they have been so informed and directed, and their written undertaking to abide by terms no less stringent than the applicable terms of this MSA; and (ii) notifying the other party immediately upon discovery of any actual, threatened or alleged violation or breach of any of the provisions of this MSA, and assisting the other

party in every reasonable way to help regain possession of the Information and to prevent further violations or breach hereof.

(f) Each party further acknowledges that: (i) unauthorized use or disclosure of Information shall cause immediate injury and damages not readily measurable or compensable in monetary damages, and therefore irreparable; (ii) in the event of any breach or threatened breach of the provisions of this Article, and without limiting or waiving any other rights and remedies available under this MSA, at law or in equity, all of which are hereby cumulatively reserved, the other party shall be entitled to injunctive relief, specific performance and other equitable relief as may be deemed proper by a court of competent jurisdiction, without the posting of bond or other security; (iii) except for the rights expressly granted in this MSA, the other party retains all right, title and interest and reserves all rights in and to its Information; and (iv) it shall be and shall remain primarily and fully liable for any violation or breach of the provisions hereof, by any Affiliate, officer, director, employee, or contractor, as if such party had disclosed the Information.

(g) Information which is required to be kept confidential under the foregoing provisions does not include Information that the receiving party can establish: (i) is or has become generally available to the public, without any breach of this MSA or any other agreement by which the receiving party may be bound; (ii) is or was known to the receiving party prior to disclosure to or receipt by the receiving party free of any confidentiality, non-disclosure or comparable restriction and without breach of this MSA or any other agreement by which the receiving party may be bound; (iii) was or is disclosed to or obtained by the receiving party on a non-confidential basis by a third party who did not owe an obligation of confidence to the disclosing party with respect to the disclosed information and did not breach any agreement; or (iv) was independently developed by one party without any reference to or use of any Information of the other party.

(h) Notwithstanding any expiration or termination of this MSA, each party's obligations regarding the nondisclosure and use of the other party's Information that is disclosed prior to the effective date of such expiration or termination shall survive for a period of three (3) years following the disclosure thereof; provided, however, that each party's nondisclosure and use obligations with respect to the other party's Information that constitutes trade secrets pursuant to applicable Laws will continue for so long as any such Information continues to constitute a trade secret under applicable Laws, and further provided that obligations of each party regarding Personal Information or Protected Health Information shall continue in perpetuity.

**21.2 Destroyed or Lost Data.** Supplier will not delete or destroy any SOV Information or media on which SOV Information resides without prior authorization from SOV. Supplier will maintain and provide to SOV one or more reports that identify the SOV Information, including media, that has been destroyed. In the event any SOV Information is lost or destroyed due to any impermissible act or omission of Supplier, including any breach of the security procedures described herein or the negligence of Supplier, Supplier shall be responsible for the prompt regeneration, reconstruction or replacement of such SOV Information. Supplier shall prioritize this effort so that the loss of SOV Information will not have any adverse effect upon the Services. SOV agrees to cooperate with Supplier to provide any available information, files or raw data needed for the regeneration, reconstruction or replacement of the SOV Information. If Supplier fails to fully regenerate, reconstruct and/or replace any lost or destroyed SOV Information within the time reasonably set by SOV, then SOV may obtain data reconstruction services from a third party, and Supplier shall cooperate with such third

party as requested by SOV. In addition to any damages incurred by SOV, Supplier will be responsible for the actual costs incurred by SOV for the regeneration, reconstruction and replacement of SOV Information by a third party. In the event it is determined that SOV Information has been lost or destroyed as a result of the willful, intentional or negligent acts or omissions of Supplier, SOV may terminate the applicable Statement of Work or this MSA for cause pursuant to Section 26.2 [Termination by SOV for Cause] and pursue any civil and criminal actions available to it.

**21.3 Ownership and Protection of SOV Information and Customer Data; Security Breach Reporting**

(a) SOV Information will not be utilized by Supplier for any purpose other than that of rendering the Services. SOV Information is and will remain the exclusive property of SOV. Supplier will not possess or assert any lien, claim, demand or other right or interest in, against or to SOV Information. No SOV Information, or any part thereof, will be sold, assigned, leased, licensed or otherwise disposed of, directly or indirectly, to third parties or commercially exploited by or on behalf of Supplier or used for any purpose, other than in support of Supplier's performance of its obligations hereunder and only to the extent necessary and permitted by SOV for Supplier to do so.

(b) Upon SOV's request or the termination or expiration of this MSA or any Statement of Work for any reason, Supplier shall either return or, if specifically directed by SOV, destroy all SOV Information in its possession, power or control in a manner that assures the SOV Information is rendered unrecoverable. Any permitted archives containing SOV Information shall be used by Supplier solely for audit and recovery purposes and shall be maintained and used in accordance with HIPAA and the Security Policies included as Exhibit F, as such policies may be modified, amended or replaced from time to time and provided to Supplier.

(c) As between SOV and Supplier, SOV shall be deemed to own all Customer Data, and Supplier shall at all times process the Customer Data in accordance with the terms of this MSA and any applicable Statement of Work, and all applicable Laws. To the extent that Supplier has certain responsibilities under applicable Customer Data Laws and as a processor of the Customer Data, Supplier shall comply with its obligations under the Customer Data Laws, and SOV is consenting to Supplier's access to the Customer Data for such purpose and under such promise by Supplier. If the Customer Data Laws are modified or new Customer Data Laws are applicable to any of the Services, Supplier will continue to comply with such Customer Data Laws as so modified or added, but to the extent that compliance with such modifications or additions requires the delivery of New Services, the parties will follow the Change Control Procedures set forth herein. Notwithstanding the foregoing, Supplier compliance with modifications or additions to Customer Data Laws shall not be excused or delayed as a result of the Change Control Procedures.

(d) In addition to the requirements set forth in the Business Associate Agreement, Supplier shall immediately notify the appropriate security contact (as set forth in Section 28.11 [Notices]) in the event of any known or suspected unauthorized use, disclosure, acquisition, modification, or destruction of Personal Information, unauthorized access to Personal Information, compromise, disclosure, damage, alteration or loss of Personal Information (generally, a "security breach"), and Supplier shall (X) provide SOV with a detailed written statement describing said occurrence and the circumstances surrounding any security breach, and (Y) promptly develop, provide and implement a remediation plan, acceptable to the State of Vermont, to address and remedy the

occurrence and prevent any further incidents. Supplier shall, at its expense, take all necessary measures to mitigate any damages, adverse or harmful effects thereof, and to the extent either Supplier or SOV or the State of Vermont have any legal or regulatory obligations as a result of the security breach, Supplier shall cooperate fully with SOV and if the breach is a direct result of Supplier's failure to perform its obligations hereunder bear all related costs and expense.

(e) Supplier agrees to comply with all applicable Customer Data Laws that require notification in the event of a security breach, as those Customer Data Laws may be amended from time to time, including but not limited to Chapter 62 of Title 9 of the Vermont Statutes Annotated, HIPAA and/or HITECH. In the event of any security breach compromising Customer Data, Supplier agrees to assume responsibility for such notice and the expense thereof (at SOV's sole option and discretion) if the State of Vermont determines it to be appropriate under the circumstances of any particular security breach. Supplier shall also assume all other costs associated with a security breach, including but not limited to outside investigation and services (including mailing, call center, forensics, counsel and/or crisis management), and/or credit monitoring, in the reasonable determination of State of Vermont.. Without limiting the generality of the foregoing, Supplier acknowledges and agrees that, by execution of this MSA, it is acting or conducting business in the State of Vermont.

(f) In the event that State of Vermont determines there has been a material breach by Supplier of any of the Supplier's obligations with regard to Personal Information, SOV may if directed by the State of Vermont, immediately upon notice to Supplier, terminate this MSA and/or any or all Statements of Work, in whole or in part. Without limiting any other provision of this MSA, Supplier's obligations with regard to Personal Information shall survive any termination of this MSA.

(g) Subject to the indemnification procedures set forth in Section 24.6, and in addition to any other indemnification obligations in this MSA, Supplier agrees to defend, indemnify, and hold SOV and its officers and employees harmless from and against any and all actual or alleged Losses in connection with any third party claim or action relating to or arising out of a breach of the foregoing provisions of this Article by Supplier, or any person, firm or entity, howsoever characterized or designated, acting under, through, in the name of, under authority of or on behalf of Supplier, including Supplier's employees, agents, representatives or subcontractors.

## 22. SECURITY.

**22.1 General.** Without limiting the generality of the requirements of Article 21 and subject to SOV's review as set forth in Section 21.1(a)(ii), Supplier agrees to develop, provide and implement security provisions and controls to maintain the confidentiality, integrity and availability of all SOV Information in the possession or under the control of Supplier hereunder, which at a minimum Supplier would provide for its own proprietary, sensitive and confidential information and digitally stored files, data and programs (acting with due and proper regard for same) and as otherwise required by Laws, including such provisions and controls that: (i) safeguard the physical integrity and condition of all Supplier Facilities, Equipment, Software and all media in Supplier's possession or control containing SOV Information; (ii) ensure that access to SOV Information, in any form on any media, is available only to SOV and its designated employees and/or authorized representatives; and (iii) prevent use by or disclosure of any and all SOV Information to any third party, to any employee or agent of Supplier that does not have a need to know in the performance of Services hereunder or

otherwise, unless Supplier has obtained SOV's explicit prior written approval, which may be withheld for any reason in SOV's sole discretion.

**22.2 SOV Insurance Industry Regulations, Policies and Flowthroughs.** Supplier will comply with: (i) SOV's Insurance Industry Regulations, policies and procedures and other provisions that are required to be flowed through to Supplier by the federal or Vermont state governments that are in effect during the Term, which may be promulgated by the federal or state government, as set forth in Exhibit G, and as such policies may be modified, amended or replaced from time to time and provided to Supplier; and (ii) SOV's policies and procedures that are in effect during the Term regarding the business process, operating procedures or business activities, as such procedures are created or modified by SOV from time to time for application to third party suppliers and provided to Supplier. Any specific modifications to such policy or policies may be included in each applicable Statement of Work or updated at any time thereafter by notice from SOV. Supplier will be responsible for ensuring that Supplier Personnel comply with such policies and procedures. Supplier will provide, at SOV's request, copies of Supplier's internal control policies and procedures for SOV's review and if any such policies and procedures are found by SOV to be inadequate, SOV shall so notify Supplier and Supplier will take steps to immediately correct any deficiencies so identified.

**22.3 Data Security.** Throughout the Term, Supplier and its permitted assignees and subcontractors shall comply with all information/technology control policies and standards applicable to the security of data, including, but not limited to, the Data Security Standards, the Insurance Industry Regulations, and Exhibit F [Security Policies]. If, as a result of an on-site review or audit performed in accordance with Article 17 [Audits] hereof or otherwise, Supplier is found not to be in compliance with such policies or standards, then Supplier shall, at its expense, take appropriate steps to promptly correct such non-compliance. The parties will execute and comply with the Business Associate Agreement attached as Exhibit K.

**22.4 Supplier Facilities.**

(a) Throughout the Term and without limiting the generality of the foregoing, Supplier shall ensure that, in accordance with the Data Security Standards, physical and logical security measures and safeguards are instituted, maintained and enforced at all Supplier Facilities (including security measures and safeguards set forth in Section 12.3 [Dedicated/Partitioned Environment] specific to those areas of the Supplier Facilities that are partitioned from the rest of the Supplier Facilities and dedicated to the provision of the Services) to guard against the unauthorized access to or destruction, loss, theft, damage or alteration of any SOV property, Services and/or SOV Information.

(b) The security measures and safeguards at the Supplier Facilities shall be no less rigorous than those set forth in Data Security Standards and shall be no less rigorous than those maintained by Supplier for its other facilities. Without limiting the generality of the foregoing, Supplier's security measures shall include at a minimum:

i. With respect to any Supplier Facilities at or from which SOV Information is stored, used, accessible, transmitted processed or otherwise made available, providing security guards and technical support engineers on a 24x7 basis and maintaining access controls which include, at a minimum: (1) restricting physical and logical, direct or remote access to the Supplier Facilities and any portions of the Supplier Facilities containing SOV Information; and (2) monitoring and logging access to the Supplier Facilities.

ii. With respect to any Supplier Facilities at which the Services are performed, implementing and maintaining access controls to such Supplier Facilities (particularly with respect to the areas of such Supplier Facilities from which the Services are performed or SOV Information is stored, used, accessible, transmitted processed or otherwise made available), which controls will include, at a minimum: (1) inspecting, authenticating and verifying identification and allowing only authorized personnel to enter such Supplier Facilities; (2) monitoring and logging access to such Supplier Facilities; (3) utilizing Equipment and Software that do not allow for the download of SOV Information (*e.g.*, computers without attached CD-ROM burners, disc drives); and (4) printing and/or reproducing physical copies only as necessary to perform the Services (*i.e.*, on a "need-to-print", "need to copy" basis), providing SOV with access to print logs maintained by Supplier, upon request and on a periodic basis, and establishing, maintaining and enforcing policies approved by SOV requiring the shredding and secure disposal of documents and other materials containing SOV Information and that no physical materials containing SOV Information are removed from secured areas of the Supplier Facilities.

(c) Supplier shall not (and shall prohibit anyone acting under, through, in the name of, under authority of or on behalf of Supplier) from performing the Services in any manner that, directly or indirectly, defeats security provisions, by-passes security procedures or otherwise avoids the application of required security on devices, SOV Information, files and/or materials containing, without limitation, attorney-client privileged material or attorney work product (and Supplier is responsible for any failure of anyone acting under, through, in the name of, under authority of, or on behalf of Supplier to comply with the provisions of this Section). Without limiting the generality of the foregoing, Supplier shall ensure that (i) all connectivity to SOV Resources and SOV Information and all attempts at the same as permitted hereunder by Supplier Personnel shall be accomplished only through SOV's security gateways/firewalls in accordance with all Industry Data Standards; and (ii) it will not access, and will not permit any unauthorized persons or entities to access, SOV Resources or SOV Information without SOV's express written authorization and any such actual or attempted access shall be consistent with any such authorization. Supplier covenants that, in addition to the other provisions of this MSA, Supplier shall inform SOV whenever access is sought by any unauthorized individual or entity to any such devices, information, files and/or materials. Supplier waives and expressly disclaims any claim that SOV, by any act contemplated or permitted under this MSA, including any Statement of Work or otherwise, has waived any rights or privileges to which it is otherwise entitled by virtue of SOV's allowance, enabling or facilitating Supplier's performance of any Services.

**22.5 Indemnity.** Subject to the indemnification procedures set forth in Section 24.6, and in addition to any other indemnification obligations in this MSA, Supplier agrees to defend, indemnify, and hold SOV and its officers and employees harmless from and against any and all actual or alleged Losses in connection with any third party claim or action relating to or arising out of a breach or alleged breach of the foregoing provisions of this Article by Supplier, or any entity, howsoever characterized or designated, acting under, through, in the name of, under authority of or on behalf of Supplier, including Supplier's employees, agents, representatives or subcontractors.

## 23. REPRESENTATIONS AND WARRANTIES.

**23.1 Representations and Warranties**. Each party represents and warrants that, as of the Effective Date and each Statement of Work Effective Date:

(a) This MSA including each Statement of Work constitutes a legal, valid and binding obligation of such party, enforceable against it in accordance with its terms except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other laws of general application affecting enforcement of creditors' rights generally.

**23.2 Supplier Representations and Warranties**. As of the Effective Date, each Statement of Work Effective Date and continuing throughout the Term and each Statement of Work Term, Supplier represents, warrants and covenants to SOV that:

(a) It is a corporation duly incorporated (or is any other form of legally recognized entity), validly existing and in good standing under the Laws of the jurisdiction in which it is incorporated, and is duly qualified and in good standing in each other jurisdiction where the failure to be so qualified and in good standing would have an adverse effect on its business, activities, ability to perform its obligations under this MSA or compliance with any of its promises, representations and warranties hereunder.

(b) It has all necessary corporate power and authority to own, lease and operate its assets and to carry on its business as presently conducted and as it will be conducted pursuant to this MSA including any Statement of Work.

(c) It has all necessary corporate power and authority to enter into this MSA including each Statement of Work and to perform its obligations hereunder and thereunder, and the execution and delivery of this MSA including each Statement of Work and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate actions.

(d) **Work Standards**. Supplier will properly render the Services in accordance with the Requirements, with promptness and diligence and will execute them in a workmanlike manner, in accordance with the practices and high professional standards used in well-managed operations performing services similar to the Services, with an adequate and sufficient number of qualified individuals with suitable training, education, experience and skill to perform the Services.

(e) **Requirements**. The development, creation, delivery, provision, implementation, testing, maintenance and support of all Services shall be performed and conform to the Requirements (and any provisions relating thereto in the applicable Statement of Work) and all Deliverables will conform to their applicable Documentation.

(f) **Documentation.** Documentation required under a Statement of Work shall conform to and accurately describe the Services to which such Documentation relates and be sufficient to enable a reasonably skilled professional, trained in the Services to which such Documentation relates to understand, use, operate, access, take advantage of, support, maintain and modify the Services, as and when necessary, to satisfy SOV's Requirements.

(g) **Maintenance**. Supplier will make available and maintain the Supplier Resources as required by the provisions of this MSA, in order that they operate and perform in accordance with the applicable Documentation.

(h) **Cost Effectiveness.** Supplier will use all Supplier Resources to provide Services as required under this MSA, with a view to balancing cost considerations with quality in consultation with SOV and consistent with the Requirements.

(i) **Technology.** The Services will utilize proven, current technology that will enable SOV to take advantage of technological advancements in its industry and support SOV's efforts to maintain competitiveness in the markets in which SOV operates.

(j) **Ownership; Non-Infringement**. Supplier: (i) is either the owner of, or authorized to use, the Supplier Resources and related material used in connection with the Services; and (ii) is fully authorized to grant SOV all rights, title, interest and ownership in and to all Work Product developed hereunder; and (iii) will perform under this MSA in a manner that does not violate, infringe, misappropriate or constitute an infringement or misappropriation of any patent arising under the laws of the United States, and any copyright, trademark, trade secret or other intellectual, industrial or proprietary rights of any third party.

(k) **Inducements**. By entering into each Statement of Work, Supplier affirms each of the representations and warranties set forth in this MSA as of the Statement of Work Effective Date. Each time SOV agrees to enter into a Statement of Work with Supplier, Supplier acknowledges such agreement is based upon and is in reliance upon, among other things, the representations, warranties and other inducements described in this MSA and/or the Statement of Work and Exhibits incorporated or referenced therein.

(l) **Viruses**. With respect to SOV Information, SOV Software and SOV Resources, Supplier will not insert, introduce or include, or permit, enable or cause any third party to insert, introduce or include, any program code, programming instruction or set of instructions constructed with the ability or the intention to damage, interfere with, interrupt or otherwise affect computer programs, data files or operations in any manner without the authorization, knowledge or approval of any actual or intended user, operator, administrator, publisher, licensor or licensee, or any worms or so called 'Trojan Horses' or logic bombs, or any back door, trap door or other access means or portal which would enable an entity or device to access any programs, data, systems or communications devices, without the knowledge or authorization of the owner, operator or user of the programs, data, systems or communications devices, or any other code typically designated to be a virus or other form of malicious code (each is a "**Virus**").

i. Immediately upon the discovery or detection of any Virus, Supplier will remove such Virus and will provide all necessary Services to minimize the impact of such Virus, including the verification and confirmation of the integrity, authenticity, accuracy and completeness of SOV Information which is or may have been affected by such Virus. Without limitation, unless directly attributable to SOV, the State of Vermont, a separate supplier of SOV or any non-Supplier provided third party, Supplier will be liable for loss of SOV Information, data or records of SOV, to the extent such loss of data or records is due to the insertion, introduction or inclusion of any Virus.

ii. Supplier will not, without the prior written consent of SOV, insert, introduce or include any means, code, enabling device or mechanism, that would have the effect of disabling or otherwise shutting down, adversely affecting, impairing or denying access to all or a portion of the Services or to any SOV Information or Resources, and with respect to disabling code that may be part of any Supplier Resources, will not invoke disabling code at any time under any circumstances. If at any time a licensor of Third Party Software invokes or threatens to invoke any disabling code in Third Party Software, Supplier will promptly inform SOV and use Supplier's best commercially reasonable efforts to preclude or immediately reverse such action.

iii. Supplier will provide such assistance and Services as are reasonably requested by SOV as a result of, or in the furtherance of any investigation of, any breach of security.

(m) **Compliance with Laws.** Supplier and its permitted contractors will at all times comply with those Laws: (i) applicable to Supplier and Supplier's business, activities, Supplier'sFacilities and the provision of Services hereunder, including Laws of any country or jurisdiction from which or through which Supplier provides the Services or obtains resources or personnel to do so ("**Supplier Laws**"); and (ii) applicable to SOV (including Insurance Industry Regulations) ("**SOV Laws**"), to the extent (A) set forth in a Statement of Work, (B) SOV notifies Supplier of such Laws in writing, or (C) Supplier knows, has reason to know or, based upon the Services provided, should have known, of such Laws, or Supplier otherwise is or becomes aware of such Laws in any other manner, whether or not in connection with any Services and/or this MSA. Supplier shall be responsible for monitoring and interpreting Supplier Laws, including changes in Supplier Laws, and for identifying the impact of such Supplier Laws (and changes thereto) on Supplier's performance of the Services. Supplier shall implement (and bear the costs associated with) any change in Supplier Laws prior to the deadline imposed by the regulatory or governmental body having jurisdiction for such requirement or change. SOV shall be responsible, with Supplier's cooperation and assistance, for monitoring and interpreting SOV Laws, including changes in SOV Laws, and for identifying the impact of such SOV Laws (and changes thereto) on SOV's requirements and the parties will work together to determine the impact on the Services and Supplier's performance hereunder. Supplier shall implement, subject to the Change Control Procedures, any change in Vermont Laws prior to the deadline imposed by the regulatory or governmental body having jurisdiction for such requirement or change; provided, however, that if the State of Vermont does not agree to pay any additional Charges identified by Supplier as part of the Change Control Procedures for a change in Vermont Laws that is mandatory for the State of Vermont to comply with, SOV, if directed by the State of Vermont may elect to terminate the affected portion of the Services upon notice to Supplier, and such termination shall be subject to the Change Control Procedures to document the scope of such termination and permit Supplier to recover the costs it incurs in connection with such termination. For avoidance of any doubt, such termination shall be a termination for convenience, however, the parties agree that termination for convenience fees specified in a Statement of Work shall not apply. If changes in Laws, in any way or to any extent, prevent Supplier from performing its obligations hereunder, Supplier shall develop and implement a suitable workaround until such time as Supplier can perform its respective obligations without such workaround. Supplier will be responsible for any fines and penalties imposed on Supplier or SOV arising from any noncompliance by Supplier or Supplier Personnel of its obligations in this Section 23.2(m) except to the extent directed otherwise in writing by SOV. In the event that any Supplier Personnel become aware of any changes in the SOV Laws prior to being notified of same by SOV, Supplier will provide prompt written notice to SOV, and the parties will work in good faith to develop a workaround as quickly as possible, subject to the Change Control Procedures.

(n) **Debarment**. Supplier certifies under pains and penalties of perjury that as of the Effective Date, neither Supplier nor any of Supplier's principals (officers, directors, owners or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

(o) **Certification Regarding Use of State Funds**. In the case that Supplier is an employer and this MSA is a "State Funded Grant" in excess of $1,001, Supplier certifies that none of

these State funds will be used to interfere with or restrain the exercise of Supplier's employee's rights with respect to unionization.

(p) **Export Control; Anti-Bribery.** Neither Supplier nor any Supplier Personnel are included on any list of entities maintained and updated by the Department of Commerce, Bureau of Industry and Security to whom the export of certain types of software is prohibited by United States' Laws, as updated from time to time ("**Entity List**") or list of individuals maintained and updated by the Department of Commerce, Bureau of Industry and Security to whom the export of certain types of software is prohibited by United States' Laws, as updated from time to time ("**Denied Persons List**") and Supplier shall never involve any entity or Supplier Personnel included on any Entity List or Denied Persons List in connection with the SOV account or any Services. Supplier shall provide, upon SOV's request and at any time new Supplier Personnel are assigned to the SOV account, a list of such Supplier Personnel and a statement confirming that such Supplier Personnel are not included on any Entity List or Denied Persons List. Supplier additionally acknowledges certain Software and technical data to be provided in connection with Services hereunder and certain transactions contemplated in connection with this MSA may be subject to export controls under the Laws of the United States and other countries and Supplier agrees and covenants Supplier shall not export or re-export any such items or any direct product thereof or undertake any transaction in violation of any such Laws. Supplier shall be responsible for, and shall coordinate and oversee, compliance with such Laws in respect of such items exported or imported hereunder and Supplier shall include with copies of all SOV Software provided by SOV to Supplier that Supplier is permitted to use outside of the United States specific documentation stating that "These commodities, technology or software were exported from the United States in accordance with the Export Administration Regulations. Diversion or re-export contrary to U.S. law is prohibited." Supplier has not violated Laws or any policies referenced herein regarding the offering of inducements in connection with this MSA.

(q) **Consents, Licenses and Permits.** As part of the Services, except as otherwise expressly set forth herein or in a Statement of Work, Supplier will be responsible for obtaining, maintaining and complying with all applicable licenses, authorizations, consents, approvals and permits required of Supplier in connection with the performance of Services and to otherwise carry out Supplier's obligations under each Statement of Work. Supplier will have financial, management and compliance responsibility for, and will pay, all fees and taxes associated with such licenses, authorizations, consents, approvals and permits relating to Supplier's ability to provide Services.

(r) **Date-Related Processing**. All Services, and all Supplier Resources, do and will operate in a manner which is consistent with their intended use and which prevents ambiguous or erroneous output, including with respect to all date-related data and functions. For the avoidance of ambiguity, neither the operation or use, nor any results, data or information processed, derived, arising from, generated or transmitted in connection with the Services, shall be incorrect, invalid or adversely affected in any manner based on a change in year, century or otherwise in connection with any date or dates.

(s) **Facilities; Labor Conditions**. In all respects under any and all circumstances:

i. Supplier shall comply with the requirements of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Supplier shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs and activities provided by Supplier under this MSA and any Statement of Work. Supplier further agrees to include this provision in all subcontracts.

ii. Supplier shall not use child labor (*i.e.*, individuals under the age of majority), nor any forced or compulsory labor in any form, including, but not limited to, prison, indentured, political, bonded or otherwise. Deposits or similar arrangements shall not be required as a condition of employment.

iii. Supplier shall not discriminate based on race, creed, gender, marital or maternity status, religious or political beliefs, age, sexual orientation, or gender identity. Supplier decisions related to hiring, salary, benefits, advancement, termination or retirement shall be based solely on the ability of an individual to do the job and the performance of the individual on the job.

iv. Supplier shall implement and maintain management practices that respect and recognize the dignity of individual employees, the rights of free association, the right to a work place free of discrimination, harassment, abuse or corporal punishment and all other legal rights.

v. Supplier shall provide at least the legal minimum wage or the prevailing industry wage where the facility is located to each employee. Supplier shall provide each employee a clear, written accounting for each wage period and shall not deduct for performance or disciplinary issues.

vi. Supplier shall provide each employee with all legally mandated benefits.

vii. Supplier shall comply with the legally mandated work hours and compensate employees for all time worked according to Laws, including overtime work and training. Supplier shall not require any employee to work more than sixty (60) hours per week or local limits if lower, including overtime, except in extraordinary business circumstances. Supplier shall provide employees with at least one (1) day off in seven (7) days.

viii. Supplier shall provide employees with a safe and healthy workplace that does not expose employees to hazardous conditions. Supplier shall have written health, safety and environmental guidelines and policies, including those applying to employee residential facilities, where applicable.

ix. Supplier shall maintain on file all documentation needed to demonstrate compliance with the foregoing representations and warranties and agrees to make such documentation available to SOV with or without prior notice. Supplier shall publicize and enforce a non-retaliation policy that permits employees to speak with SOV or its auditors without fear of retaliation by Supplier or its management.

**23.3** The indemnification obligations of Supplier detailed herein or in any Subcontract Agreement shall not apply and Supplier is not responsible for any claimed breaches of the foregoing warranties caused by: (i) modifications made to the item in question by anyone other than Supplier and its subcontractors working at Supplier's direction, or pursuant to written directions or instructions from Supplier; (ii) the combination, operation or use of the item with other items Supplier did not supply or that are not so described in the documentation provided by Supplier; (iii) SOV's misuse of the Service in violation of the terms of this Agreement or applicable Law; or (iv) Supplier's adherence to SOV's written specifications or written instructions in each case provided or approved in writing by an authorized SOV representative, or use of erroneous data inputs provided by or on behalf of SOV (to the extent Supplier did not know such data was erroneous and Supplier was not obligated under this MSA to validate the accuracy of such data).

**23.4 Disclaimer of Warranty.** EXCEPT AS SPECIFIED IN THIS MSA, NEITHER SOV NOR SUPPLIER MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THIS AGREEMENT AND EACH EXPLICITLY DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE.

## 24. INSURANCE.

### 24.1 Required Insurance Coverage.

(a) Throughout the Term, Supplier shall maintain in force, at minimum, the insurance coverage described below. All subcontractors must comply with required insurance requirements as set forth in this Article. Any exceptions must be approved by SOV. Additional insurance coverage(s) may be required under a Statement of Work.

i. Commercial General Liability Insurance, including Products/Completed Operations and Advertising Injury coverage, with a per occurrence limit of $2,000,000 and an aggregate limit of $5,000,000.

ii. Automobile liability Insurance covering use of all owned, non-owned and hired automobiles with a minimum combined single limit of $1,000,000 per occurrence for bodily injury and property damage liability.

iii. Worker's Compensation Insurance or any alternative plan or coverage as permitted or required by applicable Laws and employers liability insurance with a minimum occurrence limit of $500,000/employee.

iv. Crime Insurance including Employee Dishonesty and Computer Fraud for loss arising out of or in connection with fraudulent or dishonest acts committed by the employees of Supplier, acting alone or in collusion with others, in a minimum amount of $10,000,000 per loss.

v. Errors and Omissions/Professional Liability Insurance for an error or omission arising out of the professional services provided by Supplier including Network Security and Privacy Liability in an amount of at least $5,000,000 per claim/aggregate coverage.

vi. Network Security and Privacy Liability, including coverage for breach, theft, unauthorized disclosure, alteration, corruption, destruction or deletion of information stored or processed on a computer system, the failure to prevent the transmission of malicious code, and remediation expenses (including forensics and attorneys' fees); as well as the notification requirements mandated by state and federal laws, in an amount of at least $5,000,000 per claim/aggregate. This coverage can also be included within the professional liability coverage

(b) If for any reason such policy insurer cancels or fails to renew such policy, Supplier shall immediately purchase a replacement policy containing substantially the same terms as such policy and including a Prior Acts Coverage Endorsement effective from the Effective Date or a run-off "tail" policy effective for a period of three (3) years following the later of the expiration or earlier termination of the Term or the expiration or termination of the last Statement of Work Term.

(c) The insurance policies required hereunder shall be primary and not contributory with any liability coverage carried by SOV or any other party. The Commercial General Liability

and Automobile policies shall name SOV as additional insured and provide for severability of interests.

**24.2 Deleted.**

**24.3 General Insurance Requirements**. All insurance policies Supplier is required to carry pursuant to this Section shall: (a) be primary and non-contributing with respect to any other insurance or self-insurance SOV may maintain; (b) name SOV and its officers and employees as additional insureds on the Commercial General Liability and Automobile Policies, as such parties' interests may appear with respect to this MSA and any Statement of Work (except as to the insurance described in Section 24.1(a)(iii), 24.1(a)(v) and 24.1(a)(vi)); (c) be provided by reputable and financially responsible insurance carriers approved by SOV, with an A.M. Best's minimum rating of "A-" and minimum Best's financial size category of "X"; (d) require that the insurer endeavor to notify SOV in writing at least thirty (30) days in advance of cancellation (and Supplier shall in any event provide SOV with such notice at least thirty (30) days in advance of cancelation unless Supplier has not been so informed by its insurer); and (e) in the case of the Commercial General Liability policies, and subject to the requirements of Supplier's existing policies with its insurers, use reasonable efforts to cause all other insurance policies to include a waiver of all rights of subrogation against State of Vermont. Each insurer under each such policy shall be amenable to suit and collection of any judgment in the State of Vermont. Supplier shall provide a certificate of insurance issued by their insurance broker (as well as updates to such certificate at each policy renewal) evidencing the coverage. If Supplier is unable to provide the insurance coverage specified in this Article then SOV shall be entitled, on commercially reasonable terms, to obtain all or any portion of such coverage at Supplier's sole cost and expense, and the premiums paid by SOV therefor shall not be subject to any limitations set forth in Article 25; provided that Supplier shall have the right, within sixty (60) days, to cure any failure to provide insurance hereunder so long as coverage does not lapse, and if coverage has lapsed or a lapse is imminent, then Supplier shall not be entitled to cure except as consented to by SOV in its reasonable discretion.

**24.4 Indemnification by Supplier**. Supplier shall defend, indemnify and hold SOV and its officers and employees harmless from and against all Losses arising from, in connection with or relating to, third party claims, actions and/or allegations based upon any of the following:

(a) Failure of Supplier or Supplier's Affiliates to perform any obligations required to be performed by either of them under a contract between either of those parties and the third party making the claim;

(b) Breach of Supplier's warranty set forth in Section 23.2(g) [Ownership; Non-Infringement];

(c) Breach of Section 23.2(i) [Viruses];

(d) Negligent, willfully malicious, fraudulent, bad faith or criminal acts or omissions of Supplier, Supplier, Personnel or Supplier's contractors;

(e) acts, omissions, occurrences and/or events Supplier is required to insure against pursuant to Article 24 [Insurance] and fails to do so;

(f) Supplier's or Supplier Personnel's breach of any obligations under Article 21 or 22 of this MSA;

(g) the improper or wrongful termination of, or abandonment of work under, any Statement of Work;

(h) any theft or other misappropriation of SOV's Resources, property or funds by Supplier or any Supplier Personnel;

(i) any actual, alleged, threatened or potential violation or contravention of any Laws by Supplier or Supplier Personnel;

(j) death of or injury to any individual, to the extent caused by the tortious conduct of such party or any entity acting for, in the name of, at the direction or supervision or on behalf of that party; and

(k) damage to, or loss or destruction or, any real or tangible personal property to the extent caused by the tortious conduct of Supplier.

**24.5 Infringement**. If any Supplier Resources or other goods, services or items (hereinafter, an "**item**") is, or in Supplier's reasonable opinion is likely to become, the subject of an infringement or misappropriation claim or proceeding, Supplier will, in addition to indemnifying SOV and honoring SOV's other rights under this MSA and all Laws, promptly take the following actions at no additional charge to SOV: (i) secure the right to continue using the item; (ii) if (i) is not reasonably available to Supplier, replace or modify the item to make it non-infringing, provided that the replacement or modification will not degrade performance or quality of the Services and performs substantially the same or equivalent function with the same or equivalent operating characteristics; or (iii) if (ii) is not reasonably available to Supplier, remove the item from the Services and the parties agree to equitably adjust the Charges associated with such item to reflect the diminished value to SOV of such removal.

**24.6 Indemnification Procedures.** Promptly after receipt of any written claim or notice of any action or incident giving rise to a claim for indemnification ("**Claim**"), SOV shall notify Supplier and provide copies of such Claim and any documents relating to same in its possession or any other relevant information. No failure of SOV to so notify Supplier shall relieve Supplier of its indemnification obligations except to the extent, but only to the extent, the failure or delay is prejudicial. Supplier shall have sole control over the defense and any settlement of such Claim; provided, however, that (i) SOV shall be entitled to participate in the defense of such Claim and to employ counsel at its own expense to assist in the handling of such Claim, and (ii) without SOV's written consent, Supplier may not admit that SOV has any liability, obligate SOV to pay any non-reimbursable sum or make any admission of a wrongdoing by SOV in conjunction with the defense or as a result of settlement of the Claim.

**24.7 Disclaimer of State of Vermont Indemnification Obligations.** Supplier acknowledges and agrees that the laws and the public policy of the State of Vermont prohibit the State from agreeing to indemnify contractors and other parties. Supplier agrees that to the extent this MSA or any Statement of Work expressly provide for or imply indemnification of Supplier and/or other third parties by the State of Vermont, such actions shall be waived and have no force and effect with respect to the State of Vermont.

## 25. LIMITATION OF LIABILITY

**25.1 General Intent**. Subject only to the limitations set forth in this Article, a party who breaches any obligations under this MSA or any Statement of Work shall be liable to the other for damages actually incurred by the other as a result of such breach. The parties agree that the limitations in this Article 25 will not be read so as to limit any liability to an extent that would not be permitted under applicable law.

**25.2 Limit on Types of Damages Recoverable**.

(a) EXCEPT AS SET FORTH IN SECTION 25.3 OF THIS ARTICLE BELOW, NEITHER PARTY SHALL BE LIABLE FOR INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES (OR ANY COMPARABLE CATEGORY OR FORM OF SUCH DAMAGES, HOWSOEVER CHARACTERIZED IN ANY JURISDICTION), REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, AND EVEN IF FORESEEABLE OR IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(b) Except as set forth in Section 25.3 of this Article below, each party's aggregate liability for damages under this MSA (including each and every Statement of Work hereunder) shall not exceed the amount of all direct provable damages suffered, incurred or sustained by such party hereunder up to a cap equal to the greater of (1) the amount paid or payable (based on aggregate Charges under this MSA and any Statement(s) of Work) to Supplier under this MSA; or (2) five million dollars ($5,000,000). In no event shall this MSA limit the liability of Supplier for claims made against Supplier by parties other than the State of Vermont. The following are agreed to be direct damages and neither party shall assert that they are consequential damages or any other form of damages for which recovery hereunder is denied by the provisions of Section 25.2(a) of this Article above to the extent that such damages result from Supplier's failure to fulfill its obligations in accordance with this MSA and/or any Statement of Work:

i. costs of recreating or reloading any of SOV's lost or damaged information;

ii. costs of implementing a workaround in respect of a failure to provide the Services;

iii. costs of replacing lost or damaged Supplier Facilities, Equipment, Software or other materials;

iv. costs and expenses incurred to correct errors in Supplier Facilities, Equipment and/or Software maintenance and enhancements provided as part of the Services;

v. costs and expenses incurred to procure the Services from an alternate source; and

vi. straight time, overtime, or related expenses incurred by SOV, including overhead allocations of SOV for SOV's employees, wages and salaries of additional employees, travel expenses, overtime expenses, telecommunication charges, and similar charges, due to the failure of Supplier to provide the Services or incurred in connection with (i) through (v) above.

**25.3 Exclusions Not Applicable**. The exclusions set forth in Sections 25.2(a) and 25.2(b) of this Article above shall not apply to (i) fraud, malicious or willful misconduct, recklessness or gross negligence of a party; (ii) any breach of Supplier's nondisclosure or confidentiality obligations contained in this MSA, or any violation of the Business Associate Agreement (provided that damages payable to SOV for a breach of Article 21 relating to Personal Information or the Business Associate Agreement related to Protected Health Information, but not caused by the gross negligence or willful misconduct of Supplier or its Affiliates or the personnel of either of them, shall be limited to a maximum of two (2) times the amount paid or payable (based on aggregate Charges under this MSA and any Statement(s) of Work) to Supplier under this MSA but not less than ten million dollars ($10,000,000); provided further that this cap on damages for breach of Article 21 relating to Personal Information or the Business Associate Agreement related to Protected Health Information only applies to damages

incurred by SOV and does not limit the amount payable by Supplier in indemnification under Section 24.4 or in damages to SOV under any other Section or for any other type of breach); (iii) any Claim that is the subject of indemnification pursuant to this MSA; (iv) improper or wrongful termination of this MSA or a Statement of Work or abandonment of work by Supplier, or (v) Supplier's breach of Section 23.2 (m) [Compliance with Laws].

**25.4** **Duty to Mitigate**. Each party shall have a duty to mitigate damages for which the other party is liable.

**25.5** Intentionally Deleted.

**25.6** **Force Majeure; Contingency Plans**

(a) Subject to Sections 25.6(b) and 25.6(c) of this Article below, neither party will be liable for default or delay in the performance of its obligations hereunder, to the extent such default or delay both:

(i) is caused by any of the following: acts of war, domestic and/or international terrorism, civil riots or rebellions, quarantines, embargoes and other similar unusual governmental actions; extraordinary elements of nature or acts of God; a failure of the Internet through no fault of the non-performing party; and

(ii) could not have been prevented by the non-performing party's reasonable precautions or commercially accepted processes, or could not have been reasonably circumvented by the non-performing party through the use of substitute services, alternate sources, work-around plans or other means by which the requirements of a buyer of services substantively similar to the Services hereunder would be satisfied. Events meeting both criteria set forth in clauses (i) and (ii) above are referred to herein individually and collectively as "**Force Majeure Events**." The parties expressly acknowledge that Force Majeure Events do not include and cannot be caused by vandalism, Laws, the regulatory acts of governmental agencies, labor strikes, or the non-performance of contractors relied on or otherwise engaged by Supplier as permitted herein for the delivery of the Services or any negligence or failure to properly perform obligations or provide Services in conformity with the terms and conditions of this MSA or any Statement of Work, unless such failure or non-performance by such contractors is itself caused by a Force Majeure Event. Upon the occurrence of a Force Majeure Event, the non-performing party will be excused from performance or observance of obligations so affected for as long as (1) the circumstances prevail and (2) the party continues to use commercially reasonable efforts to recommence performance or observance to the greatest extent possible without delay.

(b) If any Force Majeure Event lasts for five (5) consecutive days or fifteen (15) days in the aggregate or such lesser period of time which is the shortest period: (i) specified in SOV's standards and policies for such Services; (ii) specified in the Requirements for such Services; or (iii) specified in the Statement of Work for such Services, then at SOV's option and at any time thereafter that such Force Majeure Event continues, SOV may (reserving cumulatively all other remedies and rights at law, in equity and under this MSA) (x) procure the affected Services from an alternate source; or (y) terminate this MSA, in whole or in part, or any affected Statement of Work, without penalty or further obligation or liability of SOV, and the Charges payable under this MSA will be equitably adjusted by SOV to reflect those terminated Services.

(c) Notwithstanding any other provision of this Section, no Force Majeure Event shall relieve Supplier of its obligation to commence and successfully implement all of the Services relating to information security, disaster recovery and/or business continuity Services that are described in this MSA or included in any Statement of Work within the time period described in such Statement of Work

(d) Supplier shall at all times maintain business continuity, contingency and disaster recovery plans, procedures and capabilities with respect to the Services, including all Supplier Facilities, that meet all Requirements and applicable regulatory requirements, including Laws, if any (collectively, "**Contingency Plans**"). An abstract summary of the minimum standards required for Supplier's Contingency Plans applicable to the performance and resumption of the Services at all Supplier Facilities is attached hereto as Exhibit J [Contingency Plans]. With respect to disaster recovery, Supplier will, at a minimum:

(i) Perform functions in accordance with internationally accepted business continuity, contingency and disaster recovery planning standards and procedures agreed upon by Supplier and SOV, which standards and procedures will provide fully integrated cross-functional recovery, as specified in any procedures manuals that are developed by the parties for the Services ("**Procedures Manual(s)**") and which will be no less stringent than the standards and procedures used at well-managed, prudently managed operations providing functions and containing assets similar to the Services.

(ii) Perform tests and backups as specified in the Procedures Manual(s) or as otherwise reasonably necessary to maximize availability of the Services during problems, including disaster/business recovery functions for all SOV Information.

(iii) Provide, maintain, and as appropriate, upgrade, replace and enhance state of the art uninterrupted power supplies for all Equipment used to provide the Services.

(iv) Maintain backup network and telecommunications services that will allow SOV to dial-in or otherwise connect to the hot site or any other remote facility used by Supplier during a disaster.

(v) Provide technology change and upgrade capability so that business continuity, contingency and disaster recovery capabilities and resources stay current with the technology levels for the Services.

(vi) Refrain from making any changes or modifications to Supplier's business continuity, contingency and disaster recovery plans, procedures and capabilities that may affect the Services, SOV or Supplier's Facilities in the event of a disaster or business interruption. Supplier shall notify SOV at least sixty (60) days prior to making any changes or modifications to any Contingency Plans, and upon notice from SOV shall refrain from and delay initiating or implementing any such change if, as specified in said notice, SOV has reason to believe such change or modification may adversely affect any backup, recovery or contingency capabilities and resources applicable to the Services.

(vii) Develop and maintain a plan for the transition back to the Supplier Facilities upon cessation of the disaster or recovery from the business interruption and promptly implement such plan to restore the Services to normal operation.

(e) SOV shall retain authority for developing policies and business requirements regarding contingency planning, disaster recovery and business resumption planning applicable to the SOV Facilities. Supplier shall fully cooperate with SOV and provide such assistance as requested by SOV from time to time in connection with the testing and auditing of all SOV Contingency Plans and all other SOV policies, procedures and business requirements provided to Supplier or otherwise applicable to the SOV Facilities, Resources and Services (collectively, the "**SOV Contingency Plans**"). Supplier shall comply with the SOV Contingency Plans, including any Laws relative to SOV, to the extent such plans, policies, requirements and Laws apply to the Services. Supplier shall develop and execute contingency planning, business resumption and disaster recovery practices consistent with such policies, business requirements, and Laws, including a plan providing for the recovery of the Services in the priority order specified by SOV from time to time. SOV shall, from time to time, review and modify the policies and business requirements and such modifications shall be implemented by Supplier.

## 26. TERMINATION.

### 26.1 Deleted.

**26.2 Termination By State of Vermont for Cause.** The State of Vermont may (reserving cumulatively all other remedies and rights under this MSA and at law and in equity), by giving written notice to Supplier, terminate this MSA and/or any Statement of Work (and any other Statement of Work for which performance by Supplier thereunder is in the reasonable determination of State of Vermont materially adversely impacted by the termination of the breached Statement of Work), in whole or in part for the following breach events (provided that additional provisions regarding State of Vermont's right to terminate a Statement of Work may be set forth in such Statement of Work):

(a) if for (A) a material breach of a Statement of Work, or (B) a material breach of this MSA, and the applicable breach is not cured by Supplier within thirty (30) days of the date on which State of Vermont provides written notice of such breach or if the breach is not one that can reasonably be cured within thirty (30) days, but is one that is able to be cured, if the Supplier does not develop a plan to cure the breach within thirty (30) more days, or does not cure by the end of such second thirty (30) day period:

(b) upon written notice of termination for any material breach of the Business Associate Agreement entered into by the parties under this MSA;

(c) for repeated and material failures to meet Service Levels as set forth in each Statement of Work; or

(d) upon written notice of termination, if, as a result of the implementation of Supplier's contingency, backup, recovery, business interruption or continuity plans or any other reason, including a temporary relocation, Supplier is unable or fails, for any reason, to restore and return the provision and/or performance of Services, to the same national and legal jurisdiction as that specified in the Statement of Work, within thirty (30) days of written notice from State of Vermont (except to the extent that a delay is the result of written directions from State of Vermont to delay such restore and return).

Except as otherwise provided in this Article, State of Vermont shall notify Supplier of the exercise of any termination option set forth in this Section by delivering to Supplier written notice identifying the scope of the termination and the effective termination date, if other than immediate. If State of Vermont chooses to terminate any Statement of Work in part, the

Charges payable under such Statement of Work will be equitably adjusted by State of Vermont to reflect those Services that are not terminated.

**26.3 Other SOV Termination Rights.**

(a) **Deleted.**

(b) **Government Contracts.** In the event that any government or governmental agency or instrumentality, either inside or outside the United States, terminates any agreement with SOV (each, a "**Government Contract**") and Supplier was providing Services under a Statement of Work that contemplated, provided or supported all or any part of such Government Contract, SOV may terminate such Statement of Work immediately for convenience and without cause at any time by giving Supplier written notice.

(c) **Laws.** SOV may terminate this MSA and/or any and all Statements of Work, in whole or in part, immediately and without cause at any time by giving Supplier written notice, in the event that any changes to the Laws of the United States or any other government or governmental agency or instrumentality (including in its capacity as a customer of SOV under any Government Contract) or the interpretation of such Laws by any such agency or instrumentality: (i) prohibits or imposes conditions or restrictions on the provision of all or any portion of any Service in the manner contemplated or in effect hereunder; (ii) objects to all or any portion of this MSA, any Statement of Work or any Services contemplated hereby, including, any objection to the provision of all or any portion of any Services outside the United States, or by an offshore or foreign service provider; (iii) imposes or seeks to impose any material or substantial burdens on any of the Services or transactions contemplated by this MSA; and/or (iv) requires SOV to terminate this MSA and/or any Statement of Work in whole or in part or requires SOV to insert any provisions into contracts and agreements applicable to the Services hereunder (in which event this MSA, including each Statement of Work, shall be deemed amended to comply therewith).

(d) **Change of Control.** In the event that Supplier undergoes a change in Control (except a change in Control among Supplier's then current executives) where Supplier is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of Supplier's assets are acquired, by any entity, or Supplier is merged with or into another entity to form a new entity, Supplier shall provide SOV with notice and this MSA and the Subcontract Agreement shall be assigned to the acquirer provided that acquirer agrees in writing to be bound by the terms and conditions of this MSA and the Subcontract Agreement. Notwithstanding these provisions, if the assignment to a proposed acquirer creates a conflict of interest for the State of Vermont, SOV may terminate this MSA and/or any or all Statements of Work, in whole or in part, without further liability or obligation, by giving Supplier at least sixty (60) days prior written notice.

(e) **Revocation of Funding; Appropriations.** SOV may terminate this MSA and/or any and all Statements of Work, in whole or in part, immediately and without cause at any time by giving Supplier written notice, in the event that any of SOV's funding sources to carry out such mandate are reduced or revoked. If appropriations are insufficient to support this MSA or any Statement of Work, SOV may cancel on a date agreed to by the parties or upon the expiration or reduction of existing appropriate authority. In the case that this MSA or any Statement of Work is funded in whole or in part by federal or other non-State funds, and in the event those funds become unavailable or reduced, SOV may suspend or cancel this MSA or any Statement of Work immediately, and SOV shall have no obligation to fund this MSA or any Statement of Work from State revenues.

(f) **Insolvency**. SOV may immediately terminate this MSA in its entirety (including all Statements of Work), if Supplier (i) becomes insolvent or is unable to meet its debts as they mature, (ii) files a voluntary petition in bankruptcy (or any other equivalent, comparable or similar legal protection applicable to debtors in the jurisdiction) or seeks reorganization or to effect a plan or other arrangement with creditors, (iii) files an answer or other pleading admitting, or fails to deny or contest, the material allegations of an involuntary petition filed against it pursuant to any applicable statute relating to bankruptcy, arrangement or reorganization, (iv) shall be adjudicated a bankrupt or shall make an assignment for the benefit of its creditors generally, (v) shall apply for, consent to or acquiesce in the appointment of any receiver or trustee for all or a substantial part of its property, or (vi) any such receiver or trustee shall be appointed and shall not be discharged within thirty (30) days after the date of such appointment.

**26.2 Deleted**.

**26.3 Deleted**.

**26.4 Effect of Termination.** Termination of this MSA or any Statement of Work or categories of Services, in whole or in part and for any reason, shall not affect (a) any liabilities or obligations of either party arising before such termination or out of the events causing such termination, or (b) any damages or other remedies to which a party may be entitled under this MSA or any Statement of Work, at law or in equity.

**26.5 Termination Assistance**.

(a) Commencing six (6) months prior to the expiration of this MSA or any Statement of Work or such earlier date as SOV may request, or commencing upon notice of termination or non-renewal of this MSA or any Statement of Work for any reason, and continuing through the effective date of expiration or termination thereof, Supplier will provide pursuant to terms mutually accepted by each party SOV or its designee (collectively, "**Successor**"), such termination assistance services as are required to allow the Services to continue without interruption or adverse effect and to facilitate orderly migration and transfer of the Services to the Successor ("**Termination Assistance**"). Without limiting the generality of the foregoing:

(b) If SOV is entitled to a license, sublicense or other right to use any Equipment or Software owned, leased or licensed by Supplier and utilized in performing the Services, Supplier will provide for the license, sublicense, lease or other right, as applicable, as part of Termination Assistance.

(c) Once the parties have reached agreement on the nature and scope of the Termination Assistance, Supplier shall provide to SOV a reasonable, good faith estimate of the entire cost thereof, and such Charges shall be billable in accordance with the parties' previously agreed upon billing practices and as further set forth herein. Unless the parties have agreed in writing in advance that the amount paid by SOV will constitute a fixed settlement price for Termination Assistance all then undisputed, unpaid billed and unbilled Services through the effective date of termination, upon Supplier's completion and SOV's acceptance of all services relating to the Termination Assistance, Supplier shall deliver to SOV reasonably detailed invoices covering such Services and all Services performed through the effective date of termination not previously invoiced, which shall be prepared based upon all of the rates and Charges contained in Supplier's estimate or, if applicable and not included in the estimate, the applicable Statements of Work (as same may have from time to time been amended by the parties as specifically permitted herein). To the extent that the total amount paid by SOV is more than the total amount of the final invoices relating thereto (after giving effect, if applicable, to the

resolution of any properly disputed amounts), Supplier shall promptly refund SOV the difference. To the extent that the amount paid by SOV is less than the total amount of such invoices (after giving effect, if applicable, to the resolution of any properly disputed amounts), SOV shall promptly pay to Supplier the difference.

(d) Supplier acknowledges that, if it were to breach, or threaten to breach, its obligation to provide SOV with Termination Assistance, SOV would be immediately and irreparably harmed and monetary compensation would not be measurable or adequate. In such circumstances, SOV shall be entitled to obtain such injunctive, declaratory or other equitable relief as SOV deems necessary to prevent such breach or threatened breach, without the requirement of posting any bond and Supplier waives any right it may have to allege or plead or prove that SOV is not entitled to injunctive, declaratory or other equitable relief. If the court should find that Supplier has breached (or attempted or threatened to breach) any such obligations, Supplier agrees that without any additional findings of irreparable injury or other conditions to injunctive or any equitable relief, Supplier will not oppose the entry of an order compelling its performance and restraining Supplier from any further breaches (or attempted or threatened breaches).

## 27. DISPUTE RESOLUTION.

**27.1 General**. Unless specifically provided otherwise in this MSA or a particular Statement of Work, any dispute or controversy between the parties hereunder shall be resolved as provided in this Section. A dispute over payment will not entitle Supplier to withhold, suspend or decrease its required performance under this Agreement. Supplier shall continue performing its obligations hereunder while the parties are seeking to resolve any dispute in accordance with this Article, unless and until such obligations are terminated or expire in accordance with the provisions of this MSA or the applicable Statement of Work and the existence of such dispute shall not relieve either party of any of its obligations under this MSA and any and all Statements of Work.

**27.2 Informal Dispute Resolution**. The parties may attempt to resolve any dispute or controversy hereunder, informally by submitting the dispute, in writing, to the SOV and Supplier managers responsible for the Statement of Work or Statements of Work giving rise to the dispute ("**Statement of Work Project Managers**"), who shall meet in person or by telephone conference call in an effort to resolve the dispute, as often as they deem necessary to gather and analyze any information relevant to the resolution of the dispute, but not less than once every day.

(a) During the course of attempting to resolve the dispute informally, all reasonable requests for non-privileged information related to the dispute, made by one party to the other, shall be honored; provided, however, in attempting to resolve the dispute, the conduct and activities of the parties, any offers of compromise, all settlement proposals and/or information exchanged shall: (i) be considered Information that is confidential and proprietary to each of the parties, and therefore, prohibited from disclosure by either of them in accordance with the provisions of Article 21 [Confidentiality]; (ii) be considered settlement discussions, and shall be inadmissible in any subsequent proceedings; and (iii) shall in no way be construed or deemed to preclude, prohibit or restrict either party, at any time or in any manner, from proceeding to litigation or otherwise exercising any right or remedy available to it under this MSA, at law or in equity.

(b) If the Statement of Work Project Managers determine in good faith that resolution through continued discussions does not appear likely or if the dispute is not resolved within five (5) business days after the dispute has been submitted in writing, either party

may notify the other ("**Dispute Notice**") to proceed with the following escalation and dispute resolution procedures:

i. The Statement of Work Project Managers shall gather any additional information relevant to the resolution of the dispute and which may be necessary and appropriate for presentation to the Supplier Account Manager and an executive designated by CGI or State of Vermont, as applicable ("**SOV Executive**") (identified by CGI or State of Vermont, as applicable within two (2) business days of receipt of the notification above) responsible for the Services involved in such dispute.

ii. The Statement of Work Project Managers shall, within fifteen (15) business days after the Dispute Notice has been given, submit a Report to the Supplier Account Manager and designated SOV Executive which includes a description of the nature, extent and basis of the dispute, how the dispute arose, the U.S. dollar amount involved in the dispute, any agreed upon statements of fact, a fair, accurate and complete representation of the positions of each of the parties in the dispute, and any other information relevant to the dispute, including information that represents agreed upon stipulations and statements of fact, as well as points of disagreement between the parties. The Report shall include one or more recommendations and alternatives which the parties believe the Supplier Account Manager and designated SOV Executive should consider. A description of the projected impact of the failure to resolve the dispute promptly and amicably shall also be included in the submission. Each party may include separate statements of impact, recommendations or other information to the extent any of the participants cannot or do not agree on particular items.

iii. Not later than ten (10) days after the Report in connection with any dispute is submitted to them for review, the Supplier Account Manager and designated SOV Executive shall meet in an attempt to resolve the dispute. Either party may request additional information, material, advice and input from individuals and organizations inside or outside CGI's or State of Vermont's as applicable, and Supplier's organization.

iv. If the Supplier Account Manager and designated SOV Executive are unable to resolve the dispute within five (5) business days after the aforesaid meeting date, the parties may mutually agree to refer the dispute to non-binding mediation, which shall be conducted using the rules and procedures promulgated by the American Arbitration Association, applicable to mediation in a location to be agreed upon in Vermont, where the parties agree all such proceedings shall be conducted. Such mediation shall be conducted by a qualified neutral, independent third party mediator, knowledgeable in the subject matter of the dispute and, if the parties cannot agree upon a mediator, each party shall select such a mediator and the two (2) mediators so selected shall mutually agree upon a third and the mediation shall, in that case, be conducted by a panel of the three (3) mediators so selected. Each party shall bear its own expenses and an equal share of the expenses of the mediator(s) and the fees of the American Arbitration Association.

v. If the parties accept and agree to the mediators' recommendations or otherwise reach agreement resolving the dispute, such agreement shall be made in writing and once duly executed, shall be binding on the parties; provided, however, that for the avoidance of any doubt or ambiguity, nothing in this MSA or any

Statement of Work shall be construed as restricting, prohibiting, preventing or otherwise impairing either party from proceeding to litigation, instituting judicial or other proceedings, including a formal claim or legal action, or from pursuing any and all other legal, equitable or contractual remedies available to such party, at any time. Notwithstanding anything in this MSA to the contrary, State of Vermont shall not agree to arbitration and State of Vermont shall not waive any right to a trial by jury.

**27.3 Governing Law.** All questions concerning the validity, interpretation, enforcement and performance of this MSA and all Statements of Work shall be governed by and decided in accordance with the substantive internal laws of the state of Vermont without regard to its choice of law principles.

**27.4 Jurisdiction and Venue.** THE PARTIES HEREBY SUBMIT AND IRREVOCABLY CONSENT TO VENUE IN AND THE EXCLUSIVE JURISDICTION OF SUPERIOR COURT OF THE STATE OF VERMONT, CIVIL DIVISION, WASHINGTON UNIT, AND IRREVOCABLY AGREE THAT ALL ACTIONS OR PROCEEDINGS RELATING TO THIS MSA AND ANY STATEMENT OF WORK SHALL BE LITIGATED IN STATE COURTS, AND EACH OF THE PARTIES WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED ON IMPROPER VENUE OR FORUM NON CONVENIENS TO THE CONDUCT OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURT. SUPPLIER HEREBY CONSENTS TO BE JOINED IN ANY ACTION OR PROCEEDING IN WHICH THE STATE OF VERMONT IS A DEFENDANT AND FOR WHICH SUPPLIER IS REQUIRED TO INDEMNIFY THE STATE OF VERMONT PURSUANT TO THE PROVISIONS OF THIS MSA OR ANY STATEMENT OF WORK. Except as required by the indemnification provisions of this MSA, neither party shall be liable for attorney's fees incurred by the other party in any proceeding. The parties expressly agree that no provision of this MSA or any Statement of Work is in any way intended to constitute a waiver by the State of Vermont of any immunities from suit or from liability that the State of Vermont may have by operation of law.

**27.5 Equitable Remedies.** The parties agree that, notwithstanding the provisions of Section 27.2 of this Article [Informal Dispute Resolution], either party may seek immediate injunctive or equitable relief which may be enforced by the preliminary or permanent, mandatory or prohibitory injunction, temporary or permanent restraining or other order of a court of competent jurisdiction, subject to Section 27.4, without the posting of any bond or other security, in the event of any breach or threatened breach of any provision of this MSA or any Statement of Work involving: (i) Information; (ii) Supplier IP, intellectual, industrial or other property rights; (iii) the protection from physical harm, personal injury or property damage; (iv) a good faith determination that damages from a breach will be immediate, irreparable or so severe or incapable of adequate redress or compensation, only injunctive or other equitable relief would be adequate; or (v) any other matter for which equitable rights may be granted and money damages would be an inadequate remedy.

## 28. GENERAL.

**28.1 Independent Review.** Supplier acknowledges and agrees that SOV is required pursuant to 3 V.S.A. § 2222 to obtain an independent expert review of this Agreement and the services to be rendered hereunder, which review shall be commenced as soon as practicable after the Effective Date of this Agreement. Such review will include, as required by law: (A) an acquisition cost assessment; (B) a technology architecture review; (C) an implementation plan assessment; and (D) a cost

analysis and a model for benefit analysis. Upon completion of the review, and upon SOV's request, Supplier shall meet with SOV to discuss the results and Supplier will cooperate with SOV to address any aspects of the Agreement or services that are identified in the review as SOV deems necessary. Supplier acknowledges and agrees that if necessary and as required by SOV, the Agreement and/or the applicable Statement(s) of Work will be amended to address the issues identified in the review.

**28.2 Assignment.** Excluding the Change of Control provisions of Section 26.3(d), neither this MSA, nor any rights or obligations hereunder, is assignable, by operation of Laws, voluntarily by a party, or otherwise, without the prior written consent of SOV (which consent shall not be unreasonably withheld) and any attempt to do so without such written consent shall be void *ab initio*. Subject to the foregoing, this MSA and each Statement of Work shall be binding on the parties and their respective successors and permitted assigns.

**28.3 Expenses.** In this MSA, unless otherwise specifically provided herein or in a Statement of Work, all costs and expenses (including the fees and disbursements of legal counsel) incurred in connection with this MSA and the performance of the transactions and obligations contemplated by this MSA shall be borne by the party incurring such expenses.

**28.4 Reliance by SOV on Representations.** All payments by SOV under this MSA or any Statement of Work will be made in reliance upon the accuracy of all prior representations by Supplier, including but not limited to bills, invoices, progress reports and other proofs of work.

**28.5 Supplier Bankruptcy**. Supplier acknowledges that if Supplier, as a debtor in possession, or a trustee in bankruptcy in a case under Section 365(n) of Title 11, United States Code (the "Bankruptcy Code"), rejects this MSA, SOV may elect to retain its rights under this MSA as provided in Section 365(n) of the Bankruptcy Code. Upon written request of the State of Vermont to Supplier or a bankruptcy trustee, Supplier or such bankruptcy trustee shall not interfere with the rights of the State of Vermont as provided in this MSA, including the right to obtain the SOV Information.

**28.6 No Gifts or Gratuities.** Supplier shall not give title or possession of anything of substantial value (including property, currency, travel and/or education programs) to any officer or employee of State of Vermont during the Term.

**28.7 Copies**. All written reports prepared under this MSA will be printed using both sides of the paper.

**28.8 Deleted.**

**28.9 Further Assurances.** Each party shall provide such further documents or instruments required by the other party as may be reasonably necessary, appropriate or desirable to give effect to this MSA and to carry out its provisions.

**28.10 Severability.** Any provision in this MSA which is prohibited, invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, invalidity or unenforceability, without invalidating, affecting or impairing the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction. To the extent practicable, the prohibited, invalid or unenforceable provision shall be replaced, for purposes of such jurisdiction, with a permitted, valid and enforceable provision which comes closest to the intention of the parties with respect to the provision so replaced.

**28.11 Notices.** The following contacts are in addition to the contacts in the Agreement.

**For purposes of notice under Access to Public Records Act:**

Dani Delong
Public Records Officer
Department of Vermont Health Access
312 Hurricane Lane
Williston, VT 05495
Ph: (802) 879-5901
Fax:(802) 879-5962
Dani.delong@state.vt.us

**For purposes of notice in the event of a security breach:**

Michael K. Morey
Chief Information Officer
Department of Information and Innovation
Phone: (802) 828.1144
Email: michael.morey@state.vt.us

**With a Required Copy in all cases to:**

Allan W. Ruggles
Assistant Attorney General
Department of Vermont Health Access
312 Hurricane Lane
Williston, VT 05495
Ph: (802) 879-5901
Fax:(802) 879-5962
Allan.ruggles@state.vt.us

**28.12 Survival.** Any provision of this MSA which contemplates performance or observance subsequent to any termination or expiration of this MSA or which must survive in order to give effect to its meaning, shall survive the expiration or termination of this MSA.

**28.13 Deleted.**

**28.14 Third Party Beneficiaries.** Nothing in this MSA, express or implied, shall or is intended to confer on any other entity, any rights, benefits, remedies, obligations or liabilities of this MSA, other than the State of Vermont, the parties, their respective successors or permitted assigns.

**28.15 Deleted.**

**28.16 Deleted.**

CGI TECHNOLOGIES AND SOLUTIONS INC.

# STATEMENT OF WORK No. 1

This Statement of Work Number 1 is issued pursuant to the Subcontractor Agreement effective as of April 8, 2013 (the "Subcontract") between COCO Development, LLC, DBA Benaissance. ("Subcontractor" or "Benaissance"), and CGI Technologies and Solutions Inc. ("CGI").

## 1. Effective Date of this Work Order.

This Statement of Work is effective as of April 8, 2013 ("Statement of Work Effective Date") and shall continue through December 31, 2016, which shall constitute the "Statement of Work Term". The Statement of Work Term may be extended for up to two (2) one-year periods at the option of CGI.

The parties acknowledge and agree that as of the earlier of October 1, 2013 or the VT HBE Production Go-Live, or upon request by the State, ("Assignment Date"), this Statement of Work with its attachments, exhibits and applicable terms and conditions, is assigned to and accepted by the State of Vermont and that any contractual relationship regarding the Services to be provided hereunder after such Assignment Date will be between the State and Benaissance.

## 2. Services to be Performed and Schedule of Performance

### A. Scope of Services

Subcontractor will support CGI's efforts under the Prime Contract by integrating its HBEpoint Software-as-a-Service solution, ("The Solution"), an enterprise class premium billing application optimized for Health Benefit Exchanges with the Vermont Health Benefits Exchange (VT HBE) developed by CGI for the State of Vermont (State).

### B. Location of Services

Subcontractor will perform Services under this SOW at a State provided Facility, or at subcontractor facility as required. For the avoidance of doubt Benaissance is hosting the HBEpiont solution in their current (primary) data center in Papillion, NE and utilizing the Benaissance disaster recovery site in Lenexa, KS. Specific work location for Benaissance staff will be governed by the CGI project schedule and or as requested by the CGI project manager or the Client project director. Performance of all Services including data center hosting of The Solution will be located in the U.S.

### C. Deliverables and Work Products

This Project Management Plan (PMP) provides the approach and processes for managing and controlling the life cycle activities of the VT HBE project. The PMP is a vehicle for communication of project management processes, supporting a common understanding among project team members and other stakeholders, and addresses the following:

- Describes the project and the way it will be managed
- Identifies the project management processes that will be used for the duration of the project
- Defines the roles and responsibilities for project management processes

- Defines the tools that will be used to manage these processes
- Provides key artifact standards and templates related to the processes described

The Subcontractor will adhere to the project management processes described in the VT HBE PMP. The current list of project deliverables and milestones is attached hereto as Schedule C and details those items where the Benaissance team will be R- Responsible, S – Supports, or N/A – Not Applicable (has no responsibility) for each deliverable or milestone. These lists are point in time extracts from the current VT HBE project plan.

D. Project Schedule

A VT HBE project schedule has been developed and is attached in Schedule B hereto. Subcontractor will provide the services to support the requirements defined in Schedule A, ("Services"), in accordance with the timeframes set forth in the project schedule. Subcontractor will work in conjunction with the CGI project manager and CGI project scheduler to integrate Subcontractor project tasks and activities within the larger CGI project schedule. For the avoidance of doubt and for the purposes of project delivery management, the CGI project schedule is the master schedule. Subcontractor's project manager will produce a schedule that describes Subcontractor's tasks and activities in support of the RTM one week after SOW signature.

E. Acceptance Criteria and Process

The deliverable acceptance criteria and processes are set forth in the project VT HBE PMP. The CGI project manager will work in conjunction with the Benaissance project director and project manager to develop acceptance criteria unique to the Benaissance teams' responsibilities in support of project deliverables and milestones.

Acceptance criteria for each of the Benaissance specific deliverables will be developed and approved before the start of each of the deliverables,(i.e. deliverable expectations and acceptance criteria are established before the work for a given milestone commences). The CGI project manager will work with the Benaissance project manager to develop the deliverable expectations and acceptance criteria.

F. Subcontractor Personnel

Subcontractor will:

(i) During the Implementation phase - provide the necessary functional and technical staff to support the configuration, modification, testing and implementation of The Solution. The Solution will be implemented in a manner that will satisfy the premium processing Requirements Traceability Matrix ("RTM") attached hereto as Schedule A and according to the project schedule as attached hereto as Schedule B.

(ii) During the Operations and Maintenance (O&M) phase - employ sufficient staff, to meet the SLAs as established in Section 9, Service Level Agreements, in support of the business processing operations necessary to support the workload generated by the VT HBE solution.

Subcontractor will be responsible for providing Key Personnel documented in the table below for the duration of the project. For the implementation phase Key Personnel identified in the table below once assigned to the project will not be replaced for the duration of their involvement in the project per the defined project plan and schedule without the prior written

consent of CGI, which consent will not be unreasonably withheld or delayed. The parties agree to meet and confer with respect to the possible removal of Key Personnel providing services. CGI retains the right to reasonably approve and/or request removal of any Key Personnel. The State or Vermont in consultation with CGI may also request the removal or approval of Key Perosnnel..

| Key Personnel | Role |
|---|---|
| Mark Waterstraat | Account Manager/Functional Lead |
| Vik Kodipelli | Technical Architect |
| Tom Kern | Technical Lead |
| Steve Cudly | Project Manager/Statement of Work Manager |
| Liz Kerrigan | Business Analyst |

G. Meetings and Reporting.

- As requested by CGI, Subcontractor senior management shall meet on a bi-weekly basis with the CGI project manager and/or the Client project director to report on the status of the project, status of Subcontractor's tasks in the project schedule, issues and risks regarding the project, and plans to mitigate any outstanding issues and risks.
- If requested by the CGI project manager or Statement of Work Manager, Subcontractor's Statement of Work Manager shall participate in weekly status meetings with CGI and the Client project director and other members of the Client project team during the project at times set forth in the approved project schedule or as otherwise agreed to by the parties.
- Written status reports shall be provided by Subcontractor project manager by end of day on the first (1st) working day following the end of each weekly reporting period. Status reports shall describe the previous week activities, including deficiencies encountered and their disposition, results of tests, whether or not deadlines were met, and any deficiencies that may have arisen that need to be addressed before proceeding to the next activities. Also described will be the anticipated activities for the current week and any changes to project risks and risk mitigations. During the first week after SOW signature the CGI project manager and the Subcontractor project manager will meet to finalize the status report format.

---

3. Compensation.

A. Payment Terms

The Implementation phase tasks and activities will be delivered for a Firm Fixed Price as described in the table below. Payments will be made upon the successful completion and acceptance of each deliverable by the CGI project manager according to the agreed upon acceptance criteria.

PREMIUM PROCESSING IMPLEMENTATION DELIVERABLES

| Implementation | | | | | | |
|---|---|---|---|---|---|---|
| **Description** | | | **Cost** | | | |
| Fixed Price Implementation Fee | | | **$ 1,437,600.00** | | | |
| **ID** | **Deliverables** | **Due Date** | **Cost** | **% Distribution** | ***LD Category** | **Max Penalty** |
| D-14 | Requirement Traceability Matrix | 4/5/2013 | $ 51,753.60 | 3.60% | NA | NA |
| D-15 | Requirements Specifications Document | 4/18/2013 | $ 76,192.80 | 5.30% | NA | NA |
| D-18 | Systems Design Document | 4/25/2013 | $ 115,008.00 | 8.00% | M | $ 9,200.64 |
| D-16 | Test Plan | 5/8/2013 | $ 71,880.00 | 5.00% | M | $ 5,750.40 |
| D-29 | Test Reports | 8/20/2013 | $ 129,384.00 | 9.00% | H | $ 12,938.40 |
| | October Release | 10/1/2013 | $ 192,638.40 | 13.40% | H | $ 19,263.84 |
| | State Premium Subsidy - Test Report | 8/30/2013 | $ 81,943.20 | 5.70% | M | $ 6,555.46 |
| | State CSR - Test Report | 9/13/2013 | $ 143,760.00 | 10.00% | M | $ 11,500.80 |
| | Hierarchical Allocation - Test Report | 1/15/2014 | $ 215,640.00 | 15.00% | M | $ 17,251.20 |
| | February Release Hierarchical Allocation - GoLive | 2/1/2014 | $ 359,400.00 | 25.00% | H | $ 35,940.00 |
| | **Total** | | **$ 1,437,600.00** | 100.00% | | |

## B. LIQUIDATED DAMAGES

Each party agrees that the failure by Subcontractor to meet the delivery dates for the deliverables as depicted in table Premium Processing Implementation Deliverables above will cause CGI to suffer damages which are difficult to estimate. A liquidated damages category is associated with each deliverable. For the avoidance of doubt, liquidated damages apply to the deliverables associated with the Premium Processing Implementation Phase Deliverables and not to the Variable Operations and Maintenance costs.

Amount of Liquidated Damages
The parties agree that the amount of damage to CGI will be as follows:

For Deliverables categorized as **Medium**:

1 to 3 days late per Deliverable 5%;
4 to 7 days late per Deliverable 6%;
8 to 14 days late per Deliverable 7%;
After 14 days late per Deliverable 8%.

For Deliverables categorized as **High**:

1 to 3 days late per Deliverable 4%;
4 to 7 days late per Deliverable 6%;
8 to 14 days late per Deliverable 8%;
After 14 days late per Deliverable.10%

## C. PAYMENT.

Any Liquidated Damages due to CGI hereunder shall be deducted from all or any portion of the charges payable to Subcontractor in accordance with the Implementation Deliverables Table above. CGI shall notify Subcontractor in writing before CGI deducts such sums from the Charges.

## D. EARNBACK.

If Subcontractor meets all criteria set forth for performing the Services for the first full calendar month after the October 1, 2013 release and performing the Services for the first full calendar month after the February 1, 2014 release, then Subcontractor will be entitled to earn back fifty percent (50%) of the Liquidated Damages paid to CGI under this SOW. The Supplier's earn back of Liquidated Damages is not a waiver by CGI of any right it may have under the Agreement.

## E. PRICING ASSUMPTIONS

(I). Benaissance services are quoted on a PMPM subscription basis with a guaranteed minimum. When performing direct billing of individuals pricing is per enrolled subscriber per month and when performing consolidated group premium billing for employers pricing is per enrolled employee per month.

(II). Benaissance will perform outsourced premium billing, premium payment processing, monthly premium remittance to Issuers, and monthly refund processing (to Individuals or SHOP employers who terminate with an overpaid partial balance) for both the Individual and SHOP Exchanges.

(III). Benaissance will support premium payment by individuals and small group employers by paper payment by mail, online Visa and MasterCard credit or debit cards, online ACH, and recurring ACH.

(IV). Monthly premium remittance will be via ACH initiated by Benaissance directly to each Issuer and accompanied by a HIPAA 820 file which Benaissance will provide to the Exchange for the Exchange to provide to the Issuer.

(V). The pricing assumes the issuers in Vermont will cooperate with the Benaissance model of allowing Benaissance to treat each SHOP employer as if they are on a "self-bill model" (as that term is used in the commercial group health insurance industry) where the Benaissance HBEpoint technology will calculate a monthly posted and adjusted consolidated premium invoice for each employer and where each employer is able to perform monthly in-advance enrollment adjustments within the VT HBE interface effectively allowing the employers to perform online in-advance review and repair of their invoice each month thereby eliminating the need for in-arrears manual reconciliation.

(VI). The pricing assumes the only physical mail items Benaissance will produce and mail through the USPS will be premium invoices, late payment reminders, discrepancy correspondence (to be defined), and/or partial payment letters sent only to those Individuals or Employers (and their employees as required) who elect to receive communications via USPS mail. The pricing assumes first-class postage for items mailed through the USPS will be passed through to the Client at cost. The same communication items will be provided securely through appropriate electronic communication methods through the VT HBE for those Individuals and/or SHOP

employers who elect to receive electronic communications. The pricing assumes all communication items will be provided in English.

(VII). The pricing assumes the physical location of the paper payment processing operation (lockbox) will be the in-production Benaissance shared lockbox in Omaha, NE. For the avoidance of doubt should Benaissance elect to move their lockbox during the term of this contract there should be no additional charges to CGI or to the State.

(VIII). The pricing assumes that the custodial bank account for daily deposit of premium payments before premium remittance to the Issuers will be a State of Vermont owned bank account. The pricing assumes Benaissance will integrate with one and only one back for transmission of X9.37 files and NACHA files. Interfaces to other banks preferred by the State can be supported but will result in additional integration fees. The pricing assumes that the State will absorb all banking fees related to this bank account including returned item fees. The pricing further assumes that all merchant processing fees will be paid by Benaissance for electronic payment transactions. The State of Vermont consents to allowing Benaissance to charge a convenience fee or a surcharge in addition to the premium due amount to Vermont consumers and employers who elect to pay their premiums by electronic payment transactions, and Benaissance will retain such convenience fees or surcharges as Benaissance revenue to offset Benaissance payment of the merchant processing fees. Benaissance consents to working with the Secretary of Administration to mutually agree to the convenience fee or surcharge amounts charged. Benaissance will provide a report to the Secretary of Administration every six months totaling the merchant processing fees paid and convenience or surcharge fees earned during the preceding six months and will work with the Secretary of Administration to adjust the convenience or surcharge fees if mutually deemed appropriate.

(IX). The pricing assumes Benaissance will not be calculating or paying commissions or grants or fees to brokers/agents or Navigators.

(X). The pricing assumes Benaissance will operate a level 3 call center in Omaha, NE to support the VT HBE call center in resolving Individual and SHOP employer inquiries regarding billing related issues. For the avoidance of doubt State will operate the level 2 call center and State's vendor (Maximus) will operate the level 1 call center.

(XI). The pricing assumes Benaissance will integrate only with the VT HBE Enterprise service Bus (ESB).

(XII). The pricing assumes the use of the proprietary Benaissance HBEpoint SaaS technology by Benaissance in performing their role in support of the RTM. The Hierarchical Allocation functionality described herein to be provided by Benaissance is and shall be treated as a Customization as defined in Exhibit B Section 15.3(b).

(XIII). The pricing assumes that Benaissance will not be providing general accounting technology or functionality for general use by the VT HBE operational unit outside of the premium billing functionality stated above.

(XIV). Benaissance pricing assumes HBEpoint will be hosted by Benaissance in their current Tier IV (primary) data center in Papillion, NE. The Benaissance Tier IV disaster recovery site in Lenexa, KS will all be included as a part of the delivered services and solution. For the avoidance of doubt should Benaissance elect to move The Solution from their current primary or disaster recovery data centers there should be no additional charges to CGI or to the State as a result of these changes.

5. Statement of Work Managers.

The Statement of Work Managers are:

| CGI | Subcontractor |
|---|---|
| Kathy Arle<br>Director, Consulting Services, CGI | Steve Cudly<br>Technical Project Manager, Benaissance |

6. Other Resources and Responsibilities of Subcontractor.

A. Subcontractor will be responsible for providing the following technical environments according to the dates agreed to in the project schedule: development, integration test, user acceptance test, pre-production staging, and production.

B. All Subcontractor communication with the Client will be coordinated with the CGI Statement of Work Manager.

C. During the implementation and testing phases of the project, Subcontractor will provide the CGI team with a mutually agreed to number of access IDs to the HBEpoint Admin Portal for the purposes of test case validation of The Solution. During the user acceptance test and production implementation phases of the project Subcontractor will provide Client with a mutually agreed to number of access IDs to the HBEpoint Admin Portal for the purposes of user accept test validation (during UAT), and during the production implementation phase to support the VT HBE accounting team's need for direct access to premium and payment subscriber and employer premium and payment data.

D. Subcontractor is responsible to provide Subcontractor personnel access-control protected, encrypted laptops with centrally managed, commercially available anti-virus software installed, that are capable of supporting the remote-access VPN client and thereby accessing the Secured CGI environment described below.

E. In accessing the Secured CGI Environment, Subcontractor will not without express Prime Contractor authorization: (i) access SOV Data for any purpose outside of the scope of services under this SOW; (ii) intentionally alter or circumvent any CGI security controls safeguarding the Secured CGI Environment; or (iii) share any access credentials, passwords, or other confidential access-control mechanisms provided by, or generated on behalf of, CGI for Subcontractor personnel to use in accessing the Secured CGI Environment, and immediately notify CGI upon becoming aware of any unauthorized access to, or disclosure of, such CGI provided access credentials. Subcontractor personnel accessing the Secured CGI Environment shall do so only: (a) from encrypted, access-control-protected, Subcontractor or CGI-issued computers where an instance of the VPN client is installed; and (b) from nonpublic areas in the United States (additional country locations are subject to approval by CGI) or State, CGI, Subcontractor or its affiliates entry-regulated facilities or such other nonpublic areas where any person not authorized to view such State Data is not immediately present.

F. Documentation to be provided:
Benaissance Service Interface Specifications
Benaissance Payment Services Customer Manual

7. Other Provisions.

A. CGI shall provide a secured electronic workspace environment hosted by CGI and a secured remote-access virtual private network solution to access to such environment (such virtual private network solution, the "VPN"; and such VPN along with such environment, the

"Secured CGI Environment"). CGI will only provide or make available to Subcontractor personnel, and Subcontractor personnel will only thereupon access, any SOV Data (defined in Exhibit B Prime Contract Terms) in the Secured CGI Environment. CGI shall provide and host within the Secured CGI Environment those applications covered under the Prime Contract), as appropriately configured and reasonably necessary to enable Subcontractor to utilize the SOV Data to perform its services under this SOW without Subcontractor having to download or otherwise store or maintain a persistent copy of any such SOV Data on its local machines or elsewhere outside of the Secured CGI Environment. CGI will be responsible for the VPN access controls, and such controls will be configured to prevent the downloading of any SOV Data by Subcontractor personnel from the Secured CGI Environment. CGI shall be responsible for the implementation, administration and maintenance of any controls concerning the Secured CGI Environment, and for ensuring that such controls shall be implemented, administered, and maintained in a manner compliant with any applicable contractual commitments under the Prime Contract and any laws, rules and regulations applicable to the SOV Data.

B. As part of its nondisclosure obligations, Benaissance shall comply and require its officers, employees and subcontractors to comply with all applicable federal and state statutory laws relating to privacy and confidentiality, including but not limited to HIPAA and the HITECH Act. Benaissance acknowledges that the following statutory penalties may be assessed against Benaissance by government regulatory agencies, including the U.S. Department of Health and Human Services, pursuant to the American Recovery and Reinvestment Act of 2009, in the event Benaissance violates any provision of the HIPAA statute applicable to Benaissance's provision of services under this SOW. These penalties shall not be subject to Benaissance's limitation of liability.

| HIPAA Compliance Statutory Penalties | | |
|---|---|---|
| **HIPAA Violation** | **Minimum Statutory Penalty** | **Maximum Statutory Penalty** |
| Individual did not know (and by exercising reasonable diligence would not have known) that he/she violated HIPAA | $100 per violation, with an annual maximum of $25,000 for repeat violations (Note: maximum that can be imposed by State Attorneys General regardless of the type of violation) | $50,000 per violation, with an annual maximum of $1.5 million |
| HIPAA violation due to reasonable cause and not due to willful neglect | $1,000 per violation, with an annual maximum of $100,000 for repeat violations | $50,000 per violation, with an annual maximum of $1.5 million |
| HIPAA violation due to willful neglect but violation is corrected within the required time period | $10,000 per violation, with an annual maximum of $250,000 for repeat violations | $50,000 per violation, with an annual maximum of $1.5 million |
| HIPAA violation is due to willful neglect and is not corrected | $50,000 per violation, with an annual maximum of $1.5 million | $50,000 per violation, with an annual maximum of $1.5 million |

C. CGI acknowledges and understands that Subcontractor has third party contracts with the following subcontractors as of the Effective Date: (i) Cosentry, Inc. for data center hosting;

(ii) Allison Payment Systems, LLC for printing and postal delivery of invoices; and (iii) Sage Payment Solutions, a merchant acquirer for processing card based payment transactions. CGI hereby consents to the use by Subcontractor of these subcontractors.

8. Service Level Agreements

**a. The Solution Service Levels**

**a.** Generally. The Solution will be implemented and operated to run in compliance with the Service Levels set forth in this Section. The Solution will be operated (Hosted) from within the Benaissance primary data center.

**b.** Severity Level Severity levels are defined in the table below.

| Severity | Definition |
|---|---|
| 1 - Critical | A problem with The Solution causing critical impact to the client's business operation. No workaround is immediately available and work using the Software can not continue. |
| 2 - Serious | A problem with The Solution causing significant impact to the client's business operation. A workaround is available but is unacceptable on a long term basis. |
| 3 - Moderate | A problem with The Solution that impairs some functionality, but a practical workaround exists. |
| 4 - Minor | A problem that does not affect any functionality of The Solution. |

**c.** Summary Table. The following Service Levels and Service Level Credits apply to the Hosting of The Solution subject to the provisions that follow in Section 1.d below.

**Service Level - Summary Table**

| Service Level Agreement (SLA) | Service Level | Service Credit for Failure |
|---|---|---|
| **Availability During All Hours** | For each hour: | |
| | Production: 99.90%<br>Egregious: 94%<br><br>Non-Production: 99.5% | $3,500 Egregious: $5,000 |
| **Response Time for Real Time Transactions** | Production: 90% within 5 seconds<br>None greater than 10 seconds | For each day: $1,000 |
| | Egregious: 75% within 5 seconds<br>None greater than 10 seconds | Egregious: For each day: $5,000 |
| **Help Desk Mean Time to Restore Severity Level 1**<br><br>Where "Restore" means that Benaissance has done one of the | 4 Hours when cause identified within The Solution Monday through Friday from 8:00 AM to 11:59 PM Eastern Time excluding US Federal Holidays<br><br>12 Hours for problems discovered at any other time | $5,000 per day |

| Service Level Agreement (SLA) | Service Level | Service Credit for Failure |
|---|---|---|
| following:<br><br>1. Correct the problem;<br>2. Provide workaround;<br>3. Correct a portion of the problem to reduce the Severity Level | Egregious: Any greater than 24 Hours | $500 per hour |
| **Help Desk Mean Time to Restore Severity Level 2**<br><br>Where "Restore" means that Benaissance has done one of the following:<br><br>1. Correct the problem<br>2. Provide workaround<br>3. Correct a portion of the problem to reduce the Severity Level | 8 Hours when cause identified within The Solution Monday through Friday from 8:00 AM to 11:59 PM Eastern Time excluding US Federal Holidays<br><br>12 Hours for problems discovered at any other time | $5,000 per day |
| | Egregious: Any greater than 5 days | Egregious: $500 per hour |
| **Help Desk Mean Time to Resolve Severity Level 1**<br><br>Where "Resolve" means that Benaissance has fixed the root cause and removed the workaround | According to agreed plan identified and agreed as part of problem restore activities. Daily update on status. | |
| **Help Desk Mean Time to Resolve Severity Level 2**<br><br>Where "Resolve" means that Benaissance has fixed the root cause and removed any workaround | According to agreed plan identified and agreed as part of problem restore activities. Daily update on status. | |
| **Backup and Recovery** | All daily and weekly backups executed successfully 1 hour recovery start, 4 hour completion | $500 Each missed daily Backup<br>$2,500 Each missed weekly Backup<br>$500 Each late Recovery<br>$2,500 Each failed Recovery |

| Service Level Agreement (SLA) | Service Level | Service Credit for Failure |
|---|---|---|
| | Egregious: Failure of any 3 consecutive backups or recoveries | Egregious: $15,000 |
| **Batch Completion** | Completion of critical time sensitive batch processes complete within agreed timeframes to be collectively defined and agreed during design phase. | $2,500 each violation |
| | Egregious: TBD Completion | Egregious: $5,000 |
| **Disaster Recovery** | 4 Hour RTO, 60 Minute RPO | $100,000 each violation |
| Note: "**Workaround**" means a temporary fix that is reasonably acceptable to State and that does not resolve the underlying problem, but provides the proper results required of The Solution (through manual processing or otherwise). | | |

**d.** Service Level Descriptions.

**i. Availability During All Hours**

**1. Definitions.**

**a.** "**Availability**" means the availability for use by intended individual users, System processes or interfacing systems of all features, functions and processes of the System.

**b.** "**All Hours**" means: All time 7 x 24 each week.

**c.** **"Minor Maintenance Window"** means the second and fourth weekend of each calendar month starting at 2:00 a.m. EST Saturday and continuing until 5 a.m. EST Sunday, provided, however that SOV may require a different maintenance window timeframe as State determines is necessary, in SOV's reasonable discretion. **System Availability will be unaffected during Minor Maintenance Windows**

**d.** **"Major Maintenance Window"** means twice a year on dates and times agreed to by State and Benaissance, during which Benaissance will be allowed to schedule a maximum of 8 hours of larger System modifications and maintenance.

**e.** **"Scheduled Maintenance"** means System maintenance described in written notice from Benaissance at least five (5) days in advance, that may require unavailability, that is performed within the Minor or Major Maintenance Windows and in accordance with such notice from Benaissance, and for which Benaissance timely posts a notice of Scheduled Maintenance on the Website according to agreed procedures.

f. **"Scheduled Maintenance Downtime"** means any period of unAvailability for Scheduled Maintenance.

**2. Measurement.** The Solution will be configured to alarm the unAvailability of the aspects of The Solution defined in the Summary Table above, and in addition, any unAvailability reported through the Help Desk will be included in the calculations of Availability from the time the unAvailability was first known by Benaissance either through alarms, the knowledge of its personnel or a report by State or another user.

Benaissance will use reasonable efforts during the Statement of Work Term to expand the monitoring capabilities of The Solution to automatically detect unAvailability of any aspect reported hereunder but not detected by The Solution automatically. This Service Level will be determined by dividing the number of hours of Availability in the month by the total hours in the month. However, Major Maintenance Window Scheduled Maintenance Downtime will not be included in the calculations for the numerator or the denominator to determine performance on this Service Level

3. **Service Level Credit.** The Service Level Credit will be determined by taking the difference between the required number of hours of Availability in the month and the actual number of hours of Availability during the month, and if a positive number, multiplying the difference (if any) (rounded to the next highest full hour) by the Service Level Credit amount set forth in the Summary Table.

**ii. Response Time for Real Time Transactions**

1. **Definitions.**

   a. **"Real Time Transaction"** means a transaction between the Exchange and The Solution where data is sent from the Exchange to The Solution and requires processing by The Solution and a response to the Exchange.

2. **Description of Service Level.** This Service Level measures daily average time that The Solution takes to respond to a request sent by the Exchange.

3. **Measurement.** Each day, through an agreed automated process, Benaissance will sample Real Time Transactions on no less frequently than every five (5) minutes and compile daily statistics for specific Real Time Transactions designated by SOV and an aggregate average response time.

4. **Service Level Credit.** The Service Level Credit in the Summary Table above will be multiplied by each day that the average is above the Service Level. The Egregious Service Level Credit will be multiplied by each day that the average is above the Egregious Service Level.

5. **Exclusion for Electronic Payment Transactions.** Electronic payment transactions initiated through the Exchange will be included in the definition of Real Time Transactions above in Section 8.d.ii.1.a but reported separately in the Measurements reported by Benaissance in Section 8.d.ii.3 above and will not be subject to Service Level Credits given that Benaissance cannot control nor be responsible for the response time characteristics of the third-party merchant acquirer's payment gateway nor global payment networks like Visa or MasterCard.

**iii. Help Desk Mean Time to Resolve Severity Level 1**

1. **Description of Service Level.** This Service Level measures the mean time for Benaissance to resolve Severity Level 1 incidents from the time first reported to Benaissance.

2. **Measurement.** Benaissance's trouble ticketing system will automatically track the time from initiation of the incident to closure. The incident will be initiated immediately upon notice to Benaissance.

3. **Service Level Credit.** The Service Level Credit in the Summary Table above will be multiplied by each day that the average is above the Service Level. The Egregious Service Level Credit will be multiplied by each hour that is above the Service Level.

**iv. Help Desk Mean Time to Resolve Severity Level 2**

1. **Description of Service Level.** This Service Level measures the mean time for Benaissance to resolve Severity Level 2 incidents from the time first reported to Benaissance.

2. **Measurement.** Benaissance's trouble ticketing system will automatically track the time from initiation of the incident to closure. The incident will be initiated immediately upon notice to Benaissance.

3. **Service Level Credit.** The Service Level Credit in the Summary Table above will be multiplied by each day that the average is above the Service Level. The Egregious Service Level Credit will be multiplied by each hour that is above the Service Level.

v. **Backup and Recovery**

1. **Definitions.**

a. **"Backup"** means a copy of the data stored in The Solution used for Recovery purposes.

b. **"Recovery"** means the loading of data from a Backup into the appropriate database of the System.

2. **Description of Service Level.** This Service Level measures completion of the scheduled Backups and of all necessary Recoveries each month.

3. **Measurement.** All Backups and Recoveries will be monitored by The Solution and completion and failure automatically reported. Time for each Recovery will be measured by The Solution from start to completion and reported automatically.

4. **Service Level Credit.** The Service Level Credit in the Summary Table above will be multiplied by failure to complete the Backup each day that the average is above the Service Level. The Egregious Service Level Credit will be paid for each time that the Egregious Service Level is exceeded.

vi. **Batch Completion**

1. **Definitions.**

a. **"Batch"** means a scheduled program that runs without user intervention. Benaissance will maintain a list of all Batch jobs run by The Solution.

2. **Description of Service Level.** This Service Level measures completion of scheduled Batch jobs.

3. **Measurement.** All Batch jobs will be monitored by The Solution and completion and failure automatically reported.

4. **Service Level Credit.** The total number of Batch jobs completed each day will be divided by the total Batch jobs for the day, and if that quotient is less than the Service Level, Service Level Credit will be paid for that day. The Egregious Service Level Credit will be paid for each time that the Egregious Service Level is exceeded.

vii. **Disaster Recovery**

1. **Definitions.**

a. **"Disaster"** means a Force Majeure Event or other circumstance causing any part of The Solution to be unAvailable and requiring that any portion of The Solution be moved to another data center to restore full Availability.

b. **"RPO"** means the Recovery Point Objective, the maximum period for lost data in the event of a Disaster.

c. **"RTO"** means the Recovery Time Objective, the maximum time to recovery all System Availability at another data center after a Disaster.

2. **Description of Service Level.** In the event of a Disaster, Benaissance will meet the RPO and RTO to recover The Solution and restore full Availability.

3. **Measurement.** The Service Level will be measured from the declaration of a Disaster pursuant to agreed procedures until full System Availability has been restored.

4. **Service Level Credit.** The Service Level Credit will be paid for each failure to meet the RPO or the RTO.

viii. **Cap on Service Level Credits.** In no event shall the total Service Level Credits for the Hosting of The Solution exceed twenty percent (20%) of the total amount billed each month for the component of the Services affected. Provided, that if any amount of Service Level Credits is excluded as a result of this cap, any Earn Back Credits will be reduced by the amount of such exclusion.

c. **Commencement.** The Hosting Services Service Levels apply beginning on Go-Live.

d. **Exclusions.** Benaissance's failure to meet any Service Level will be excused, and not counted in the calculation of any Service Level (in a manner that excludes the failure in every respect so that Benaissance is neither better nor worse off in Service Level calculations because of such failure) to the extent that Benaissance's failure is caused by one of the following circumstances, so long as Benaissance uses reasonable efforts to avoid and minimize such failure as applicable and consistent with its obligations under this MSA ("**Exclusions**"):

(i) acts, errors and omissions of SOV or any of SOV's suppliers or contractors including but not limited to any breach, failure or delay by SOV, SOV's suppliers or contractors to timely and effectively satisfy their responsibilities under this MSA (or agreements with SOV related to the same) and to provide timely decisions and approvals as required under this MSA;

(ii) a Force Majeure Event (subject to compliance by Benaissance with its obligations arising under this MSA in connection with such Force Majeure Event);

(iii) any circumstance where Benaissance is prohibited by applicable Law from taking actions required to correct such failure so long as Benaissance has provided prompt notice to State of the basis and extent of such prohibition and has proposed appropriate efforts to address the same for approval by State;

(iv) service or resource reductions requested or approved by SOV and agreed to by the parties through the Change Control Procedures; or

(v) if any of the assumptions set forth in this Statement of work are exceeded and through the Change Control Procedures the Parties identify additional hardware, software, or telecommunications resources required to meet SOV's needs the costs for which are additional Charges under this Statement of Work, and for which SOV does not agree to such change and does not approve the addition of such resources (and payment of such additional Charges). For clarity, adverse performance of the components of The Solution is not a Force Majeure Event. If the same incident causes multiple Service Levels to be missed, Benaissance shall only pay to SOV the highest applicable Service Level Credit associated with the root cause generating such missed Service Level (as opposed to a Service Level Credit for each single missed Service Level).

e. **Service Level Credits**

a. **Calculation.** Service Level Credits will be calculated as set forth in each Summary Table and the other provisions of this Exhibit D. Service Level Credits will be determined each calendar month during which Service Levels apply.

b. **Earn-Back.** If in any month Benaissance pays Service Level Credits for any failure to meet any Hosting Service Levels (but not any month in which it pays any Egregious Violation Service Level Credits) (such Service Level Credits are the "**Earn Back Credits**"), and for the next three (3) months Benaissance does not owe any Service Level Credits, then Benaissance will be credited with the Earn Back Credits to offset against any future Service Level Credits for that category (but not Egregious Service Level Credits). For clarity, the Earn Back Credits will not

be paid in cash, and if this Statement of Work terminates with Benaissance having a balance in Earn Back Credits, such Earn Back Credits will expire and have no force or effect.

c. **Payment.** Service Level Credits accruing in one month will be automatically offset against the following month's invoice.

f. **SLA Reports.** Benaissance will provide the following SLA reports for each calendar month no later than the 15th day of the following calendar month:

a. **Compliance.** Benaissance will provide a monthly SLA compliance report described in a form acceptable to SOV. Each monthly SLA compliance report will report on SLA compliance in both raw form (without taking into account any Exclusions) and then adjusted (taking into account any Exclusions), each of which will be clearly explained in reasonable detail in the monthly SLA compliance report.

b. **Incidents.** Benaissance will provide a monthly report summarizing the incidents reported during the month by Severity Level, and their resolution, and root cause determinations for each.

c. **Trending.** Benaissance will provide monthly, quarterly and annual SLA trending reports requested by SOV.

d. **Analysis and Recommendations.** At least every six (6) months, Benaissance will provide a brief analysis of its SLA performance and recommendations for improvement of its performance.

e. **Special.** Benaissance will provide such other information regarding SLAs, performance of The Solution and Services and other metrics as SOV may request from time to time.

g. **Raw Data.** Benaissance will make available to SOV an electronic version of all raw data used to create the SLA report each month

h. **Termination.** Pursuant to Section 26.2(c) of the MSA, SOV's right to terminate thereunder includes the following:

a. **Repeat SLA Violations.** SOV will have such right if Benaissance fails any of the same SLA for three (3) consecutive months or any four (4) months in any twelve (12) month period or if Benaissance fails at least three (3) SLAs in each of three (3) consecutive months or any four (4) months in any twelve (12) month period.

b. **Egregious SLA Violations.** SOV will have such right in the event of any Egregious violation. The definition of Egregious violations herein is not intended to set the bounds of a material breach of the MSA, and the parties agree that such definitions will not be used to limit the scope of the definition of a material breach of this Agreement. Each Egregious violation sets forth a Service Level Credit, and for each violation, SOV may elect to terminate under this Section, or receive that Service Level Credit, but not both.

c. **Timing of Termination.** If SOV elects to exercise the termination rights stated in this Section 9, SOV must elect such right within twenty (20) business days of SOV's delivery of written notice to Benaissance of the applicable violation.

Agreed to and accepted by:

| CGI Technologies and Solutions Inc. (CGI) | COCO Development, LLC, DBA Benaissance (Subcontractor) |
|---|---|
| By:_____ | By:_____ |
| Name:_____ | Name:_____ |
| Title:_____ | Title:_____ |

Date:_____ Date:_____

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-001 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Establish an interface with the Exchange in order to receive enrollment and premiums data (e.g., members' share of the premium, advance premium tax credit (APTC), cost sharing reductions (CSRs), state premium subsidy amount(s), etc.) for each family unit enrolled in coverage through the Exchange. | Validated | | | | |
| PPRFP-071 | Financial Management | Exchange/State Agencies | Premium Processor | Establish an interface with the Exchange in order to receive enrollment and premiums data (e.g., members' share of the premium, advance premium tax credit (APTC), cost sharing reductions (CSRs), state premium subsidy amount(s), etc.) for each family unit enrolled in coverage through the Exchange. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| FM-084 | Financial Management | Issuer Payment Reconciliation | Premium Processor | Provide appropriate data to the Exchange to support Customer Service workers in completing customer service requests. | Validated | | Functional | | |
| PPRFP-032 | Financial Management | Small Group Employer Exchange | Premium Processor | Establish an interface with the Exchange in order to receive enrollment and premium data (e.g., total amount due, employer share, employee share) from the Exchange for each group that enrolls in coverage. | Validated | | | | |
| PPRFP-072 | Financial Management | Exchange/State Agencies | Premium Processor | Establish a lockbox or lockboxes for premium payments and state subsidies. | Validated | | | | |
| FM-114 | Financial Management | Cash Management | Premium Processor | Support the management of the receipt of premium payments, including the provisioning of a lockbox, and track the accounting and reconciliation of cash receipts | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-030 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Maintain books, records, documents, and other evidence of accounting procedures and practices of the premium processing program including fiscal recognition of APTCs, CSRs, State CSRs, state premium subsidy/(ies) for each benefit year for at least 10 years. | Validated | | | | |
| PPRFP-060 | Financial Management | Small Group Employer Exchange | Premium Processor | Maintain books, records, documents, and other evidence of accounting procedures and practices of the premium processing program for each benefit year for at least 10 years. | Validated | | | | |
| PPRFP-082 | Financial Management | Exchange/State Agencies | Premium Processor | Maintain books, records, documents, and other evidence of accounting procedures and practices of the premium processing program for each benefit year for at least 10 years. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-031 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Implement hierarchical rules for allocation of (partial) payments to premiums. | Validated | | | | |
| PPRFP-064 | Financial Management | Issuer | Premium Processor | Establish a process to remit premiums to Issuers on behalf of a family unit and groups with members enrolled in QHPs. | Validated | | | | |
| PPRFP-065 | Financial Management | Issuer | Premium Processor | Establish a process to remit premiums to the State Treasurer's Account on behalf of family units with members enrolled in State programs (e.g. Medicaid). | Validated | Need complete and definitive list of state programs. | | | |
| PPRFP-004 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Support the ability for individuals and family units to pay by paper payment methods (e.g. check or money order). | Validated | | | | |
| FM-046 | Financial Management | State Option to Collect Individual Premiums through the | Premium Processor | Provide the ability for individuals and family units to pay premium via ACH Debit (Automated Clearing | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | | Exchange | | House) and credit card in compliance with the Payment Card Industry Data Security Standards for public and private plans. | | | | | |
| PPRFP-035 | Financial Management | Small Group Employer Exchange | Premium Processor | Support the ability for small businesses to pay by paper payment methods (e.g. check or money order). | Validated | | | | |
| FM-028 | Financial Management | SHOP Premium Collection | Premium Processor | Provide the ability for employers to pay premiums via electronic payment on Exchange with options to pay by ACH Debit (Automated Clearing House) and credit card in compliance with the Payment Card Industry Data Security Standards. | Validated | | Functional | | |
| FM-035 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Record individual premium payment option. | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| FM-048 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Support individuals making recurring or scheduled premium payments to the Exchange. | Validated | | Functional | | |
| FM-031 | Financial Management | SHOP Premium Collection | Premium Processor | Support small businesses making recurring or scheduled premium payments to the Exchange. | Validated | | Functional | | |
| FM-036 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Calculate individual premium payment amount itemized by billing cycle and by product. | Validated | | Functional | | |
| FM-039 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Send Invoice notification to Individual for monthly premium payment using USPS mail or secure email link | Validated | | Functional | | |
| FM-041 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | The invoice should include upcoming month's premium due, year to date paid amounts, and if applicable, prior unpaid premium amounts and | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | adjusted amounts. | | | | | |
| FM-040 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | The invoice notification would include a website address to login to the Exchange and make an electronic payment. | Validated | | Functional | | |
| FM-042 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Produce electronic or hard-copy monthly premium invoice to individual or family unit, itemized by product/program and summarized to one total amount | Validated | | Functional | | |
| FM-049 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Receive and process premium payments from individuals and family units. | Validated | | Functional | | |
| FM-051 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | When electronic payment methods are used record payment type and premium payment amount and card surcharges, if any. | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-066 | | Issuer | Premium Processor | Receive premiums for individual on behalf of the Issuers and the State. | Validated | | | | |
| PPRFP-008 | Financial Manage ment | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Reconcile each family unit's premium amount received with the amount due. | Validated | | | | |
| PPRFP-067 | Financial Manage ment | Issuer | Premium Processor | Reconcile payments received against the invoiced amount; and remit reconciled premiums to the appropriate Issuers and the State. | Validated | | | | |
| FM-052 | Financial Manage ment | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Track premium payments by individuals, including information related to payment type | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| FM-068 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Provide automated process for identifying unpaid individual premiums and/or premium payment discrepancies | Validated | | Functional | | |
| FM-054 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Produce payment exception report and notification to individual. | Validated | | Functional | | |
| FM-078 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Generate and send invoice adjustment (positive or negative) when there is a change in circumstance that affects the amount due for premiums. | Validated | | Functional | | |
| PPRFP-013 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Inform the family unit of an over payment. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| FM-043 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide capability to resend an existing invoice to an individual upon request. | Validated | | Functional | | |
| FM-069 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Provide automated processing to generate a notification to the individuals regarding unpaid premiums and/or premium discrepancies. | Validated | | Functional | | |
| FM-071 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Send notifications of unpaid premiums to Individuals. | Validated | | Functional | | |
| PPRFP-014 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Inform the family unit that a credit for an overpayment has been applied to the family unit's account. | Validated | | | | |
| FM-050 | Financial Management | State Option to Collect Individual Premiums through the | Premium Processor | Track premium payment timing relative to the premium due date, and not the grace period end. | Validated | | Functional | | |

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | | Exchange | | | | | | | |
| FM-030 | Financial Management | SHOP Premium Collection | Premium Processor | Track premium payment timing relative to the premium due date, and not the grace period end. | Validated | | Functional | | |
| PPRFP-020 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Transmit the family unit's complete premium payment for qualified health plans (QHP) to the Issuers no more frequently than weekly. | Validated | | | | |
| PPRFP-021 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Transmit the family unit's premium payment for public programs (e.g., Dr. Dynasaur) to the State Treasurer's bank account no more frequently than weekly. | Validated | | | | |
| PPRFP-073 | Financial Management | Exchange/State Agencies | Premium Processor | Transmit the family unit's premium payment for public programs (e.g., Dr. Dynasaur) to the State Treasurer's bank account no more | Validated | | | | |

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | frequently than weekly. | | | | | |
| PPRFP-026 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide data to the Exchange to support the Exchange developing and sending premium payment reports via EDI 834 and EDI 820 transactions to the Issuers. | Validated | | | | |
| PPRFP-041 | Financial Management | Small Group Employer Exchange | Premium Processor | Provide data to the Exchange to support the Exchange developing and sending premium payment reports via EDI 834 and EDI 820 transactions to the Issuers. | Validated | | | | |
| PPRFP-075 | Financial Management | Exchange/State Agencies | Premium Processor | Provide data daily to the Exchange with 'paid through date' information to support determine payments past due. | Validated | | | | |
| PPRFP-022 | Financial Management | State Option to Collect Individual Premiums through the | Premium Processor | Provide data daily to the Exchange to support the Exchange providing regular updates including "paid through | Validated | | | | |

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | | Exchange | | date" reporting (834 'benefit coverage period') to the Issuers and the State's Medicaid Business Office. | | | | | |
| FM-056 | Financial Management | Employer Premium Discrepancy Resolution | Premium Processor | Produce daily data feed to the Exchange of Employer premiums due, payments made, and payments applied to premiums | Validated | | Functional | | |
| PPRFP-027 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide data to the Exchange to support the Exchange developing and sending premium payment reports to the State's G/L system (Vision). | Validated | | | | |
| PPRFP-028 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Integrate with the Exchange system to allow family units to view their payment history and manage their account through the Exchange system. | Validated | Confirm that the customer will view their payment history and manage their account through the OneGate portal, viewing Premium Processor information. | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-059 | Financial Management | Small Group Employer Exchange | Premium Processor | Integrate with the Exchange system so that the Exchange system can allow groups to view their payment history and manage their account through the Exchange system. | Validated | Confirm that the customer will view their payment history and manage their account through the OneGate portal, viewing Premium Processor information. | | | |
| PPRFP-025 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | In the case the family unit has terminated coverage and has a balance outstanding; send the family unit any refunds due. | Validated | | | | |
| PPRFP-078 | Financial Management | Exchange/State Agencies | Premium Processor | Receive termination notification from the Exchange and update the family unit and group account. | Validated | Assumption is that Exchange is passing along termination information from Issuers. | | | |
| PPRFP-024 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Update the family unit's account as a result of the termination notice. | Validated | Assumption is that Exchange is passing along termination information from Issuers. | | | |
| PPRFP-048 | Financial Manage | Small Group Employer | Premium Processor | Receive notification from Customer Service | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | ment | Exchange | | of any group premium invoice discrepancy. | | | | | |
| PPRFP-009 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Receive notification from Customer Service of any individual or family unit premium invoice discrepancy. | Validated | | | | |
| PPRFP-011 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide Level 3 customer support to the Exchange call center via phone and web. (Premium Processor will not be expected to provide live direct service to consumers or employers). | Validated | | | | |
| PPRFP-049 | Financial Management | Small Group Employer Exchange | Premium Processor | Provide Level 3 customer support to the Exchange call center via phone and web. (Premium Processor will not be expected to provide live direct service to consumers or employers). | Validated | | | | |
| PPRFP-070 | Financial Management | Issuer | Premium Processor | Provide Level 3 customer support to level 2 Exchange Issuer Support Team via | Validated | | | | |

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | phone and web. (Premium Processor will not be expected to provide live direct service to Issuers). | | | | | |
| PPRFP-081 | Financial Management | Exchange/State Agencies | Premium Processor | Provide Level 3 customer support to the Exchange call center via phone and web. (Premium Processor will not be expected to provide live direct service to State Agencies). | Validated | | | | |
| PPRFP-010 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Investigate the premium invoice discrepancy raised by the family unit and post resolution of the same. | Validated | Duplicated with FM74 and 75 | | | |
| PPRFP-050 | Financial Management | Small Group Employer Exchange | Premium Processor | Resolve the invoice discrepancy, and notify the Exchange call center of the resolution. | Validated | | | | |
| FM-076 | Financial Management | Individual Premium Discrepancy Resolution | Premium Processor | Provide process to update the individual account with an invoice adjustment as a result of a discrepency resolution. | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| FM-019 | Financial Management | SHOP Premium Collection | Premium Processor | Calculate employer premium based on Exchange enrollment requirements | Validated | | Functional | | |
| PPRFP-036 | Financial Management | Small Group Employer Exchange | Premium Processor | Generate an invoice on paper or electronically (viewable through the Exchange) for each group based on inputs provided by the Exchange (e.g., amounts due for each member of the group, QHP enrollment information, employee share of premium, employer share of premium, total premium), as well as invoice adjustments. | Validated | | | | |
| FM-024 | Financial Management | SHOP Premium Collection | Premium Processor | Produce email notification to employer that invoice is ready, and to logon to Exchange to see the invoice | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-042 | Financial Management | Small Group Employer Exchange | Premium Processor | Send the employer and the employees a late payment notification upon the trigger that an invoice has not been paid. | Validated | | | | |
| PPRFP-043 | Financial Management | Small Group Employer Exchange | Premium Processor | Send the employer and the employees an underpayment notification upon the trigger that an invoice has not been fully paid. | Validated | | | | |
| FM-029 | Financial Management | SHOP Premium Collection | Premium Processor | Receive and process premium payments. | Validated | | Functional | | |
| PPRFP-037 | Financial Management | Small Group Employer Exchange | Premium Processor | Reconcile the payments received against the invoiced amount. | Validated | | | | |
| PPRFP-038 | Financial Management | Small Group Employer Exchange | Premium Processor | Remit the reconciled premium payment to the appropriate Issuers. | Validated | | | | |
| PPRFP-039 | Financial Management | Small Group Employer Exchange | Premium Processor | If any discrepancies are found during reconciliation, credit overpayments towards future billiing, update account balance, or trigger notification of underpayment. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-040 | Financial Management | Small Group Employer Exchange | Premium Processor | Allow for premium adjustments resulting from changes to employee enrollments or employer discrepancy resolution after the invoice has been issued, and establish a process to accommodate these changes in the next billing cycle. | Validated | | | | |
| PPRFP-054 | Financial Management | Small Group Employer Exchange | Premium Processor | Receive termination notification from the Exchange. | Validated | Assumption is that Exchange is passing along termination information from Issuers. | | | |
| PPRFP-055 | Financial Management | Small Group Employer Exchange | Premium Processor | Update the group account accordingly once termination notification is received. | Validated | Assumption is that Exchange is passing along termination information from Issuers. | | | |
| PPRFP-056 | Financial Management | Small Group Employer Exchange | Premium Processor | In the case the group has terminated coverage and has a credit outstanding; refund the group any overpayments due. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-061 | Financial Management | Issuer | Premium Processor | Aggregate individual Exchange premium remittances for State programs (e.g. Medicaid). | Validated | | | | |
| FM-098 | Financial Management | Issuer Payment Transfers | Premium Processor | The system will aggregate premium payments for each Issuer. | Validated | | Functional | | |
| PPRFP-062 | | Issuer | Premium Processor | Aggregate individual Exchange premium remittances for QHP Issuers. | Validated | | | | |
| PPRFP-063 | Financial Management | Issuer | Premium Processor | Aggregate group Exchange premium remittances. | Validated | | | | |
| PPRFP-068 | Financial Management | Issuer | Premium Processor | Generate premium remittance reports and send to the Exchange so that the Exchange can format and send to the Issuers. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-069 | Financial Management | Issuer | Premium Processor | Reconcile premiums, APTCs, Federal CSRs, State CSRs, and state premium subsidy/(ies). | Validated | Duplicated with FM10 for federal APTC and CSR requirements, and new BRD requirements for state subsidies.Note: this process includes the reconcilliation of money paid by CMS to the Issuers, where CMS may have advanced $ to the Issuers in excess of what the Issuers should have received. | | | |
| New-003 | Financial Management | Exchange Internal Accounting | Premium Processor | The Premium Processor will provide daily transactional financial information to the Exchange to support ad-hoc and predetermined financial reporting through to the State's Financial System. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| New-014 | Financial Management | | Premium Processor | The Premium Processor shall provide financial data to the Exchange to support analytics and reporting. | Validated | | | | |
| New-015 | Financial Management | | Premium Processor | The Premium Processor shall provide financial data to the Exchange which will support automatic uploading to the State's Financial Management System (Vision). | Validated | | | | |
| New-017 | Financial Management | | Premium Processor | The Premium Processor system shall provide the data to support reporting of credit card fees to the CGI Solution monthly. | Validated | | Functional | | |
| FM-010 | Financial Management | Fed APTCs and CSRs | Premium Processor | Verify results and discrepancies received from CMS of individual Federal APTC and CSR amounts against the Exchange Eligibility and Enrollment datastore to support the reconciliation process between CMS and Issuers | Validated | | Functional | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| FM-008 | Financial Management | Fed APTCs and CSRs | Premium Processor | Provide the ability to receive Federal APTC and CSR premium payment history reports from Issuers | Validated | | Functional | | |
| New-110 | | State premium subsidies | Premium Processor | Quarterly, provide the data to the Exchange to support the reporting of the state premium subsidy payments that have not been forwarded to the Issuer due to a lack of matching premium payments from the individual. | Validated | | | | |
| New-025 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Invoice State Premium Subsidy to the State, to pay Issuers on the State's behalf, when premiums are remitted by an individual. | Validated | | | | |
| New-026 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Invoice State CSR payment to the State, to pay Issuers on the State's behalf. | Validated | | | | |
| New-027 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Collect State Premium Subsidy payment from State and transmit to Issuer. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| New-028 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Collect State CSR payment from State and transmit to Issuer | Validated | | | | |
| New-029 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Confirm receipt by Issuer of State Premium Subsidy payment. | Validated | | | | |
| New-030 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Confirm receipt by Issuer of State CSR payment. | Validated | | | | |
| New-031 | Financial Management | State Premium Subsidy and CSR | Premium Processor | Reconcile the amount advanced to the Issuer for the State CSR against the amount that the Premium Processor invoiced. | Validated | | | | |
| New-105 | | State Premium Subsidy and CSR | Premium Processor | Receive from the Exchange actual State CSR due amounts as calculated by the Issuers to reconcile against the advanced State CSR payments, at the individual level. | Validated | | | | |
| FM-015 | Financial Management | Fed APTCs and CSRs | Premium Processor | Receive, from the Exchange, the electronic payment history report from Issuers. | Validated | | Interface | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| New-150 | | Fed APTCs and CSRs | Premium Processor | Perform monthly reconcilliation of Federal APTC payments made to Issuers against Exchange data, at the individual level. | Validated | | | | |
| New-001 | Financial Manage ment | Fed APTCs and CSRs | Premium Processor | Annually, reconcile amount of actual Federal CSR due to Issuers, as calculated by Issuers, against the advance Federal CSR payments made to Issuers by Federal government, at the individual level. | Validated | | | | |
| FM-013 | Financial Manage ment | Fed APTCs and CSRs | Premium Processor | Compare payments data made by CMS to payment report data provided to CMS and report exceptions. | Validated | | Functional | | |
| PPRFP-029 | Financial Manage ment | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Provide access to the premium processing system for DVHA Business Office workers. | Validated | | | | |
| PPRFP-058 | Financial Manage ment | Small Group Employer Exchange | Premium Processor | Provide access to the premium processing system for DVHA Business Office workers. | Validated | | | | |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| PPRFP-080 | Financial Management | Exchange/State Agencies | Premium Processor | Provide access to the premium processing system for DVHA Business Office workers. | Validated | | | | |
| FM-021 | Financial Management | SHOP Premium Collection | Premium Processor | Calculate employer fee if applicable. | Deferred | | Functional | | Y |
| FM-022 | Financial Management | SHOP Premium Collection | Premium Processor | Update Exchange database with employer fee information. | Deferred | | Functional | | Y |
| FM-038 | Financial Management | State Option to Collect Individual Premiums through the Exchange | Premium Processor | Calculate Individual Fee if applicable. | Deferred | | Functional | | Y |
| New-160 | Financial Management | Employer Premium Discrepancy Resolution | Premium Processor | Invoice the consumer for NSF fees, collect the NSF fee from the consumer, and remit to the State. | Deferred | | Functional | Y | |
| New-170 | Financial Management | Individual Premium Discrepancy | Premium Processor | Invoice the small business for NSF fees, collect the NSF fee from | Deferred | | Functional | Y | |

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | | Resolution | | the small business and remit to the State. | | | | | |
| FM-092 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | The system will calculate the user fee from Issuers and update the financial accounts. Charging Issuers should be a configurable option. | Deferred | | Functional | | Y |
| FM-093 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | Support multiple categories or levels of fees. | Deferred | | Functional | | Y |
| FM-094 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | The Issuer invoice will be generated and a Notification sent to the Issuer. | Deferred | | Functional | | Y |
| FM-095 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | Provide functionailty for Issuers to make electronic payments of user fees include e-check, electronic funds transfer, and credit card in compliance with the Payment Card Industry Data Security Standards. | Deferred | | Functional | | Y |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall..." | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| FM-096 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | The system will allow for the fee to reduce the amount of premiums the Exchange pays the Issuer as an alternative. | Deferred | | Functional | | Y |
| FM-097 | Financial Management | Plan Assessment (fees) for State Exchange Operations | Premium Processor | Provide data extract of receipt of user fees to support Annual Financial Reporting for the Exchange | Deferred | | Functional | | Y |
| FM-100 | Financial Management | Issuer Payment Transfers | Premium Processor | The system will account for the type of fee being charged and aggregate the correct amount for the Issuer. | Deferred | | Functional | | Y |
| FM-105 | Financial Management | Exchange Internal Accounting | Premium Processor | Track and report on user fees received by the Exchange to support Exchange operations | Deferred | | Functional | | Y |
| New-010 | Financial Management | | Premium Processor | The Premium Processor system shall provide HIPP payment transaction summaries to the State Finance & Management system (daily, weekly or monthly batch) | Deferred | | Functional | | Y |

## Schedule A – Requirements Traceability Matrix

| Ref Code | Category | Sub Category | VT specific - Application or Module | Requirement Description "The system shall…" | Current Disposition | Comments | Requirement Type | Deferred to Jan 2014 | Deferred to June 2014 |
|---|---|---|---|---|---|---|---|---|---|
| New-011 | Financial Management | | Premium Processor | The Premium Processor system shall issue user fee transaction summaries to the State Finance & Management system (daily, weekly or monthly batch) | Deferred | | Functional | | Y |
| FM-067 | | Employer Premium Discrepancy Resolution | Premium Processor | Provide for processing adjustments for bad checks or payments due to NSF or other reasons. | Deferred | Y | | Y | |
| FM-081 | | Individual Premium Discrepancy Resolution | Premium Processor | Provide for processing adjustments for bad checks or payments due to NSF or other reasons. | Deferred | Y | | Y | |
| PPRFP-044 | Financial Management | Small Group Employer Exchange | Premium Processor | Collect from the group any user fee payments, if applicable. | Deferred | | | | Y |
| PPRFP-045 | Financial Management | Small Group Employer Exchange | Premium Processor | Remit user fee payments to the Exchange or the State Treasure's Account, if applicable. | Deferred | | | | Y |
| PPRFP-083 | Financial Management | Exchange/State Agencies | Premium Processor | Remit user fee payments to the Exchange or the State Treasure's Account, if applicable. | Deferred | | | | Y |

# Schedule B – Project Schedule

**VT HBE Project Schedule**
**As of March 26, 2013**

| ID | Unique ID | Task Name | Start | Finish | Deadline | Duration | Predecessors | Successors |
|---|---|---|---|---|---|---|---|---|
| 0 | 0 | VT HBE Project Schedule - CGI | Mon 12/17/12 | Thu 9/29/16 | NA | 964 days | | |
| 1 | 3858 | State Milestones | Fri 4/5/13 | Mon 9/16/13 | NA | 114 days | | |
| 2 | 4893 | Milestone: VT Milestone 1: PM Exchange Components Functional Verification Complete | Fri 4/5/13 | Fri 4/5/13 | Fri 4/5/13 | 0 days | 454 | 930 |
| 3 | 5388 | Milestone: VT Milestone 2: E&E Exchange Components Functional Verification Complete | Fri 4/5/13 | Fri 4/5/13 | Fri 4/5/13 | 0 days | 454 | 930 |
| 4 | 5387 | Milestone: VT Milestone 3: FM Exchange Components Functional Verification Complete | Fri 4/5/13 | Fri 4/5/13 | Fri 4/5/13 | 0 days | 454 | 930 |
| 5 | 5386 | Milestone: VT Milestone 4: Consumer Assistance Functional Verification Complete | Fri 4/5/13 | Fri 4/5/13 | Fri 4/5/13 | 0 days | 454 | 930 |
| 6 | 5392 | Milestone: VT Milestone 5: Initial PM Exchange Components Development Complete | Thu 5/22/13 | Thu 5/22/13 | Thu 5/22/13 | 0 days | 584 | 930 |
| 7 | 5391 | Milestone: VT Milestone 6: Initial FM Development Complete | Thu 5/23/13 | Thu 5/23/13 | Thu 5/23/13 | 0 days | 584 | 930 |
| 8 | 5390 | Milestone: VT Milestone 7: Initial E&E Development Complete | Thu 5/23/13 | Thu 5/23/13 | Thu 5/23/13 | 0 days | 584 | 930 |
| 9 | 4922 | Milestone: VT Milestone 8: Initial CA Development Complete | Thu 5/23/13 | Thu 5/23/13 | Thu 5/23/13 | 0 days | 584 | 930 |
| 10 | 5411 | Milestone: VT Milestone 9: System Test Complete - Results Submitted to CMS | Mon 7/22/13 | Mon 7/22/13 | Mon 7/22/13 | 0 days | 726 | 930 |
| 11 | 5410 | Milestone: VT Milestone 10: Connectivity Established for CMS Federal Hub Services | Mon 6/3/13 | Mon 6/3/13 | Mon 6/3/13 | 0 days | 319 | 930 |
| 12 | 5409 | Milestone: VT Milestone 11: Hub Service and partner testing Complete | Mon 6/3/13 | Mon 6/3/13 | Mon 6/3/13 | 0 days | 319 | 930 |
| 13 | 5404 | Milestone: VT Milestone 12: Communications and Security Testing of Federal Hub Services Review Complete | Fri 6/14/13 | Fri 6/14/13 | Fri 6/14/13 | 0 days | 290 | 930 |
| 14 | 5414 | Milestone: VT Milestone 13: Production Testing of Federal Hub Services Complete | Wed 8/7/13 | Wed 8/7/13 | Wed 8/7/13 | 0 days | 126FS+12 days | 930 |
| 15 | 5403 | Milestone: VT Milestone 14: Production Environment Setup Complete | Fri 8/9/13 | Fri 8/9/13 | Fri 8/9/13 | 0 days | 139 | 930 |
| 16 | 4749 | Milestone: VT Milestone 15: End to End Testing Complete | Mon 8/19/13 | Mon 8/19/13 | Mon 8/19/13 | 0 days | 747 | 930 |
| 17 | 5071 | Milestone: VT Milestone 16: Test Summary of CMS Test Scenarios Complete | Mon 8/19/13 | Mon 8/19/13 | Mon 8/19/13 | 0 days | 742 | 930 |
| 18 | 5436 | Milestone: VT Milestone 17: Substantially completed Safeguard Procedure Report Submitted to IRS | Fri 6/14/13 | Fri 6/14/13 | Fri 6/14/13 | 0 days | 290 | 930 |
| 19 | 5431 | Milestone: VT Milestone 18: Call Center Live | Mon 9/16/13 | Mon 9/16/13 | Mon 9/16/13 | 0 days | 862 | 930 |
| 20 | 5072 | Milestone: VT Milestone 19: Website Launched | Mon 9/16/13 | Mon 9/16/13 | Mon 9/16/13 | 0 days | 863 | 930 |
| 21 | 3861 | Project Planning & Project Management | Mon 12/17/12 | Fri 3/28/14 | NA | 324 days | | |
| 22 | 6830 | Milestone: Project Start | Mon 12/17/12 | Mon 12/17/12 | NA | 0 days | | 28,117,118,119,121,24 |
| 23 | 3869 | Project Kickoff | Thu 1/3/13 | Thu 1/3/13 | NA | 1 day | | |
| 24 | 3870 | Conduct Project Kick-off Meeting | Thu 1/3/13 | Thu 1/3/13 | NA | 1 day | 22 | 125,145,[illegible] 14 days,54,86,[illegible] |
| 25 | 3868 | Project Planning Deliverables | Mon 12/17/12 | Tue 3/19/13 | NA | 63 days | | |
| 26 | 3871 | Deliverable: (D-01) Baseline Schedule (WBS) | Mon 12/17/12 | Thu 2/28/13 | NA | 58 days | | |
| 36 | 3881 | Deliverable: (D-02) Project Management Plan | Fri 1/4/13 | Tue 2/19/13 | NA | 32 days | | |
| 44 | 3885 | Deliverable Expectations Documents | Mon 1/21/13 | Tue 3/19/13 | NA | 42 days | | |
| 52 | 4670 | Recurring Status Reports | Mon 12/17/12 | Fri 3/28/14 | NA | 324 days | | |
| 120 | 5100 | Federal Certification | Mon 12/17/12 | Tue 7/8/14 | NA | 286 days | | |
| 122 | 4713 | Milestone: Project Planning & Project Management Complete | Fri 3/28/14 | Fri 3/28/14 | NA | 0 days | 33,43,51,84,100 | 930 |
| 123 | 3941 | Technical Infrastructure and Support | Fri 1/4/13 | Mon 8/26/13 | NA | 165 days | | |
| 124 | 3942 | Hosting Environment | Fri 1/4/13 | Fri 8/9/13 | NA | 154 days | | |
| 140 | 5427 | VT Milestone 14 Approval Process | Mon 7/29/13 | Mon 8/26/13 | NA | 21 days | | |
| 144 | 3969 | Set up Tools and Licenses | Fri 1/4/13 | Thu 2/28/13 | NA | 40 days | | |
| 151 | 4720 | Milestone: Technical Infrastructure and Support Complete | Fri 8/9/13 | Fri 8/9/13 | NA | 0 days | 139,150 | 865 |

Page 1

# Schedule B – Project Schedule

**VT HBE Project Schedule**
**As of March 26, 2013**

| ID | Unique ID | Task Name | Start | Finish | Deadline | Duration | Predecessors | Successors |
|---|---|---|---|---|---|---|---|---|
| 152 | 4567 | Development/Configuration | Thu 1/24/13 | Wed 9/25/13 | NA | 172 days | | |
| 153 | 4750 | Interfaces Development | Wed 2/6/13 | Wed 7/17/13 | NA | 114 days | | |
| 154 | 4801 | Design & Configure | Wed 2/6/13 | Fri 5/3/13 | NA | 63 days | | |
| 155 | 4751 | Deliverable: (D-03) State Interfaces Design Document | Wed 2/6/13 | Fri 5/3/13 | NA | 63 days | | |
| 180 | 4762 | Deliverable: (D-04) Federal Interface Design Document | Wed 2/6/13 | Fri 4/26/13 | NA | 56 days | | |
| 217 | 4781 | Deliverable: (D-05) Carrier System Interface Design Document | Wed 2/6/13 | Fri 5/3/13 | NA | 63 days | | |
| 253 | 4791 | Deliverable: (D-06) Exchange Accounting System Interface Design Document | Wed 2/6/13 | Fri 5/3/13 | NA | 65 days | | |
| 249 | 4802 | Test | Mon 3/25/13 | Wed 7/17/13 | NA | 81 days | | |
| 250 | 4802 | Deliverable: (D-07) Eligibility System Interface Test Results | Wed 4/24/13 | Wed 7/17/13 | NA | 59 days | | |
| 266 | 5339 | Deliverable: (D-08) Other State Interfaces Test Results | Wed 4/24/13 | Wed 7/17/13 | NA | 59 days | | |
| 281 | 5178 | Deliverable: (D-09) Federal Exchange Eligibility Service Interface Test Results | Wed 4/17/13 | Mon 7/1/13 | NA | 53 days | | |
| 296 | 5210 | Deliverable: (D-10) CMS System Interface Test Results | Mon 3/25/13 | Fri 6/14/13 | NA | 59 days | | |
| 311 | 5242 | Deliverable: (D-11) Federal Hub Interface Test Results | Wed 4/17/13 | Fri 6/7/13 | NA | 37 days | | |
| 325 | 5274 | Deliverable: (D-12) Carrier System Interface Test Results | Wed 4/24/13 | Wed 7/17/13 | NA | 59 days | | |
| 346 | 5306 | Deliverable: (D-13) Exchange Accounting System Interface Test Results | Wed 4/24/13 | Wed 7/17/13 | NA | 59 days | | |
| 361 | 5338 | *Milestone: Interface Testing Complete* | *Wed 7/17/13* | *Wed 7/17/13* | *NA* | *0 days* | *265,290,310,32* | *865* |
| 362 | 5164 | Base Services Development | Thu 1/24/13 | Wed 9/25/13 | NA | 172 days | | |
| 363 | 4848 | Design Base Services | Thu 1/24/13 | Thu 5/16/13 | NA | 81 days | | |
| 364 | 4849 | Configuration Design | Thu 1/24/13 | Thu 5/16/13 | NA | 81 days | | |
| 531 | 4919 | Configure Base Services | Fri 3/29/13 | Fri 6/14/13 | NA | 55 days | | |
| 532 | 4934 | Configure Modules | Fri 3/29/13 | Thu 5/23/13 | NA | 40 days | | |
| 545 | 4927 | Proposed CMS Development Consult | Fri 5/24/13 | Thu 5/30/13 | NA | 4 days | | |
| 549 | 5393 | VT Milestones 3, 6, 7, and 8 Approval Process | Thu 5/16/13 | Fri 6/14/13 | NA | 21 days | | |
| 550 | 4935 | Test Base Services | Fri 3/1/13 | Wed 9/25/13 | NA | 146 days | | |
| 664 | 4936 | Integration (Modular) Test | Fri 3/1/13 | Thu 6/27/13 | NA | 84 days | | |
| 700 | 4942 | Stress - Load Performance | Thu 5/16/13 | Wed 9/25/13 | NA | 82 days | | |
| 718 | 4947 | System Test | Mon 4/1/13 | Mon 7/22/13 | NA | 79 days | | |
| 727 | 5399 | VT Milestones 9 Approval Process | Tue 7/9/13 | Tue 8/6/13 | NA | 21 days | | |
| 731 | 4955 | User Acceptance Test | Tue 5/28/13 | Wed 8/28/13 | NA | 66 days | | |
| 737 | 4961 | Operations Readiness Test | Fri 6/28/13 | Mon 8/19/13 | NA | 36 days | | |
| 743 | 5423 | VT Milestones 13, 15 and 16 Approval Process | Tue 8/6/13 | Wed 9/4/13 | NA | 21 days | | |
| 747 | 4968 | Implementation | Fri 2/1/13 | Wed 11/6/13 | NA | 196 days | | |
| 748 | 5026 | Pre-Operational Readiness | Fri 2/1/13 | Fri 9/6/13 | NA | 153 days | | |
| 749 | 4969 | Pre-Operational Readiness Documents | Wed 2/13/13 | Mon 7/15/13 | NA | 106.5 days | | |
| 757 | 4978 | Proposed Pre-Operational Readiness Consult | Tue 8/20/13 | Thu 8/22/13 | NA | 3 days | | |
| 760 | 4984 | Pre-Operational Readiness Documents Finalization | Fri 2/1/13 | Fri 9/6/13 | NA | 153 days | | |
| 761 | 5017 | Deliverables | Fri 2/1/13 | Fri 9/6/13 | NA | 153 days | | |
| 762 | 4988 | Deliverable: (D-22) Training Materials | Fri 8/23/13 | Fri 9/6/13 | NA | 10 days | | |

Page 4

# Schedule B – Project Schedule

**VT HBE Project Schedule**
**As of March 26, 2013**

| ID | Unique ID | Task Name | Start | Finish | Deadline | Duration | Predecessors | Successors |
|---|---|---|---|---|---|---|---|---|
| 770 | 4993 | Deliverable: (D-23) User Manuals | Fri 8/23/13 | Fri 9/6/13 | NA | 10 days | | |
| 778 | 5001 | Deliverable: (D-24) System Security Plan | Fri 2/1/13 | Fri 6/28/13 | NA | 105 days | | |
| 789 | 5009 | Deliverable: (D-25) Information Security Risk Assessment | Fri 2/1/13 | Fri 4/5/13 | NA | 46 days | | |
| 800 | 5465 | Privacy Impact Assessment (PIA) - Deliverable | Mon 2/4/13 | Thu 5/2/13 | NA | 64 days | | |
| 811 | 5028 | Interface Implementation | Fri 6/28/13 | Mon 7/29/13 | NA | 21 days | | |
| 815 | 5031 | Operational Readiness Review (ORR) | Wed 6/5/13 | Fri 8/30/13 | NA | 62 days | | |
| 816 | 6831 | ORR Summary | Thu 8/1/13 | Fri 8/30/13 | NA | 22 days | | |
| 823 | 5036 | ORR Deliverables | Wed 6/5/13 | Tue 8/27/13 | NA | 59 days | | |
| 824 | 5037 | Deliverable: (D-26) Implementation Plan | Mon 7/1/13 | Mon 7/15/13 | NA | 10 days | | |
| 832 | 5046 | Deliverable: (D-27) Contingency/Recovery Plan | Wed 6/5/13 | Tue 6/18/13 | NA | 10 days | | |
| 840 | 5055 | Deliverable: (D-28) Data Use Agreement/Data Exchange Agreement/Interconnection Security Agreement | Fri 6/14/13 | Thu 6/27/13 | NA | 10 days | | |
| 848 | 5063 | Deliverable: (D-29) Test Reports | Wed 8/14/13 | Tue 8/27/13 | NA | 10 days | | |
| 856 | 5072 | *Milestone: ORR Complete* | *Fri 8/30/13* | *Fri 8/30/13* | *NA* | *0 days* | *822,831,839,84* | *861,859* |
| 857 | 4545 | Deliverable: (D-30) Go-Live Document | Tue 9/3/13 | Wed 11/6/13 | NA | 47 days | | |
| 858 | 4546 | Create Deliverable | Tue 9/3/13 | Tue 10/1/13 | NA | 20 days | | |
| 866 | 5432 | VT Milestones 17 and 18 Approval Process | Tue 9/17/13 | Wed 11/6/13 | NA | 37 days | | |
| 876 | 4568 | System Operational Support | Mon 7/29/13 | Tue 9/10/13 | NA | 31 days | | |
| 877 | 4569 | Deliverable: (D-31) Operation & Maintenance Manual (O&M) | Mon 7/29/13 | Tue 9/10/13 | NA | 31 days | | |
| 878 | 4570 | Create Deliverable | Mon 7/29/13 | Fri 8/30/13 | NA | 25 days | | |
| 882 | 4572 | Review and Approve Deliverable | Tue 9/3/13 | Tue 9/10/13 | NA | 6 days | | |
| 887 | *4669* | *Milestone: System Operational Support Complete* | *Tue 9/10/13* | *Tue 9/10/13* | *NA* | *0 days* | *886* | *930* |
| 888 | 4577 | Training Deliverables | Thu 1/24/13 | Fri 5/9/14 | NA | 330 days | | |
| 889 | 4579 | Deliverable: (D-32) Training Plan | Thu 1/24/13 | Wed 5/22/13 | NA | 84.5 days | | |
| 890 | 4580 | Create Deliverable | Thu 1/24/13 | Wed 5/15/13 | NA | 80 days | | |
| 893 | 4582 | Review and Approve Deliverable | Thu 5/16/13 | Wed 5/22/13 | NA | 4.5 days | | |
| 898 | 5080 | Training Development | Thu 4/18/13 | Mon 9/9/13 | NA | 100 days | | |
| 905 | 5087 | Training Delivery | Mon 7/15/13 | Fri 5/9/14 | NA | 209.5 days | | |
| 906 | 5088 | Start Up Training for Users and Technical Support | Mon 7/15/13 | Fri 8/30/13 | NA | 34 days | | |
| 911 | 5093 | Ongoing Training | Mon 7/15/13 | Fri 5/9/14 | NA | 209.5 days | | |
| 916 | *4721* | *Milestone: Training Complete* | *Mon 1/13/14* | *Mon 1/13/14* | *NA* | *0 days* | *897,910,915,90* | *930* |
| 917 | 5349 | Operations & Maintenance (Post-GO LIVE) | Tue 10/1/13 | Thu 9/29/16 | NA | 765 days | | |
| 918 | 5353 | SLAs & KPIs | Tue 10/1/13 | Mon 10/21/13 | NA | 15 days | | |
| 924 | 5359 | O&M LOE Tasks | Tue 10/1/13 | Thu 9/29/16 | NA | 765 days | | |

Page 3

## Schedule C – Deliverables and Milestones

| UID | Deliverable Name | DID | Benaissance Role* | Revised Baseline Submission |
|---|---|---|---|---|
| 3871 | Deliverable: (D-01) Baseline Schedule (WBS) | D-01 | N/A | Wed 2/6/13 |
| 3881 | Deliverable: (D-02) Project Management Plan | D-02 | N/A | Tue 2/5/13 |
| 4751 | Deliverable: (D-03) State Interfaces Design Document | D-03 | S | Fri 4/26/13 |
| 4762 | Deliverable: (D-04) Federal Interface Design Document | D-04 | S | Fri 4/19/13 |
| 4781 | Deliverable: (D-05) Carrier System Interface Design Document | D-05 | S | Fri 4/26/13 |
| 4791 | Deliverable: (D-06) Exchange Accounting System Interface Design Document | D-06 | S | Fri 4/26/13 |
| 4803 | Deliverable: (D-07) Eligibility System Interface Test Results | D-07 | S | Tue 7/2/13 |
| 5339 | Deliverable: (D-08) Other State Interfaces Test Results | D-08 | S | Tue 7/2/13 |
| 5178 | Deliverable: (D-09) Federal Exchange Eligibility Service Interface Test Results | D-09 | S | Thu 6/13/13 |
| 5210 | Deliverable: (D-10) CMS System Interface Test Results | D-10 | S | Fri 5/31/13 |
| 5242 | Deliverable: (D-11) Federal Hub Interface Test Results | D-11 | S | Tue 6/4/13 |
| 5274 | Deliverable: (D-12) Carrier System Interface Test Results | D-12 | S | Tue 7/2/13 |
| 5306 | Deliverable: (D-13) Exchange Accounting System Interface Test Results | D-13 | S | Tue 7/2/13 |
| 4885 | Deliverable: (D-14) Requirement Traceability Matrix (RTM) | D-14 | N/A | Fri 4/5/13 |
| 4877 | Deliverable: (D-15) Requirements Specification Document (RSD) | D-15 | S | Thu 4/18/13 |
| 4095 | Deliverable: (D-16) Test Plan | D-16 | S | Wed 5/8/13 |
| 4150 | Deliverable: (D-17) Business Rules | D-17 | S | Thu 5/9/13 |
| 4895 | Deliverable: (D-18) System Design Document | D-18 | S | Thu 4/25/13 |
| 4903 | Deliverable: (D-19) Database Design Document | D-19 | S | Thu 4/25/13 |
| 4167 | Deliverable: (D-20) Data Management Plan | D-20 | S | Wed 4/3/13 |
| 4911 | Deliverable: (D-21) Interface Control Document | D-21 | S | Tue 4/23/13 |
| 4588 | Deliverable: (D-22) Training Materials | D-22 | S | Thu 8/29/13 |
| 4993 | Deliverable: (D-23) User Manuals | D-23 | S | Thu 8/29/13 |
| 5001 | Deliverable: (D-24) System Security Plan | D-24 | S | Fri 3/29/13 |
| 5009 | Deliverable: (D-25) Information Security Risk Assessment | D-25 | S | Fri 3/29/13 |
| 5037 | Deliverable: (D-26) Implementation Plan | D-26 | S | Mon 7/8/13 |
| 5046 | Deliverable: (D-27) Contingency/Recovery Plan | D-27 | S | Tue 6/11/13 |
| 5055 | Deliverable: (D-28) Data Use Agreement/Data Exchange Agreement/Interconnection Security Agreement | D-28 | S | Thu 6/20/13 |
| 5063 | Deliverable: (D-29) Test Reports | D-29 | S | Tue 8/20/13 |
| 4545 | Deliverable: (D-30) Go-Live Document | D-30 | S | Mon 9/16/13 |
| 4569 | Deliverable: (D-31) Operation & Maintenance Manual (O&M) | D-31 | S | Tue 9/3/13 |
| 4579 | Deliverable: (D-32) Training Plan | D-32 | S | Thu 5/16/13 |
| | *** R - Responsible S - Supports N/A - Not Applicable** | | | |

## Schedule C – Deliverables and Milestones

| UID | Milestone | Benaissance Role* | Revised Baseline Date |
|---|---|---|---|
| 4893 | Milestone: VT Milestone 1: PM Exchange Components Functional Verification Complete | N/A | Fri 4/5/13 |
| 5388 | Milestone: VT Milestone 2: E&E Exchange Components Functional Verification Complete | N/A | Fri 4/5/13 |
| 5387 | Milestone: VT Milestone 3: FM Exchange Components Functional Verification Complete | N/A | Fri 4/5/13 |
| 5386 | Milestone: VT Milestone 4: Consumer Assistance Functional Verification Complete | N/A | Fri 4/5/13 |
| 5392 | Milestone: VT Milestone 5: Initial PM Exchange Components Development Complete | N/A | Thu 5/23/13 |
| 5391 | Milestone: VT Milestone 6: Initial FM Development Complete | S | Thu 5/23/13 |
| 5390 | Milestone: VT Milestone 7: Initial E&E Development Complete | S | Thu 5/23/13 |
| 4933 | Milestone: VT Milestone 8: Initial CA Development Complete | S | Thu 5/23/13 |
| 5411 | Milestone: VT Milestone 9: System Test Complete - Results Submitted to CMS | S | Mon 7/22/13 |
| 5410 | Milestone: VT Milestone 10: Connectivity Established for CMS Federal Hub Servics | N/A | Mon 6/3/13 |
| 5409 | Milestone: VT Milestone 11: Hub Service and partner testing Complete | N/A | Mon 6/3/13 |
| 5404 | Milestone: VT Milestone 12: Communications and Security Testing of Federal Hub Services Review Complete | N/A | Fri 6/14/13 |
| 5414 | Milestone: VT Milestone 13: Production Testing of Federal Hub Services Complete | N/A | Wed 8/7/13 |
| 5403 | Milestone: VT Milestone 14: Production Environment Setup Complete | S | Fri 8/9/13 |
| 4749 | Milestone: VT Milestone 15: End to End Testing Complete | S | Mon 8/19/13 |
| 5071 | Milestone: VT Milestone 16: Test Summary of CMS Test Scenarios Complete | S | Mon 8/19/13 |
| 5436 | Milestone: VT Milestone 17: Substantially completed Safeguard Procedure Report Submitted to IRS | S | Fri 6/14/13 |
| 5431 | Milestone: VT Milestone 18: Call Center Live | S | Mon 9/16/13 |
| 5073 | Milestone: VT Milestone 19: Website Launched | S | Mon 9/16/13 |
| | *** R - Responsible S - Supports N/A - Not Applicable** | | |

**SCHEDULE C**

Cost Proposal

[see attached]

**COST PROPOSAL Table of Contents**

Contents of the cost proposal :

**1. COST PROPOSAL SUMMARY**

This Cost Proposal to the State of Vermont Department of Vermont Health Access ("DHVA") is based on a detailed review of the Premium Processing Requirements Traceability Matrix (RTM). The CGI Technologies and Solutions Inc. ("Supplier" or "CGI") and State of Vermont ("SOV" or "State") teams collaborated in review sessions conducted during the month of March 2013 to validate the Premium Processing RTM. The final validated RTM was received from the State on March 28, 2013 and is attached as Schedule A: Premium Processing Requirements Traceability Matrix ("SOW #2 Schedule A") to Statement of Work #2 between Supplier and SOV dated _____, 2013 ("SOW #2").

## 2. ASSUMPTIONS

A. As a provider of commercial off-the-shelf (COTS) software as a service (SaaS) premium billing technology and outsourced premium billing and payment processing services, Benaissance services are quoted on a per subscriber per month subscription basis with a guaranteed minimum (Per Subscriber Per Month or "PSPM). When performing direct billing of individuals, pricing is per enrolled subscriber per month, and when performing consolidated group premium billing for employers, pricing is per enrolled employee per month.

B. Benaissance will perform outsourced premium billing, premium payment processing, premium remittance to Issuers, and monthly refund processing to Individuals or Individuals and Small Group Employers who terminate with an overpaid partial balance) for both Individual and Group Plans.

C. Benaissance will support premium payment by individuals and Small Group employers by paper payment by mail, online Visa and MasterCard credit or debit cards, online ACH, and recurring ACH.

D. Premium remittance will be via ACH initiated by Benaissance directly to each Issuer and accompanied by a HIPAA 820 file which Benaissance will provide to the Exchange for the Exchange to provide to the Issuer.

E. The pricing assumes the Issuers in the State will cooperate with the Benaissance model of allowing Benaissance to treat each Individual and Small Group Employer as if they are on a "self-bill model" (as that term is used in the commercial group health insurance industry) where the Benaissance HBEpoint technology will calculate a monthly posted and adjusted consolidated premium invoice for each employer and where each employer is able to perform monthly in-advance enrollment adjustments within the Exchange interface effectively allowing the employers to perform online in-advance review and repair of their invoice each month thereby eliminating the need for in-arrears manual reconciliation.

F. The pricing assumes the only physical mail items Benaissance will produce and mail through the U.S. Postal Service (USPS) will be premium invoices, late payment reminders, partial payment letters, voided payment letters, and enrollment/premium change letters sent only to those individuals or employers and/or Small Group Employers (and their employees as required) who elect to receive communications via USPS mail. The pricing assumes first-class postage for items mailed through the USPS will be passed through to the State at cost. The same communication items will be provided securely through appropriate electronic communication methods through the Exchange for those individuals and/or Small Group employers who elect to receive electronic communications. The pricing assumes all communication items will be provided in English.

G. The pricing assumes the physical location of the paper payment processing operation (lockbox) will be the in-production Benaissance shared lockbox in Omaha, NE.

H. The pricing assumes that the custodial bank account for daily deposit of premium payments for before premium remittance to the Issuers will be a State of Vermont owned bank account. The pricing assumes Benaissance will integrate with one and only one bank for transmission of X9.37 files and NACHA files. Interfaces to other banks preferred by the State can be supported but will result in additional integration fees. The pricing assumes that the State will absorb all banking fees related to this bank account including returned item fees. The pricing further assumes that all merchant processing fees will be paid by Benaissance for electronic payment transactions. The State of Vermont consents to allowing Benaissance to charge a convenience fee or a surcharge in addition to the premium due amount to Vermont consumers and employers who elect to pay their premiums by payment card. Benaissance will retain such convenience fees or surcharges as Benaissance revenue to offset Benaissance payment of the merchant processing fees. Benaissance consents to mutually agree with the Department of Vermont Health Access contingent on approval from the Secretary of Administration on the convenience fee or surcharge amounts charged. Benaissance will provide a report to the Department of Vermont Health Access every six months totaling the merchant processing fees paid and convenience or surcharge fees earned during the preceding six months and will work with the Department of Vermont Health Access to adjust the convenience or surcharge fees if as mutually deemed appropriate..

I. The pricing assumes Benaissance will not be calculating or paying commissions or grants or fees to brokers/agents or Navigators.

J. The pricing assumes Benaissance will operate a level 3 call center in Omaha, NE to support the Exchange call center in resolving Individual and Small Group employer inquiries regarding billing related issues.

K. The pricing assumes Benaissance will integrate only with the CGI developed components of the Exchange.

L. The pricing assumes the use of the proprietary Benaissance HBEpoint SaaS technology by Benaissance in performing the services described herein and does not assume any custom software development for the State except for the Hierarchical Allocation functionality which shall be a Customization as defined in Exhibit B in Schedule 2 attached hereto.

M. The pricing assumes that Benaissance will not be providing general accounting technology or functionality for general use by a State HIX operational unit outside of the premium billing functionality stated above.

N. Benaissance pricing assumes HBEpoint will be hosted by Benaissance in their current Tier IV data center in Papillion, NE.

O. The pricing includes the addition of dedicated circuits between the CGI and Benaissance primary and secondary hosting sites to facilitate real-time transaction processing in support of premium payments.

# 3. COST PROPOSAL

The Premium Processing scope is separated into two components, Implementation and Operations and Maintenance costs:

- Implementation – this is the work to implement the solution in compliance with the Federal Exchange deadlines, including the October 1, 2013 date for open enrollment and the January 1, 2014 date for full Exchange operations. This includes the firm-fixed price one-time fee for the integration and implementation of the Benaissance HBEpoint Premium Processing solution.
- Operations and Maintenance – This is the on-going Premium Processing work that supports the Exchange.

The cost of these items is presented below and fulfills the work requested in the RTM for Premium Processing as described in SOW #2 Schedule A. The deliverables associated with the software implementation, configuration and customization of the HBEpoint solution are described below in table Premium Processing Implementation Deliverables. This table depicts the cost of each of the named deliverables and the target delivery due dates.

## Table – Premium Processing Implementation Deliverables

| Implementation | | | | | | |
|---|---|---|---|---|---|---|
| Description | | | Cost | | | |
| Fixed Price Implementation Fee | | | $ 2,622,634.64 | | | |
| ID | Deliverables | Due Date | Cost | % Distribution | *LD Category | Max Penalty |
| D-14 | Requirement Traceability Matrix | 4/5/2013 | $ 199,320.23 | 7.6% | NA | NA |
| D-15 | Requirements Specifications Document | 4/18/2013 | $ 249,150.29 | 9.5% | NA | NA |
| D-18 | Systems Design Document | 4/25/2013 | $ 401,263.10 | 15.3% | M | $ 32,101.05 |
| D-16 | Test Plan | 5/8/2013 | $ 199,320.23 | 7.6% | M | $ 15,945.62 |
| D-29 | Test Reports | 8/20/2013 | $ 393,395.20 | 15.0% | H | $ 39,339.52 |
| | October Release | 10/1/2013 | $ 393,395.20 | 15.0% | H | $ 39,339.52 |
| | State Premium Subsidy - Test Report | 8/30/2013 | $ 131,131.73 | 5.0% | M | $ 10,490.54 |
| | State CSR - Test Report | 9/13/2013 | $ 131,131.73 | 5.0% | M | $ 10,490.54 |
| | Hierarchical Allocation - Test Report | 1/15/2014 | $ 131,131.73 | 5.0% | M | $ 10,490.54 |
| | February Release Hierarchical Allocation - GoLive | 2/1/2014 | $ 393,395.20 | 15.0% | H | $ 39,339.52 |
| | Total | | $ 2,622,634.64 | 100% | | |

## Table – Variable Operations and Maintenance Costs

| Description | |
|---|---|
| **Variable Operations and Maintenance Cost** | |
| *For each Individual (25,000 monthly minimum)*<br><br>* Fully outsourced premium billing, payment processing, and premium remittance powered by HBEpoint in the Vermont Individual Health Insurance Exchange.<br><br>**Quoted Per Subscriber Per Month** | $2.75 |
| *For each Employee (25,000 monthly minimum)*<br><br>* Fully outsourced premium billing, payment processing, and premium remittance powered by HBEpoint in the Vermont SHOP Exchange.<br><br>**Quoted Per Employee Per Month** | $1.65 |

## A. Liquidated Damages

Each party agrees that the failure by Supplier to meet the delivery dates for the deliverables as depicted in table Premium Processing Implementation Deliverables above will cause SOV to suffer damages, which are difficult to estimate. A liquidated damages category is associated with each deliverable. For the avoidance of doubt, liquidated damages apply to the deliverables associated with the Premium Processing Software Deliverables and not to the Variable Operations and Maintenance costs.

### A. Amount of Liquidated Damages

The parties agree that the amount of damage to SOV will be as follows:

For Deliverables categorized as **Medium**:

1 to 3 days late per Deliverable 5%;
4 to 7 days late per Deliverable 6%;
8 to 14 days late per Deliverable 7%;
After 14 days late per Deliverable 8%.

For Deliverables categorized as **High**:

1 to 3 days late per Deliverable 4%;
4 to 7 days late per Deliverable 6%;
8 to 14 days late per Deliverable 8%;
After 14 days late per Deliverable.10%

### B. Payment.

Supplier shall pay any Liquidated Damages due to SOV hereunder within 30 days of the date on which the applicable Deliverable was originally due to be met, or, at SOV's option, such amounts may be deducted from all or any portion of the Charges payable to Supplier in accordance with Schedule C. SOV shall notify Supplier in writing before SOV deducts such sums from the Charges.

### C. Earnback.

If Supplier meets all criteria set forth for the first monthly billing event after the October 1, 2013 release and the first monthly billing event after the February 1, 2014 release, then Supplier will be entitled to earn back fifty percent (50%) of the Liquidated Damages paid to SOV under this Schedule C. The Supplier's earn back of Liquidated Damages is not a waiver by SOV of any right it may have under the Agreement.

# Statement of Work No. 3

This Statement of Work Number 3 ("**Statement of Work**" or "**SOW**") is issued pursuant to the Master Services Agreement dated as of May 1 (the "**MSA**") between State of Vermont ("**SOV**") and CGI Technologies and Solutions Inc. ("**Supplier**"). This Statement of Work references SOV's ACCESS Contractor ("**Contractor**"). This Statement of Work incorporates the terms and conditions of the MSA as if the MSA were fully set forth in the text of this Statement of Work. Capitalized terms not defined in this Statement of Work are defined in the MSA.

## 1. EFFECTIVE DATE AND TERM OF THIS STATEMENT OF WORK.

This Statement of Work is effective as of May 1, 2013 ("**Statement of Work Effective Date**") and shall continue through December 31, 2013, which shall constitute the "**Statement of Work Term**".

## 2. SERVICES TO BE PERFORMED AND SCHEDULE OF PERFORMANCE.

A. Scope of Services

The Supplier will provide (i) IT Services based on the scope description below and the Schedule A (Deliverables List and Critical Milestones) and Schedule B (Interfaces from ACCESS to HBE). (ii) Additional specificity regarding the scope of Services is provided for in Exhibit E (Scope Assumptions) to the MSA.

1. Support ACCESS Remediation

ACCESS (SOV's legacy Advanced Computer Controlled Essential Services Software system) remediation effort required to support the October 2013 Health Benefits Exchange ("HBE") implementation ("ACCESS Remediation").

A. Supplier will provide the following support for data integration activities performed by the Contractor:

1. Support the Contractor from an HBE perspective in providing the functionality required to send applicant and participant demographics from the HBE solution to the Vermont Medicaid Management Information System ("MMIS") through the existing ACCESS interface. ACCESS will set the indicator to both MMIS and Pharmacy Benefit Management ("PBM"). The solution will utilize the existing ACCESS interfaces.
2. Support the Contractor from an HBE perspective in conducting the data synchronization between the HBE solution and ACCESS to allow Modified Adjusted Gross Income ("MAGI") data in support of eligibility to occur through the HBE solution and eligibility for other healthcare programs to occur through ACCESS.
3. Support the interface testing from an HBE perspective for the interfaces from ACCESS to the HBE solution detailed in Schedule B as "Service"

B. Supplier will perform the following support for Contractor's data conversion – extract translate load ("ETL") activities

1. Support the Contractor with iterative data conversion tests and data validation activities performed by the Contractor.

2. Support coordination of cutover (load) data activities for the HBE solution for the cutover in December 2013.
3. Support the interface testing from an HBE perspective for the interfaces from ACCESS to the HBE solution detailed in Schedule B as "ETL".

C. Implement the tools necessary to support ACCESS Remediation leveraging the HBE enterprise/solution architecture/infrastructure by providing the following.

1. Architect, design, configure, test and implement Oracle Master Data Management ("MDM") to support data integration requirements.
   i. Profile participant demographic extracts from ACCESS to assist with the development of data standardization and matching rules.
   ii. Develop data relationships, hierarchies, and key identifier cross references used to develop ACCESS remediation customized master data models.
   iii. Implement data governance rules for record matching, data cleansing and standardization (i.e., merge, unmerge), and survivorship (survivorship rules determine how two or more systems may update a common master record).
   iv. Develop and test service integration from ACCESS to MDM for real-time and near real-time transactions.
   v. Configure the data stewardship functionality and processes for managing master records including merging, unmerging and deleting of records.
   vi. Load person data from ACCESS into MDM applying data standardizations.
   vii. Implement data governance and data steward processes for enforcement of data rules.
   viii. Develop policies and procedures for adding new systems to MDM.
2. Architect, design, configure, test and implement Oracle Identity and Access Management ("IDM") to support system access requirements.
   i. Define user management security policies.
   ii. Store user identities, manage, and control user access based on their roles.
   iii. Implement user self-service which allows users to manage facets of their accounts (i.e., email address and password reset).
   iv. Deploy connectors to allow provisioning and management of users from IDM directly to applications and active directory.

v. Provide the ability to allow/deny access to protected resources via active directory determination.
vi. Implement audit and reporting capabilities.
vii. Load state users and configure state user access.

3. Architect, design, configure, test and implement Oracle Service Oriented Architecture ("SOA") suite.
   i. Provide integration of ACCESS and HBE solution through the services developed for remediation.
   ii. Integrate with the existing HBE SOA platform for real-time service interactions and long running business processes provided by the Business Process Execution Language (BPEL) for ACCESS remediation.

D. Collaborate with Vermont Department of Innovation and Information Enterprise Agency ("DII EA") as set forth below for SOA governance integration required to support ACCESS remediation by providing the following:
   1. Conduct SOA Planning Activities
      i. Infrastructure
         1. Set up operational infrastructure (mapping to Oracle technologies, how policies get implemented).
         2. Implement life cycle infrastructure (how service modeling and service development will be conducted).
         3. Review asset management (history repository component, build and run time components).
      ii. Framework & Process
         1. Develop reference framework (Services Architecture Engineering (SAE)) methodology to support SOA.
         2. Utilize SOA governance developed by DII EA.

E. Project management and support functions required to manage, coordinate and administer the activities for the effort included in this SOW and support implementation activities.

B. Location of Services.

All services related to this SOW will be performed in Burlington, Vermont area or Reston, Virginia.

C. Deliverables and Work Product.

The list of deliverables is included in Schedule A and incorporated herein by reference.

D. Milestone Schedule

A preliminary SOV project schedule will be developed and reviewed and approved by both parties on a date mutually agreed to between the Supplier and SOV. Supplier will provide the Services in accordance with the timeframes set forth in the project schedule. A list of Critical Milestones is included in Schedule A.

E. Acceptance Criteria and Process.

The deliverable acceptance criteria and process is set forth in the HBE Project Management Plan ("PMP"). The PMP sets forth the project processes and tools project staff adhere to execute the project work.

F. Supplier Personnel.

Process for approval of Supplier Personnel in key positions is described in the MSA.

G. Supplier Resources.

Description of resources is set forth in the PMP.

H. SOV Roles and Responsibilities.

1. Services or Support: See Exhibit E (Scope Assumptions) to the MSA.
2. SOV Resources: See Exhibit E (Scope Assumptions) to the MSA.
3. Proprietary Materials: SOV will provide licenses for all Oracle products for the sole purpose of Supplier's performance of the Services described in this SOW.

I. Governance Structure, Meetings and Reports.

Governance structure, operation and executive level meeting process and weekly status report standards will be mutually agreed by the parties and set forth in the PMP.

J. Termination for Convenience.

Notwithstanding Section 26.3 of the MSA, at any time prior to the date fifteen (15) days after the Statement of Work Effective Date, SOV shall have the right to terminate this Statement of Work, in whole or in part, for convenience and without cause by providing Supplier with not less than fifteen (15) days prior written notice. Upon any such termination, SOV shall have no liability other than to (i) pay Supplier Charges for Services rendered up to and including the effective date of termination; and (ii) reimburse Supplier for Pass-Through Expenses incurred by Supplier to procure Software or Equipment for SOV pursuant to Section 6 and 7 below, or as approved by SOV pursuant to a Change Order. In the event of a termination in part, Charges will be adjusted in accordance with Section 26.4.

---

**3. HOSTING SERVICES.**

Not applicable to this SOW.

---

**4. PROJECT MANAGERS.**

See Exhibit E (Scope Assumptions) to the MSA.

**5. STAFF.**

A. Subcontractors.

Supplier expects to engage Oracle Corporation ("Oracle") and Referentia Systems Incorporated ("Referentia") to provide consulting services to support the effort detailed in this SOW.

**6. SOFTWARE.**

A. Third Party Software provided by Supplier

The Supplier is not providing any third party software under this SOW. DII EA will validate and approve any software required for this effort.

B. Third Party Software provided by SOV.

SOV will provide licenses for Oracle products for the sole purpose of Supplier's performance of the Services described in this SOW and will pay maintenance on those products during the term of the SOW.

**7. HARDWARE.**

The Supplier will provide 20 workstations for SOV personnel working in the Supplier facility (as defined below).

**8. THIRD PARTY CONTRACTS.**

None at this time.

**9. SERVICE LEVELS.**

See Exhibit D attached to the MSA.

**10. SECURITY, DISASTER RECOVERY, BUSINESS CONTINUITY PROCEDURES, CONTROLS**

Implementation and design will adhere to existing HBE security disaster recovery and business continuity procedures and controls.

**11. FORECASTING**

Any forecasting needed will be set forth in in the HBE PMP.

**12. FACILITIES TO BE PROVIDED BY SUPPLIER.**

The project team will be collocated at a site that the Supplier leases in the Burlington, Vermont area. The Supplier is responsible for providing space and furnishings for up to 20 SOV personnel per the Vermont Integrated Eligibility Design, Development, and Implementation (DDI) Request for Proposal ("RFP") (As detailed in Section 2.5.4.3 Facilities and Equipment). Supplier is responsible for providing computer equipment for the 20 SOV personnel.

**13. ASSUMPTIONS.**

1. SOA Handbook – SOV (through DII EA) will provide the SOA handbook by July 31, 2013.
2. The Supplier will adhere to the processes outlined in the approved HBE PMP.
3. Implementation, organizational change management, and training activities are not included in this SOW.

4. Testing included in this SOW is related to ACCESS Remediation, IDM, MDM, and SOA suite activities only and will leverage the processes and tools defined in the HBE test plan.
5. A Requirements Traceability Matrix ("RTM") specific to this SOW will be created by the Supplier through collaboration with SOV to include the scope detailed in this SOW as part of the requirements analysis process.
6. The requirements and interfaces detailed in Schedule B included in this SOW are subject to change through the requirements analysis process and through mutual written agreement with the SOV.
7. The actual deliverable dates and Critical Milestone dates may change based on the acceptance of the final project schedule under mutual written agreement between the Supplier and SOV.
8. For the attached Schedule B of this SOW only the data required for eligibility determinations effective 1/1/2014 will be implemented as part of this SOW.
9. Upon SOV's request, SOV and Supplier shall agree in good faith upon an amendment to this SOW to include the work to be performed by Contractor that is related to this SOW.
10. The Supplier will leverage the non-functional requirements traceability matrix ("NFRTM") for SOA, interoperability and interfaces, enterprise service bus ("ESB"), data integration and ETL, MDM, security, and IDM.
11. Vermont DII EA will provide the Enterprise Security Model for the development of the Security Plan (as defined below).
12. The Supplier will leverage the existing HBE enterprise / solution architecture / infrastructure for the work detailed in this SOW in accordance with the governance provided by DII EA.
13. The Contractor will align to the delivery dates for the HBE project for the design, development, testing, and implementation changes required for ACCESS Remediation.
14. Supplier will incur no penalties if the EntireX product impacts system performance and SLAs.
15. Supplier is dependent on the Contractor for specific milestones. A schedule of the Contractor's activities will be provided to Supplier on a weekly basis.
16. The Contractor will provide the following deliverables to the State by the external dependency dates included in the Supplier's MS project schedule:
    - i) ACCESS Remediation Design
    - ii) Data Conversion and Synchronization Plan

---

**14. OPTIONAL SERVICES.**

A. Not applicable to this SOW.

---

**15. <u>OTHER SERVICES.</u>**

A. Not applicable to this SOW

---

**16. <u>CHARGES AND PASS-THROUGH EXPENSES</u>.**

A. Pass-Through Expenses will be consistent with Exhibit L (Cost) attached to the MSA. The Charges for Services under this SOW are provided in the attached Schedule C.

**17. ADDITIONAL TERMS.**

The parties agree to negotiate in good faith during the period prior to the Statement of Work Effective Date the items noted herein, including the terms in Exhibit E (Scope Assumptions). This SOW, Exhibit E and, as necessary, other related documents will be revised (either by means of an amendment to the MSA or by Change Order as appropriate) to reflect mutually agreed terms.

Agreed to and accepted by:

CGI Technologies and Solutions Inc. (CGI)

By: E-SIGNed by Gregg Mossburg on 2013-May-01

Name:

Title:

Date:

State of Vermont

By: E-SIGNed by Mark Larson on 2013-May-01

Name:

Title:

Date:

## Schedule A
## Deliverable List and Critical Milestones SOW #3

The deliverable numbers in the list below are consistent with the RFP.

| # | Deliverable | Deliverable Description | Proposed Implementation Dates |
|---|---|---|---|
| **Project Initiation and Status** | | | |
| 1 | Project Status Reporting (Recurring) | The deliverable provides the following:<br>▪ Status of work completed against the Microsoft ("MS") Project schedule<br>▪ Objectives for the next reporting period<br>▪ Supplier and SOV responsibilities for the next reporting period<br>▪ Recovery plan for all work activities not tracking to the approved schedule<br>▪ Projected completion dates compared to approved baseline key dates<br>▪ Escalated risks, issues, and action items<br>▪ Disposition of logged issues and risks<br>▪ Actual/projected Project Work Plan dates versus baseline Project Work Plan milestone dates<br>▪ "Status-at-a-Glance" summary of the Project Work Plan status | Ongoing |
| 2 | Project Kickoff Presentation | Supplier will provide a presentation to include the following:<br>▪ Project organization and roles and responsibilities of key stakeholders<br>▪ Project WBS (defined below) and Roadmap<br>▪ Critical Milestones<br>▪ Detail project performance measurements and critical success factors | 5/9/2013 |
| 11 | Work Breakdown Structure | Supplier will submit a Work Breakdown Structure ("WBS") as a preliminary step in the preparation of a project work plan and schedule that encompasses all activities from project initiation through December 2013. The WBS will be provided using MS Project and will include:<br>▪ A consolidated high-level view of the activities, activity descriptions, and activity durations of the project<br>▪ The teams or resources that will perform the activities<br>▪ A list of deliverables tied to project milestones | 5/7/2013 |
| 12 | Project Schedule | Supplier will submit a detailed schedule in MS Project detailing the project activities through December 2013. The schedule will be include:<br>▪ Consolidated, detailed activities of the project<br>▪ Resources that will perform the tasks<br>▪ Dependencies between activities and touch points | 5/17/2013 |

| | | | |
|---|---|---|---|
| | | with the HBE project schedule<br>▪ Deliverables and Critical Milestones included in SOW<br>The project schedule will be maintained throughout the life of the project and will be updated as necessary (weekly at a minimum) to reflect the accurate status of the project. | |
| **Requirements Development** | | | |
| 19 | Requirements Methodology and Template | This document provides the approach to gathering the requirements associated with this SOW, this includes any functional and non-functional (including technical and security) requirements. It includes a template to be used for requirements traceability | 6/14/2013 |
| 20 | Crosswalk of Functional Requirements Associated with MAGI against ACCESS Functionality | Crosswalk HBE functional requirements associated with MAGI functionality against ACCESS functionality to identify and determine gaps and captures decisions to finalize any gaps. | 6/28/2013 |
| 21 | Detailed Requirements Traceability Matrix | Using the template developed in the Requirements Methodology and Template deliverable and the Crosswalk of the Functional Requirements Associated with MAGI against ACCESS Functionality the detailed requirements will be provided to the State for formal approval. | 7/9/2013 |
| **Design** | | | |
| 26 | SOA Models | Supplier will identify the services, service hierarchy, and classification of the services based on the hierarchy needed for the ACCESS remediation effort. This will be integrated with the overall SOA artifacts developed by DII EA. | 8/30/2013 |
| New.1 | System Design for MDM and IDM | Supplier will develop a system design for the MDM and IDM and how they relate to the SOA and ACCESS EntireX. In addition, the configurations for MDM and IDM will be detailed to support the configuration effort required for the tools. | 8/2/2013 |
| 31 | Security Plan | Supplier will develop a security plan (the "Security Plan") including details of how security will be controlled during the implementation of the items related to ACCESS Remediation. The Security Plan will include:<br>▪ Security policies<br>▪ Logical security controls (privacy, user access and authentication, user permissions, etc.)<br>▪ Technical security controls and security architecture (communications, hardware, data, physical access, software, operating system, encryption, etc.)<br>▪ Security processes (security assessments, risk assessments, incident response, etc.) | 8/19/2013 |
| New.2 | MDM and IDM Test Cases and Test | Supplier will provide business test cases and step-by-step test scripts to test the data integration process. This will be | 8/16/2013 |

| | | | |
|---|---|---|---|
| | Scripts | performed in conjunction with the Contractor ACCESS test activities and leverage the HBE test tools and processes. | |
| **Deployment** | | | |
| 43 | Data Conversion and Synchronization Support Plan | Support the delivery of the Contractor's Data Conversion and Synchronization Plan that will include:<br>▪ Defining support for data conversion activities from an HBE perspective<br>▪ Defining support for cutover activities and the integration with the larger HBE cutover. | 8/2/2013 |

| # | Critical Milestones | Proposed Milestone Dates |
|---|---|---|
| 1 | Project Schedule Baselined | 5/31/2013 |
| 2 | Requirements Traceability Matrix Approved | 7/19/2013 |
| 3 | Configured MDM Implemented | 8/16/2013 |
| 4 | Data Integration Test Complete | 9/20/2013 |
| 5 | Go-Live Decision September | 9/27/2013 |
| 6 | September Data Conversion Complete | 9/30/2013 |
| 7 | Go-Live Decision December | 12/27/2013 |
| 8 | December Data Conversion Complete | 12/30/2013 |

## Schedule B
## Interfaces from ACCESS to HBE SOW #3

The table below includes the interfaces from ACCESS to HBE that are provided using SOA and MDM as appropriate.

| Data Flow Direction | Data Integration Point | Type | Timing/ Schedule | Approach |
|---|---|---|---|---|
| To MDM | Person and Case Clearance | Service | Real-time | EntireX services to send person and case clearance information to the MDM clearance to ensure no duplicate persons exist and that the person is not already participating on any program.<br>SOA suite to integrate services and transport the data real-time.<br>SOA infrastructure to share the data with all components of the SOV HBE solution and HIX if required. |
| To MDM | Provider Clearance | Service | Real-time | EntireX services to send provider data to the MDM for data cleansing and clearance purposes.<br>The SOA infrastructure to share data across the SOV HBE solution. |
| To SOV HBE solution | Eligibility Changes - MAGI Cases | Service | Triggered – Real time | ACCESS trigger to execute a data transfer through EntireX services when key data is changed.<br>SOA infrastructure to process the information through a standardized message structure and processed through the SOA infrastructure to a corresponding set of data services to receive the information and forward it to the appropriate system function and data store for processing. |
| To SOV HBE solution | Case Forwarding for MAGI Eligibility | Service | Triggered – Real time | ACCESS trigger to identify these cases and initiate an EntireX service to send data to the SOA infrastructure.<br>SOA infrastructure to initiate services to process the data, forward it to the appropriate system function and data store for processing.<br>ACCESS remediation to suspend health care eligibility processing on these cases until a response is received from the SOV HBE solution with the MAGI eligibility results. |
| To ACCESS | Person and Case Clearance (from MDM) | Service | Real-time | MDM for clearance functions, identification of data anomalies and integration with the SOA suite to transport the data a required.<br>SOA infrastructure to transport the data to ACCESS in a standard message format.<br>EntireX services to process the incoming information into ACCESS to ensure the system of record stays intact. |

| Data Flow Direction | Data Integration Point | Type | Timing/ Schedule | Approach |
|---|---|---|---|---|
| To ACCESS | Person Data Stewart Changes (from MDM) | Service | Real time | MDM to identify data anomalies and setup tasks for the Data Stewarts to resolve.<br>ACCESS remediation to interact with the MDM and process the data steward updates accordingly.<br>SOA infrastructure to initiate service interactions as changes are made by the Data Stewarts<br>EntireX service to receive the message, format the data and process it within existing or remediated ACCESS functions. |
| To ACCESS | Provider Data Stewart Changes (from MDM) | Service | Real time | Same solution as used for person changes from MDM. |
| To ACCESS | Authorized Representative Data | Service | Triggered, real time | SOV HBE solution to identify authorized representative exists for a case and triggers a service to retrieve and format the required information.<br>SOA infrastructure to process the message and forward it to ACCESS for processing.<br>EntireX service to receive the message from the SOV HBE solution and store it within ACCESS.<br>Remediated processes within ACCESS will load the authorized representatives to the ACCESS cases. |
| To ACCESS | MAGI Eligibility Results | Service | Triggered, real time | SOV HBE solution to provide the results of the MAGI eligibility processes using the SOA infrastructure.<br>SOA infrastructure to receive the message and forward it to ACCESS for processing.<br>EntireX service to receive the message from the SOV HBE solution and store it as required.<br>Remediated processes within ACCESS to process the eligibility results. |
| To ACCESS | Medicaid Non-MAGI Case Referrals | Service | Triggered, real time | SOV HBE solutions to send members and cases that screen eligible for Medicaid but do not meet the MAGI rules through the SOA infrastructure.<br>SOA infrastructure to initiate the transfer of the person and case information to ACCESS.<br>EntireX service to receive the message, format the data and store it in ACCESS.<br>Remediated functions in ACCESS to determine eligibility for persons not eligible under the MAGI rules. |

| Data Flow Direction | Data Integration Point | Type | Timing/ Schedule | Approach |
|---|---|---|---|---|
| To ACCESS | Premium Collections | Service | Batch | SOV HBE solution to include a scheduled process to report premium collections to ACCESS.<br>SOA architecture to initiate the transfer of the premium collection information to ACCESS.<br>EntireX service to receive the message, format the data and store it in ACCESS so that existing reporting and noticing functions. |
| To SOV HBE solution | Case confidentiality data | Service | Triggered | As functions are implemented and the SOV HBE solution begins to process MAGI eligibility, there will be a number of cases that are split between ACCESS programs and MAGI. In some instances, the non-MAGI cases will have confidential data associated with them.<br>Remediated ACCESS function to trigger data extract service.<br>EntireX service to forward case confidential information to the SOV HBE solution if the case is split between the two systems.<br>SOA infrastructure to process the message and forward it to the appropriate SOV HBE solution process to consume the data and update their databases as required. |
| To ACCESS | Import Case confidentiality data | Service | Triggered | ACCESS must have accurate information on all aspects of the cases regardless of system. In addition, since cases can be split between ACCESS and the SOV HBE solution, ACCESS must have the latest information about the case to ensure correct processing and data sharing.<br>SOV HBE solution to trigger service of data to ACCESS.<br>SOA infrastructure to process message and forward it to ACCESS.<br>EntireX service to pick up the message and update ACCESS as required. |
| To SOV HBE solution | Case Warning data | Service | Triggered | ACCESS process to trigger EntireX service format message with required data.<br>SOA infrastructure to process message and forward it to SOV HBE solution.<br>SOV HBE solution service to pick up the message and update SOV HBE solution DB as required. |
| To ACCESS | Import Case Warning data | Service | Triggered | SOV HBE solution to trigger service of data to ACCESS.<br>SOA infrastructure to process message and forward it to ACCESS.<br>EntireX service to pick up the message and update ACCESS as required. |

| Data Flow Direction | Data Integration Point | Type | Timing/ Schedule | Approach |
|---|---|---|---|---|
| To SOV HBE solution | Health Insurance Coverage data | Service | Triggered | ACCESS process to trigger EntireX service format message with required data.<br>SOA infrastructure to process message and forward it to SOV HBE solution.<br>SOV HBE solution service to pick up the message and update SOV HBE solution DB as required. |
| To ACCESS | Import Health Insurance Coverage data | Service | Triggered | SOV HBE solution to trigger service of data to ACCESS.<br>SOA infrastructure to process message and forward it to ACCESS.<br>EntireX service to pick up the message and update ACCESS as required. |

The table below includes the interfaces from ACCESS to HBE that are provided using a one-time ETL or data conversion and kept in synch through SOA and MDM as appropriate.

| Data Flow Direction | Data Integration Point | Type | Timing/ Schedule | Approach |
|---|---|---|---|---|
| To MDM | Bulk Person Load | ETL | On demand | Oracle Data Integrator to extract, transform and load the data.<br>SOA suite integration for transaction delivery.<br>MDM suite for receipt, loading, analysis and cleansing. This initial extract will include all person data for members participating in health care cases. |
| To SOV HBE solution | Case Copy - MAGI Transition | ETL | On demand | Oracle Data Integrator to directly extract data from ACCESS, transform the data and create a set of files which can be digested by SOA infrastructure.<br>SOA suite to digest the ETL messages and make the data available to the components of the solution as necessary. |
| To MDM | Extract Employer, Carrier, Vendor, Provider Data | ETL | On demand | Oracle Data Integrator to extract, transform and load the data in the format required by the MDM.<br>SOA suite integration for transaction delivery.<br>MDM suite for receipt, loading, analysis and cleansing. This initial extract will include all provider data within ACCESS. |
| To SOV HBE solution | Managed Care Enrollment and Disenrollment - Conversion | ETL | On demand | The data conversion processes will all take the following form.<br>Oracle Data Integrator to create a set of ETL conversion files which can be digested by the SOV HBE solution and loaded into the production database.<br>Oracle SOA infrastructure to direct the data to the appropriate load processes.<br>SOV HBE solution processes to load the data. |
| To SOV HBE solution | Extract Case confidentiality data - Conversion | ETL | On demand | Conversion approach described above. |
| To SOV HBE solution | Extract Case Warning data - Conversion | ETL | On demand | Conversion approach described above. |
| To SOV HBE solution | Extract Health Insurance Coverage data - Conversion | ETL | On demand | Conversion approach described above. |
| To SOV HBE solution | Forward Incoming Coordination of Benefits files | ETL | Scheduled or triggered | All interfaces are planned to use the interface approach described above. |
| To SOV HBE solution | Forward Incoming SDX Data | ETL | Scheduled or triggered | All interfaces are planned to use the interface approach described above. |

| Data Flow Direction | Data Integration Point | Type | Timing/ Schedule | Approach |
|---|---|---|---|---|
| To SOV HBE solution | Forward Incoming BENDEX Data | ETL | Scheduled or triggered | All interfaces are planned to use the interface approach described above. |
| To SOV HBE solution | Forward Incoming SVES Data | ETL | Scheduled or triggered | All interfaces are planned to use the interface approach described above. |
| To SOV HBE solution | Forward Incoming DOL Data | ETL | Scheduled or triggered | All interfaces are planned to use the interface approach described above. |

## Schedule C
## Costs for SOW #3

The Supplier has carefully constructed a cost effective proposal to perform the services related to this SOW; the following adjustments were made to the cost proposal from Supplier's original proposal submission in response to the RFP:

- Rationalized Supplier Personnel to perform the duties required to support the ACCESS Remediation effort detailed in this SOW. Supplier removed redundancy between the effort initially proposed and the current effort and the HBE project wherever possible
- Costs included do not include costs during the time period of this SOW related to effort required for Integrated Eligibility work that must occur between May 1, 2013 and December 31, 2013.
- Maintenance & Operations (M&O) and Hosting costs are not included in this pricing.
- 3rd party software & maintenance pricing is not included in this pricing.
- Costs do not include any work to be performed by the Contractor.
- Payment will be based on the payment schedule (as defined below), the final deliverable and Critical Milestone dates will be included in the baselined project schedule.
- The Critical Milestones dates associated with this SOW are based on the assumption that Contractor meets their dependencies on the effort and activities required to perform data integration and data conversion activities on the part of the Supplier. If those dates are not met by the Contractor then these dates (as defined blow) will be revisited.
- The Critical Milestones dates associated with this SOW are based on the assumption that DII EA meets their dependencies on the effort and activities required to perform the SOA integration activities on the part of the Supplier. If those dates are not met by DII EA then these dates (as defined blow) will be revisited.
- The actual deliverable dates and Critical Milestone dates may change based on the acceptance of the final project schedule under mutual written agreement between the Supplier and SOV.

Supplier and SOV acknowledge and agree that the Services and deliverables described in this SOW constitute only the initial phase of the Vermont Integrated Eligibility ("IE") project to be performed by Supplier (the "Project"). Supplier and SOV will negotiate in good faith pricing for the entire Project as a whole, and any amounts paid under this SOW will be deducted from the final Project price.

Each party agrees that the failure by Supplier to meet each Critical Milestone (as defined below) will cause SOV to suffer substantial damages which are difficult to estimate. Each party represents after all diligence it has determined appropriate, that the liquidated damages set forth below ("Liquidated Damages") are reasonable estimates of the damages which SOV will suffer for a failure to meet each Milestone set forth below ("Critical Milestone"), and agrees that the Liquidated Damages are not a penalty. Each party agrees that the Liquidated Damages are intended to be reasonable estimates of the actual damages that SOV would suffer, and are enforceable, valid and binding upon it. In the event that SOV elects to seek actual damages consistent with the terms of this SOW for Supplier's failure to meet one or more Critical Milestone, any Liquidated Damages paid in connection with such Critical Milestone shall be deducted from any damages award. If any Liquidated Damages are held to be unenforceable, then such Liquidated Damages shall be deemed deleted from this Schedule C and SOV shall have the right to recover such damages as it is able to recover under this SOW.

Notwithstanding anything to the contrary herein, the Supplier shall not be liable for Liquidated Damages under this Schedule C to the extent that the failure to meet any Critical Milestone is attributable in any material respect to the failure of SOV or SOV's Third Party Resources or Contractor to perform their obligations as set forth in this SOW or that arise out of causes beyond the reasonable control and without

any material error, negligence or breach of the Supplier's obligations under the MSA of the Supplier or Supplier's Third Party Resources or Contractor, provided that:

a. Supplier provides written notice of the delay or failure promptly after first learning of the same describing the cause of such delay or failure in reasonable detail and includes it on all subsequent red-yellow-green reports until it is resolved, and escalates the matter to SOV's Deputy Commissioner of the Exchange within the Department of Vermont Health Access if any such delay is not redressed within two (2) weeks of such written notice from the Supplier; and

b. The Supplier takes all reasonable efforts to avoid and minimize the impact of such failure by the SOV, the SOV's Third Party Resources, or Contractor or such causes.

In no event shall Supplier's total aggregate liability for all Liquidated Damages assessed under this Schedule C exceed 10% of the total Detailed Deliverables Cost (as defined in the payment schedule attached to this Exhibit C (Costs for SOW #3) (the "Liquidated Damages Cap"). The parties acknowledge and agree that the Liquidated Damages Cap will increase or decrease consistent with any increase or decrease in the total Detailed Deliverables Cost.

The date by which each Critical Milestone must be met is detailed in the chart below:

| | Critical Milestone | Milestone Date | Impact to Project |
|---|---|---|---|
| 1 | Project Schedule Baselined | 5/31/2013 | Low |
| 2 | Requirements Traceability Matrix Approved | 7/19/2013 | Low |
| 3 | Configured MDM Implemented | 10/4/2013 | Medium |
| 4 | Data Integration Test Complete | 12/23/2013 | Medium |
| 5 | Go-Live Decision September | 9/27/2013 | Medium |
| 6 | September Data Conversion Completed | 9/30/2013 | Medium |
| 7 | Go-Live Decision December | 12/27/2013 | Medium |
| 8 | December Data Conversion Completed | 12/30/2013 | High |

The parties agree that the amount of damage to the SOV will be as follows:

For Critical Milestones categorized as Low:

- $3,750 for every day late from 1 to 3 days late per Critical Milestone;
- $7,500 for every day late from 4 to 7 days late per Critical Milestone;
- $10,000 for every date late from 8 to 14 days late per Critical Milestone;
- $25,000 for every day late after 14 days late per Critical Milestone.

For Critical Milestones categorized as Medium:

- $9,375 for every day late from 1 to 3 days late per Critical Milestone;
- $18,750 for every day late from 4 to 7 days late per Critical Milestone;
- $25,000 for every day late from 8 to 14 days late per Critical Milestone;
- $62,500 for every day late after 14 days late per Critical Milestone.

For Critical Milestones categorized as High:

- $18,750 for every day late from 1 to 3 days late per Critical Milestone;
- $37,500 for every day late from 4 to 7 days late per Critical Milestone;
- $50,000 for every day late from 8 to 14 days late per Critical Milestone;
- $125,000 for every day late after 14 days late per Critical Milestone.

Supplier shall pay any Liquidated Damages due to SOV hereunder within 30 days of the date on which the applicable Critical Milestone was originally due to be met, or, at SOV's option, such amounts may be deducted from all or any portion of the Charges payable to Supplier in accordance with the MSA. SOV shall notify Supplier in writing before SOV deducts such sums from the Charges.

If Supplier meets mutually agreed to criteria for the Go Live Launch of January 1, 2014, then Supplier will be entitled to earn back sixty percent (60%) of the Liquidated Damages paid to SOV under this Exhibit C. The Supplier's earn back of Liquidated Damages is not a waiver by SOV of any right it may have under the MSA.

Any Liquidated Damages payable under this SOV, including the Critical Milestones, dates for completion and amounts of Liquidated Damages, may be changed at any time by written agreement of the parties, but only by means of a Change Order. The parties further agree that the applicability of the Liquidated Damages to the performance of a Critical Milestone may be waived by SOV in any given instance, but only pursuant to a written waiver signed by the Commissioner of Vermont Health Access.

The final acceptance criteria shall be as agreed upon by the parties and set forth in the HBE PMP.

The following tables detail the payment schedule associated with this SOW.

| | ACCESS Remediation Deliverable Pricing | Deliverable Date | Payment Schedule | Price |
|---|---|---|---|---|
| Project Initiation and Status | | | | |
| 1 | Status Reporting | 5/9/2013 | 5/20/2013 | $124,700 |
| 2 | Project Kickoff Presentation | 5/9/2013 | 5/20/2013 | 74,820 |
| 11 | WBS | 5/7/2013 | 5/20/2013 | 299,280 |
| 12 | Baseline Project Schedule | 5/17/2013 | 5/31/2013 | 498,800 |
| Requirements Development | | | | |
| 19 | Requirements Methodology and Template | 6/14/2013 | 6/28/2013 | 748,200 |
| 20 | Crosswalk of Functional Requirements Associated with MAGI against ACCESS Functionality | 6/28/2013 | 4/12/2013 | 839,490 |
| 21 | Detailed Requirements Traceability Matrix | 7/29/2013 | 8/9/2013 | 839,490 |
| Design | | | | |
| 26 | SOA Models | 8/30/2013 | 9/13/2013 | 352,800 |
| New.1 | System Design for MDM and IDM | 8/2/2013 | 8/16/2013 | 3,107,040 |
| 31 | Security Plan | 8/19/2013 | 9/2/2013 | 235,200 |
| New.2 | MDM and IDM Test Cases and Test Scripts | 8/16/2013 | 8/30/2013 | 1,035,680 |

| | ACCESS Remediation Deliverable Pricing | Deliverable Date | Payment Schedule | Price |
|---|---|---|---|---|
| Deployment | | | | |
| 43 | Data Conversion and Synchronization Support Plan | 8/2/2013 | 8/16/2013 | 1,236,180 |

| | Critical Milestones | Deliverable Date | Payment Schedule | Price |
|---|---|---|---|---|
| 1 | Project Schedule Baselined | 5/31/2013 | 6/14/2013 | $124,700 |
| 2 | Requirements Traceability Matrix Approved | 7/19/2013 | 8/2/2013 | 124,700 |
| 3 | Configured MDM Implemented | 10/4/2013 | 10/14/2013 | 5,178,400 |
| 4 | Data Integration Test Complete | 12/23/2013 | 12/28/2013 | 1,595,340 |
| 5 | Go-Live Decision September | 9/27/2013 | 9/30/2013 | 249,400 |
| 6 | September Go-Live Complete | 9/30/2013 | 10/1/2013 | 691,890 |
| 7 | Go-Live Decision December | 12/27/2013 | 12/28/2013 | 249,400 |
| 8 | December Go-Live Decision Complete | 12/30/2013 | 1/2/2013 | 691,890 |

| | Monthly Payments | Payment Schedule | Price |
|---|---|---|---|
| 1 | Facilities – July | 7/1/2013 | $83,125 |
| 2 | Facilities – August | 8/1/2013 | 83,125 |
| 3 | Facilities – September | 9/1/2013 | 83,125 |
| 4 | Facilities – October | 10/1/2013 | 83,125 |
| 5 | Facilities – November | 11/1/2013 | 83,125 |
| 6 | Facilities – December | 12/1/2013 | 83,125 |
| 7 | Hardware – July | 7/1/2013 | 40,500 |

Payment Schedule Summary:

| Monthly Payments | Price |
|---|---|
| Deliverable: (ACCESS Remediation-1) Status Reporting | $124,700 |
| Deliverable: (ACCESS Remediation-2) Project Kickoff Presentation | 74,820 |
| Deliverable: (ACCESS Remediation-11) WBS | 299,280 |
| Deliverable: (ACCESS Remediation-12) Baseline Project Schedule | 498,800 |
| Deliverable: (ACCESS Remediation-19) Requirements Methodology and Template | 748,200 |
| Deliverable: (ACCESS Remediation-20) Crosswalk of Functional Requirements Associated with MAGI against ACCESS Functionality | 839,490 |
| Deliverable: (ACCESS Remediation-21) Detailed Requirements Traceability Matrix | 839,490 |
| Deliverable: (ACCESS Remediation-26) SOA Models | 352,800 |
| Deliverable: (ACCESS Remediation-New.1) System Design for MDM and IDM | 3,107,040 |
| Deliverable: (ACCESS Remediation-31) Security Plan | 235,200 |
| Deliverable: (ACCESS Remediation-New.2) MDM and IDM Test Cases and Test Scripts | 1,035,680 |
| Deliverable: (ACCESS Remediation-43) Data Conversion and Synchronization Support Plan | 1,236,180 |
| Milestone: VT ACCESS - Milestone 1: Project Schedule Baselined | 124,700 |
| Milestone: VT ACCESS - Milestone 2: Requirements Traceability Matrix Approved | 124,700 |
| Milestone: VT ACCESS - Milestone 3: Configured MDM Implemented | 5,178,400 |
| Milestone: VT ACCESS - Milestone 4: Data Integration Test Complete | 1,595,340 |
| Milestone: VT ACCESS - Milestone 5: Go-Live Decision September | 249,400 |
| Milestone: VT ACCESS - Milestone 6: September Go-Live Complete | 691,890 |
| Milestone: VT ACCESS - Milestone 7: Go-Live Decision December | 249,400 |
| Milestone: VT ACCESS - Milestone 8: December Go-Live Decision Complete | 691,890 |
| Facility | 498,750 |
| Hardware | 40,500 |
| **Grand Total of Payments (ACCESS Remediation)** | **$18,836,650** |