

## Annex E – Price Protection - Most Favoured Customer

- i. To the best of the Contractor's knowledge, the prices it is charging to Canada under the Contract are not higher than the lowest prices/rates that it has charged any other customer (including other Government of Canada entities) under similar circumstances for a similar quality and a similar or lower quantity of goods and services in the year before the Contract was awarded.
- ii. The Contractor also agrees that, if after the date of the Contract it reduces the prices it charges to other customers under similar circumstances for a similar quality and a similar or lower quantity of goods and services, it will reduce the prices for all remaining deliveries under the Contract (with notice to the Contracting Authority).
- iii. At any time during the 6 years after making the final payment under the Contract or until all claims and disputes then outstanding are settled, whichever is later, Canada has the right to audit the Contractor's records to verify that it is receiving (or has received) these prices. Canada will give at least 2 weeks of notice before the audit.
- iv. During this audit, the Contractor must produce invoices and contracts for similar quality or a similar or lower quantity under similar circumstances of goods or services sold to other customers from one year before the Contract was awarded until the end of the Contract Period. If the Contractor is required by law or by contract to keep another customer's information confidential, the Contractor may black out any information on the invoices or contracts that could reasonably reveal the identity of the customer (such as the customer's name and address), as long as the Contractor provides, together with the invoices and contracts, a certification from its Chief Financial Officer describing the profile of the customer (e.g., whether it is a public sector or private sector customer and the customer's size and service locations).
- v. In determining whether the goods and services sold to another customer were of similar quality, the terms and conditions of the contract under which those goods and services were delivered will be considered, if those terms and conditions are reasonably likely to have had a material effect on pricing. Terms and conditions that may impact pricing include, but are not limited to, geographic considerations, term, activity volumes, reporting elements, billing elements, technical configuration, mix of features (i.e. dial plan), language of operation, associated documentation, and termination float.
- vi. If Canada's audit reveals that the Contractor charged lower prices for a similar quality and a similar or lower quantity of goods and services under any contract where deliveries were made in the year before the Contract was awarded, or that Contractor delivered additional goods or services under the Contract after reducing its prices for other customers but without reducing the prices under the Contract, then the Contractor must pay to Canada the difference between the amount charged to Canada and the amount charged to the other customer, up to a maximum of 25% of the value of the Contract.
- vii. Canada acknowledges that this commitment does not apply to prices charged by any affiliates of the Contractor.