MEOPAR

Corporate Plan

2012-2013 Version

December 2012

Networks of Centres of Excellence

Réseaux de centres d'excellence

Table of Contents

A Message from the Network Manager pg. 3

Administrative Centre pg. 4

Corporate Policies pg. 5

Human Resources Objectives pg. 5

Communications Objectives pg. 7

Financial Objectives pg. 7

Annex A: Administrative Centre Budget, 2012-2013 pg. 9

Annex B: Host Institution Agreement with Dalhousie University pg. 10

Annex C: Service Agreement with the Halifax Marine Research Institute pg. 11

A Message from the Network Manager

Dear Board Members:

It is my pleasure to provide you with the MEOPAR Corporate Plan for 2012-13. This is an exciting time for the MEOPAR Network. With our launch on May 30th, 2012, we can now begin to implement MEOPAR Inc.'s strategic and research plans.

To achieve MEOPAR Inc.'s strategic objectives, we will rely on the outstanding work of MEOPAR researchers and the high-level guidance and direction of the MEOPAR Board of Directors and its various committees. To achieve its goals, the MEOPAR Network also requires a professional administrative centre.

Dr. Doug Wallace, the Scientific Director, and his esteemed colleagues, are well underway implementing the MEOPAR research program. Through Dr. Wallace's guidance and leadership, the Research Management Committee has begun to shape its agenda.

In parallel and in support of this exceptional research program, the MEOPAR administrative staff and I will focus on establishing the administrative centre's policies and procedures. We will also work to develop the contractual framework for the provision of services from Dalhousie University, our host university.

Finally, I look forward to working with each of you in support of the Board's activities and in establishing the appropriate governance mechanism to ensure MEOPAR Inc. meets its objectives.

I trust this plan will meet with your approval and I look forward to its refinement and delivery over the coming months.

Sincerely,

Mary-Lynn Dickson

Interim Network Manager

Administrative Centre

The Administrative Centre is responsible for the day-to-day management of the Marine Environmental Observation, Prediction And Response (MEOPAR) Network of Centres of Excellence. Established in 2011, the Administrative Centre is staffed by personnel with a broad range of corporate management skills and functions to promote sound management of human and financial resources. The administrative staff enables effective and efficient delivery of programs and services while ensuring the Network remains compliant with the Networks of Centres of Excellence (NCE) guidelines. The 2012-2013 budget for the Administrative Centre can be found in Annex A at the back of this document.

Our Vision: To exceed a threshold of excellence for the management of the MEOPAR Network and to use this standard to guide all the activities of the Administrative Centre.

Our Mission: The Administrative Centre will strive to deliver high quality programs and services needed to achieve MEOPAR strategic outcomes.

Our Service Principles:

- **Excellence in Management and Administration:** We use best practices to continuously improve organizational capabilities and optimize performance management skills.

- **Open and Accountable:** We listen, continually measure our performance and communicate the results to our stakeholders.

- **Responsive:** We provide easy access to information and services in order to promote informed and open decision-making.

- **Continuous Improvement:** We champion innovation, best practices and ongoing learning.

- **Integrity:** We are honest and responsible to our stakeholders and in our dealings with colleagues and Network Partners.

Specific objectives have been developed for the Administrative Centre. Progress in reaching the targets will be reported annually to the MEOPAR Executive Committee and the Board of Directors. For 2012 and 2013 several key objectives have been identified:

- Define and Implement the suite of corporate and financial policies
- Define and staff the Administrative Centre
- Establish external-facing communications tools and content
- Establish administrative service agreements with Dalhousie University and the Halifax Marine Research Institute (HMRI)
- Execute Network Agreements between MEOPAR and its ten academic partner institutions.
- Seek approval by the Board of Directors for the corporate, research and strategic plans and service agreements with Dalhousie University and HMRI to facilitate the transfer of research funds to MEOPAR network investigators in 2012-2013 fiscal year.

A framework of the policies and agreements has been established to guide the activities of MEOPAR and the Administrative Centre. These are outlined below for 2012-2013:

Corporate Policies

Corporate policies have been designed to ensure that appropriate governance and guidelines are in place to address the interaction between MEOPAR personnel with potential partners, to set up parameters around the storage and use of personal and Network information, and to ensure that MEOPAR is compliant with the necessary documentation and reporting obligations outlined in the NCE funding agreement (i.e. Conflict of interest Policy and Access to Information Policy). The Corporate Policies document has been reviewed and approved by MEOPAR legal counsel retained at McInnes-Cooper and by Dalhousie University legal counsel. It is expected that the Corporate Policies document will be finalized and presented to the Board of Directors for their approval at a face-to-face meeting in late February.

Human Resources Objectives

<u>Development of MEOPAR Human Resources Policies Manual</u>

In its first full year of operation the Administrative Centre has drafted a Human Resources Policies manual that outlines the guidelines and policies for human resource management. The first objective of these policies is to ensure good management of the MEOPAR Administrative Centre. The Director of Human Resources at Dalhousie University has undertaken a review of these policies and proposed several areas in which the content requires improvement. It is expected that the Board of Directors at

their face-to-face meeting in late February will review the manual and approve the policies, if appropriate.

Recruitment and Staffing

In 2012-2013, the Administrative Centre will focus on the recruitment and hiring of several professionals responsible for MEOPAR meeting its strategic objectives. The MEOPAR Administrative Centre will be staffed with the following key personnel, with the hiring target date in parentheses:

- Network Manager (2013)
- Executive Administrative Assistant (2012)
- Communications Officer (2013)
- Project Officer (2013)

The proposal submitted to NCE to establish MEOPAR included a budget allocation for a Financial Officer. However, it was subsequently decided that MEOPAR would purchase basic financial services from the Halifax Marine Research Institute (HMRI) at a cost of $15K/year. The cost savings this provided allowed for the recruitment of a more senior Executive Administrative Assistant who will oversee the day-to-day budget and financial management of MEOPAR (Annex A).

Given the limited personnel in the Administrative Centre at present, a staffing consultant has been engaged to prepare recruitment materials for these four positions. It is expected that members of the MEOPAR Executive Committee will serve as selection committee members.

Performance Management

- As per MEOPAR Human Resources Policies, each Administrative Centre employee will undergo an annual performance review. These reviews will be undertaken before the end of each fiscal year.

- The performance management priority for 2012-2013 will focus on creating clear performance objectives for employees, having these well understood by staff members and clearly outlined in employee performance accords.

Communications Objectives

Communication of MEOPAR activities, particularly milestones and deliverables outlined in the Research and Strategic Plans, is essential for partnership engagement and is an important element of MEOPAR's obligations outlined in the NCE Funding Agreement.

- MEOPAR will engage a Communications Officer who will be responsible for various communication activities related to the Network, including but not limited to, branding, newsletters, press releases, maintenance of the Network's website, creating an intranet on-line collaborative forum, VIP event management, and production of a stakeholder annual report.

- Once a Communications Officer has been recruited, the focus in 2012-2013 will be on creating a web presence for MEOPAR. It is anticipated that this web presence will be an ongoing engagement tool for the Board, Network Investigators, Partner Institutions and potential collaborators.

- Requests to host VIP events will be accommodated with the utmost priority and will be arranged by Administrative Centre staff.

Financial Objectives

MEOPAR's capacity to achieve its strategic outcomes depends on how well it manages its resources. The Network Manager, Executive Administrative Assistant, Board of Directors and members of the Audit Committee rely on meaningful financial data, as well as, appropriate control and oversight mechanisms to make informed budgetary decisions.

- In 2012-2013 a financial objective is to establish a Financial Policies framework for control and governance of MEOPAR financial transactions. The Dalhousie University Controller and the Manager of Research Accounting have reviewed the Financial Policies and the document has undergone two revisions based on their review. It is expected that the Financial Policies document will be finalized and presented to the Board of Directors for their approval at a face-to-face meeting in late February.

- The Administrative Centre will complete arrangements with HMRI to purchase basic financial services such as the processing of invoices, contract management and completion of financial annual reports.

- The Executive Administrative Assistant will produce monthly financial reports, which will track expenditures against projected spending, thereby improving forecasting accuracy allowing for strong financial stewardship. Moreover, this will allow the Administrative Centre to advise the Scientific Director and if necessary, the Board, on any financial anomalies and track statistics relevant to the MEOPAR's obligation to provide the NCE Secretariat with an annual report.

- The Financial Policies documents provide guidelines for the Administrative Centre to monitor the percentage of unused research funds that are carry forward and advise the Scientific Director and the Research Management Committee when allowances are exceeded.

Annex A: Administrative Centre Budget, 2012-2013

	Current Budget / Budget courant (A)	YTD Expenditures / Dépenses Cumulatives à ce jour (B)	Outstanding Commitments / Engagements en cours (C)	Free Balance / Solde disponible (D)		PLANNED / PLANIFIE (E)	VARIANCE / ÉCART (F)
				$	%		
SALARY / SALAIRE							
Executive Director	120,000	81,541		38,459	68%		38,458
Project officer	78,000			78,000			78,000
Communications	78,000	1,858	-	76,142	2%		76,142
Administration	35,000	5,794		29,206	17%		29,206
Finance& HR	78,000		15,000	63,000	19%		63,000
TOTAL REGULAR SALARY / SALAIRE	**389,000**	**89,193**	**15,000**	**246,348**			
O&M / F&E							
Equipment <10K	20,000			20,000			
Professional services	205,000	30,978		174,022	15%		174,022
Board insurance	30,000			30,000			
Travel expenses	75,000	2,395		72,605	3%		72,605
Materials and Supplies	20,000	1,188		18,812	6%		18,812
TOTAL NON-SALARY / NON-SALAIRE	**350,000**	**1,188**	**-**	**315,439**			**265,439**
CAPITAL							
Equipment > 10K							
TOTAL CAPITAL	**-**	**-**	**-**	**-**			**-**

Notes:

*** 20 per cent benefits plus performance bonus of Executive Director Salary being picked up by Dalhousie**

****Amounts in first column come from proposal**

Confidential

Networks of Centres of Excellence (NCE) Host Agreement

Between:

Dalhousie University ("Network Host")

And

MEOPAR Incorporated ("Network")

Whereas the Network Host has made application for and has been awarded the right to host a network funded under the Networks of Centres of Excellence program;

And whereas the Granting Agencies are providing a grant in the amount of $24,997,535.00 in support of the Network;

And whereas the Network has been incorporated under the *Canada Not-for-Profit Corporations Act* and named MEOPAR Incorporated;

And whereas the Network Host and the Network wish to establish a co-operative and mutually acceptable framework within which to interact;

And whereas the Network Host and the Network share a common goal in the successful administration of Network activities;

In consideration of the premises and of the mutual covenants contained in this Agreement, it is hereby agreed by each of the Parties that:

1. DEFINITIONS

1.1 In this Agreement, the following terms are defined as follows:

i. "**Administrative Centre**" means the central administrative offices of the Network that are housed by the Network Host.
ii. "**Agreement**" means this Networks of Centres of Excellence (NCE) Host Agreement including all its attachments and appendices, as may be amended from time to time.
iii. "**Application**" means the full application submitted on behalf of the Host to the NCE Program as reviewed by the Granting Agencies.
iv. "**Board**" means the board of directors of the Network.
v. "**Claims**" means liabilities, fines, suits, actions, claims, demands, losses, damages, expenses (including legal costs).
vi. **"Effective Date"** has the meaning given to it in Section 11 of this Agreement.

vii. "**Eligible Expenses**" mean the direct costs of research and facility access, stipends for research trainees, the direct costs of research dissemination and science promotion, and other specific expenses associated with the management of a network as more particularly described in the NCE-Network Program Guide and in the "Use of Grant Funds" section of the Tri-Agency Financial Administration Guide as interpreted by the rules and policies of the Natural Sciences and Engineering Research Council ("**NSERC**") in whose domain the majority of the Network's research falls.

viii. "**Funding Agreement**" means the agreement entered into by the Network Host, NSERC, the Social Sciences and Humanities Research Council ("**SSHRC**"), and the Network which dictates the circumstances under which money is granted for the establishment and running of the Network.

ix. "**Grant**" means the $24,997,535.00 provided by the Granting Agencies in support of the Network.

x. "**Granting Agencies**" means the Canadian Institutes of Health Research, NSERC and SSHRC. "**Granting Agency**" means any one of them.

xi. "**includes**" means "includes without limitation", and "**including**" means "including without limitation".

xii. "**Intellectual Property**" means all materials, concepts, know-how, formulae, inventions, improvements, industrial designs, processes, patterns, machines, manufactures, compositions of matter, compilations of information, patents and patent applications, copyrights, trade secrets, technology, technical information, software, prototypes and specifications, including any rights to apply for protections under statutory proceedings available for those purposes, provided they are capable of protection at law.

xiii. "**Memorandum of Understanding**" means the *Memorandum of Understanding on the Roles and Responsibilities in the Management of Federal Grants and Awards* dated March 12, 2008, between the Network Host and the Granting Agencies, outlining the basic requirements for obtaining and maintaining institutional eligibility to administer grant funds.

xiv. "**NCE – Network Program Guide**" means the guide published detailing the processes, procedures and Eligible Expenses of the NCE Program in existence at the time of this Agreement, as may be amended from time to time.

xv. "**Network Agreement**" means the agreement establishing the rights and responsibilities governing the relationship between Network Members and the Network.

xvi. "**Network Investigators**" are researchers who are considered eligible to receive funds from the Granting Agencies and who are affiliated with a Network Member.

xvii. "**Network Member(s)**" means Canadian universities or post-secondary institutions with a mandate for research and their affiliated institutions including hospitals, research institutes, other not-for-profit organizations, and other organizations eligible to receive research funds from any of the Granting Agencies, which employ or otherwise give academic status to one or more Network Investigators, and which have signed the Network Agreement attached as Annex "A", but excludes any "department" or "departmental corporation" as defined in section 2 of the *Financial Administration Act*, and "agent corporation" or "Crown corporation" as defined in subsection 83(1) of the *Financial Administration Act*, of any province or municipality.

xviii. "**Parties**" mean the signatories to this Agreement, and "**Party**" means one of such signatories.

xix. "**Research Management Committee**" is the committee of researchers who will provide strategic advice on the scientific directions of the Network.

xx. "**Scientific Director**" means the scientific director of the Network.

xxi. "**Tri-Agency Financial Administration Guide**" means the guide published by the Granting Agencies detailing the Granting Agency policies on the uses, responsibilities, accountabilities, and administration of grant funds, in existence as of the Effective Date, as may be amended from time to time.

2. PURPOSE

2.1 In this Agreement the Parties wish to set out the terms and conditions under which the Network Host and Network shall interact.

3. ELIGIBLE EXPENSES

3.1 The Network will ensure that the use and distribution of the Grant is only for Eligible Expenses directly related to, and necessary for, carrying out the strategic plan described in the Application and that are in furtherance of Network objectives as outlined in Section 3.3 of the Funding Agreement.

3.2 The Parties acknowledge that the Network Host has the right and responsibility to withhold and withdraw approval of expenditures proposed by the Network that are not Eligible Expenses or contravene the policies of the Network Host or the terms of this Agreement. Payments to the Network from the Network Host are dependent upon receipt of funding installments from the Granting Agencies. Should these installments be interrupted or halted for any reason, the responsibilities of the Network Host to provide financial resources derived from the Grant to the Network shall be similarly interrupted or halted

3.3 The monitoring of expenditures will be the responsibility of the Network. The Network Host will review the expense claims for eligibility and should non-eligible expenses be identified, the transfer of funds to the Network will be reduced accordingly.

4. FINANCIAL ADMINISTRATION

4.1 The Network Host shall receive the Grant and administer it in accordance with the terms and conditions of this Agreement, the Funding Agreement, the Memorandum of Understanding, the NCE - Network Program Guide, the Tri-Agency Financial Administration Guide and the Network Agreement.

4.2 As the majority of the Network's research falls within the domain of NSERC, the Network and Network Host will adhere to the NSERC rules and policies contained in the Tri-Agency Financial Administration Guide and NCE - Network Program Guide.

4.3 The Network Host agrees to set up one or more accounts in the name of the Network to be administered by the Network Host.

4.4 Subject to subsection 3.2, the Network Host will make payments to the Network to fund the costs of day-to-day administration upon written request of the Network. These payments will be made no more frequently than quarterly and will be based on claims submitted to the Network Host in accordance with the terms of this Agreement.

4.5 Subject to subsection 3.2, the Network Host will transfer a portion of the Grant to the Network Member(s) upon direction by the Network and in accordance with the Network's decision to fund projects to be carried out by Network Investigators.

4.6 Subject to subsection 3.2, and in addition to the payments described in subsection 4.4, the Network will request reimbursement for its administrative expenses from the Network Host and will request transfers to Network Members to assist them to carry out Network-approved activities.

5. REPORTING

5.1 The Network is responsible for the preparation and submission of all narrative reports as described and required in Section 11 of the Funding Agreement.

5.2 The Network shall cause to be prepared audited financial statements for each fiscal year in accordance with generally accepted accounting principles in Canada. The Network Host shall make all its financial records in relation to the Funding Agreement and this Agreement available to the Network and the Network's auditors for this purpose upon reasonable written notice.

6. ADMINISTRATIVE CENTRE

6.1 In keeping with the requirements of the NCE – Network Program Guide and the Network Host's representations and warranties contained in section 12.2 of the Funding Agreement, the Network Host will provide the Network with suitable accommodations, as well as access to appropriate computer, communications and financial administration systems needed to serve effectively as the administrative secretariat of the Network. For clarity, the preceding obligation relates only to access to systems at Dalhousie, not to the cost of installing or maintaining connections to those systems. The Network Host agrees to contribute up to $2,000 per year to the Network to fund the cost of installation and monthly costs relating to telephone and internet connections. Upon completion of the construction of the Dalhousie Ocean Sciences Building, the Network will be provided with space to house up to 10 people and meeting space, together with access to common space such as restrooms, all in accordance with local legal requirements. The provision of the Administrative Centre shall include at no cost to the Network: construction, fit-up of interior, furniture and standard Dalhousie building operating costs (e.g. HVAC, electricity, cleaning, minor repairs) for the duration of this Agreement. See Appendix A – floor plans.

6.2 Unless otherwise agreed by the Network Host, the Network shall use the space provided solely for the work carried out pursuant to the Funding Agreement.

6.3 The Parties agree that the Network will sign a lease with the Network Host which will detail reasonable terms and conditions under which the accommodations will be provided to the Network.

7. HUMAN RESOURCES

7.1 The Parties acknowledge that all individuals hired to carry out Network activities shall be employees or contractors of the Network and shall not be employees or contractors of the Network Host. The Network shall be solely responsible for all employment or consulting compensation and related benefits.

7.2 Employees of the Network must be financially compensated in such a manner as to meet Granting Agency requirements. Network Host agrees that employees of the Network will be eligible for participation in the Dalhousie University insured benefits program for associated/grant-paid employees, and warrants that participation in such program will meet Granting Agency requirements with respect to the provision of discretionary and non-discretionary employment benefits.

7.3 The Network Host will provide payroll services in processing monthly and/or bi-weekly salary payments to the employees of the Network, including collection and remittance of applicable withholdings.

7.4 In addition to its other obligations, whether under this Agreement or other written agreements, the Network Host will provide direct administrative support to the Scientific Director of the Network in the amount of $50,000 per annum. The allocation of this support (which shall not be required to be Eligible Expenses), will be agreed between the Parties.

8. RECORD-KEEPING

8.1 The Network Host shall ensure that accurate accounts and records, including but not limited to, contracts, invoices, statements, receipts and vouchers, in respect of the Grant, are kept in accordance with the Memorandum of Understanding and the Network Host shall, upon reasonable written notice, make them available to a representative of the Granting Agencies for inspection and audit.

8.2 The Network will provide records associated with Network activities to the Network Host on a quarterly basis, as necessary to support administration of the Grant by the Network Host.

8.3 The Network will maintain accurate and complete documentation of meetings of the Board and Scientific Advisory Committee for purposes of demonstrating transparency of process.

8.4 The Network shall make available, upon reasonable notice, its records concerning the Network activities to audit and examination conducted by auditors or other duly authorized representatives on behalf of the Network Host as requested. The Network shall also make available individuals with responsibility for the records for the purpose of answering any reasonable questions relating to the administration of the Network.

9. INTELLECTUAL PROPERTY

9.1 The Network Host makes no claim to ownership of Intellectual Property developed from Network-related activities in its role as Network Host.

9.2 The Network shall manage Intellectual Property issues according to the terms laid out in the Network Agreement.

10. NETWORK OVERSIGHT AND RENEWAL

10.1 Representatives of both Parties will meet on a semi-annual basis to discuss Network progress and to review between-Party processes. The Parties agree that they shall amend this Agreement in writing as required pursuant to the review process.

10.2 The Network agrees to notify the Network Host of its intent to apply for renewal of the Grant. This notice shall be delivered at least one year prior to engagement in the renewal application.

11. TERM AND TERMINATION

11.1 This Agreement shall commence in force on the 1st day of April, 2012 (the "**Effective Date**") and shall continue in force until the 31st day of March, 2017 unless it is terminated in accordance with the terms of this Agreement. This Agreement may be renewed by the Parties on terms and conditions agreed to between the Parties.

11.2 Subject to Section 11.3 below, either Party may terminate this Agreement if the other Party breaches or is in default in any of its duties, liabilities or obligations hereunder and fails to fully cure or remedy such breach or default within 15 days after written notice specifying the nature of such failure, breach or default has been delivered to him by the other Party, or if such breach or default cannot reasonably be cured within 15 days, fails to commence such cure or remedy within said 15 days or at any time thereafter fails to diligently prosecute such cure or remedy to completion.

11.3 The Parties acknowledge that their right to terminate the Agreement pursuant to Section 11.2 may be subject to the consent of the Granting Agencies.

12. INDEPENDENT CONTRACTOR

12.1 The Network Host is an independent contractor, and this Agreement does not create the relationship of employer and employee, or of principal and agent, between the Network Host and the Network or between the Network and any officers, employees, or agents of the Network Host.

12.2 Neither Party shall incur any expenses or debts on behalf of, nor make any commitments for, the other Party without first obtaining written permission from the other Party.

13. AMENDMENTS

13.1 Any amendments to this Agreement must be made in writing and agreed upon by both Parties. If the NCE Program policies or policies of the Government of Canada are amended in a manner which affects the obligations of the Parties to each other under this Agreement during the term of this Agreement, the Parties agree to make all necessary amendments to this Agreement, including amendments required by the NCE Secretariat.

14. INDEMNIFICATION

14.1 The Network shall at all times indemnify and save harmless the Network Host, its Board members, officers, employees, contractors and agents (collectively, the "Network Host Agents") from and against all Claims for which the Network Host Agents shall or may become liable or suffer in relation to the operations, programs and activities of the Network unless and to the extent that such Claims result from the negligence of any officer, employee, contractor or agent of the Network Host or Network Host Agents.

14.2 The Network Host shall at all times indemnify and save harmless the Network, its Board members, officers, employees, contractors and agents (collectively, the "Network Agents") from and against all Claims for which the Network Agents shall or may become liable or suffer in relation to the operations, programs and activities of the Network Host unless and to the extent that such Claims result from the negligence of any officer, employee, contractor or agent of the Network or Network Agents.

15. DISPUTE RESOLUTION

15.1 Consultation/Negotiation. In the event of a controversy or dispute between or among the Parties arising out of, or in connection with, this Agreement or regarding its interpretation or operation, the Parties agree to use their best efforts to resolve the dispute amicably.

15.2 Mediation. If the Parties are unable to resolve a dispute within thirty (30) days after beginning the consultation/negotiation process, any Party to the dispute may serve written notice on the other Party requiring that they submit the dispute to non-binding mediation. The Parties shall mutually agree on a single mediator to mediate the dispute in accordance with mediation procedures suggested by the mediator and agreed to by the Parties. The Parties agree to use best efforts to participate in the mediation process and attempt to resolve their dispute. Each Party shall pay its own costs and an equal share of all other costs of the mediation, which costs are Eligible Expenses.

15.3 Arbitration. If the mediation fails to resolve the dispute within thirty (30) days following the day the mediator is appointed, or if one Party refuses to cooperate or participate in good faith in the mediation process or the Parties have not agreed on the single mediator within seven (7) days following a written demand delivered by one Party to the other Party, any Party to the dispute may serve written notice on the other Party that the dispute be submitted to binding arbitration in the following manner:

i. The Parties shall mutually agree on a single arbitrator to adjudicate the dispute. If the Parties have not agreed on a single arbitrator within fifteen (15) days of receipt of the

written notice requiring arbitration, then either Party may apply to a Judge of a court having jurisdiction to appoint the single arbitrator who shall be unconditionally accepted by both Parties.

ii. Unless otherwise agreed to by the Parties, the arbitration shall be conducted in the English language in the Regional Municipality of Halifax according to the governing law of this Agreement and in accordance with arbitral procedures in place in that jurisdiction.

iii. The arbitration shall be completed no later than sixty (60) days from appointment of the single arbitrator or chair of the arbitral panel, as the case may be.

iv. Each Party shall bear the cost of preparing its own case. The arbitrator shall have the right to include in the award the prevailing Party's costs of arbitration and reasonable fees of attorneys, accountants, engineers and other professionals incurred by it in connection with the arbitration. Failing a specific award, the Parties shall share equally the costs of the arbitrator and arbitration proceedings.

v. The award rendered by the arbitration shall be final and binding on all Parties and may be entered as an order in any court having jurisdiction.

vi. This section shall survives the termination of this Agreement.

vii. Notwithstanding the provisions of this section, the Parties recognize that a Party may desire to seek emergency, provisional, or summary relief (including temporary injunctive relief) to enforce the provisions of this Agreement relating to protection of intellectual property and/or confidential information. A Party may seek such relief provided, however, that immediately following the issuance of any emergency, provisional, temporary injunctive or summary relief, any such judicial proceedings shall be stayed (and each Party shall consent to such stay) pending resolution of any related underlying claims between the Parties.

16. INSURANCE

16.1 Each Party shall maintain and keep in force throughout the term of this Agreement commercial general liability coverage, including third party bodily injury and property damage coverage, in an amount not less than $2,000,000 per occurrence.

17. GENERAL

17.1 This agreement shall be governed and construed in accordance with the laws of the Province of Nova Scotia and of Canada applicable thereto.

17.2 No Party may assign, directly or indirectly, any right or obligation arising from this Agreement without the prior written consent of the other Party. This Agreement shall enure to the benefit of, and be binding upon, the Parties and their respective permitted successors and assigns.

17.3 No failure to enforce any provision of this Agreement shall be construed as a waiver of such provision or a waiver of the right to enforce each and every provision of this Agreement. Waiver of any breach shall not be deemed to be a waiver of any other breach, even if similar in nature.

18. NOTICES

18.1 Notices under this Agreement shall be given by prepaid post, facsimile, or courier. Notices sent by prepaid post shall be deemed received on the fifth business day following dispatch. Notices sent by facsimile or courier shall be deemed received on the business day following dispatch. Notices shall be addressed as follows:

i.) If to the Network Host:

Martha Crago, Vice-President Research
Copy to: Nancy Hayter, Dalhousie Research Services
Dalhousie University
6299 South Street, PO Box 15000
Halifax, NS B3H 4R2
Fax: (902) 494 – 1595

ii.) If to the Network:

Douglas Wallace, Scientific Director
Copy to: Susan Fiander, MEOPAR Administrative Centre
MEOPAR Incorporated
371-1411 Oxford Street
Halifax, NS B3H 3Z1
Fax: (902) 494-3877

SIGNATURES

Signed for and on behalf of Dalhousie University by its duly authorized officer:

Martha Crago, PhD
Vice President Research

Feb 6/13
Date

(I have authority to bind Dalhousie University.)

Signed for and on behalf of MEOPAR Incorporated by its duly authorized officers:

Robert Walker, PhD
Chair, MEOPAR Board of Directors

January 25, 2013
Date

D. Wallace

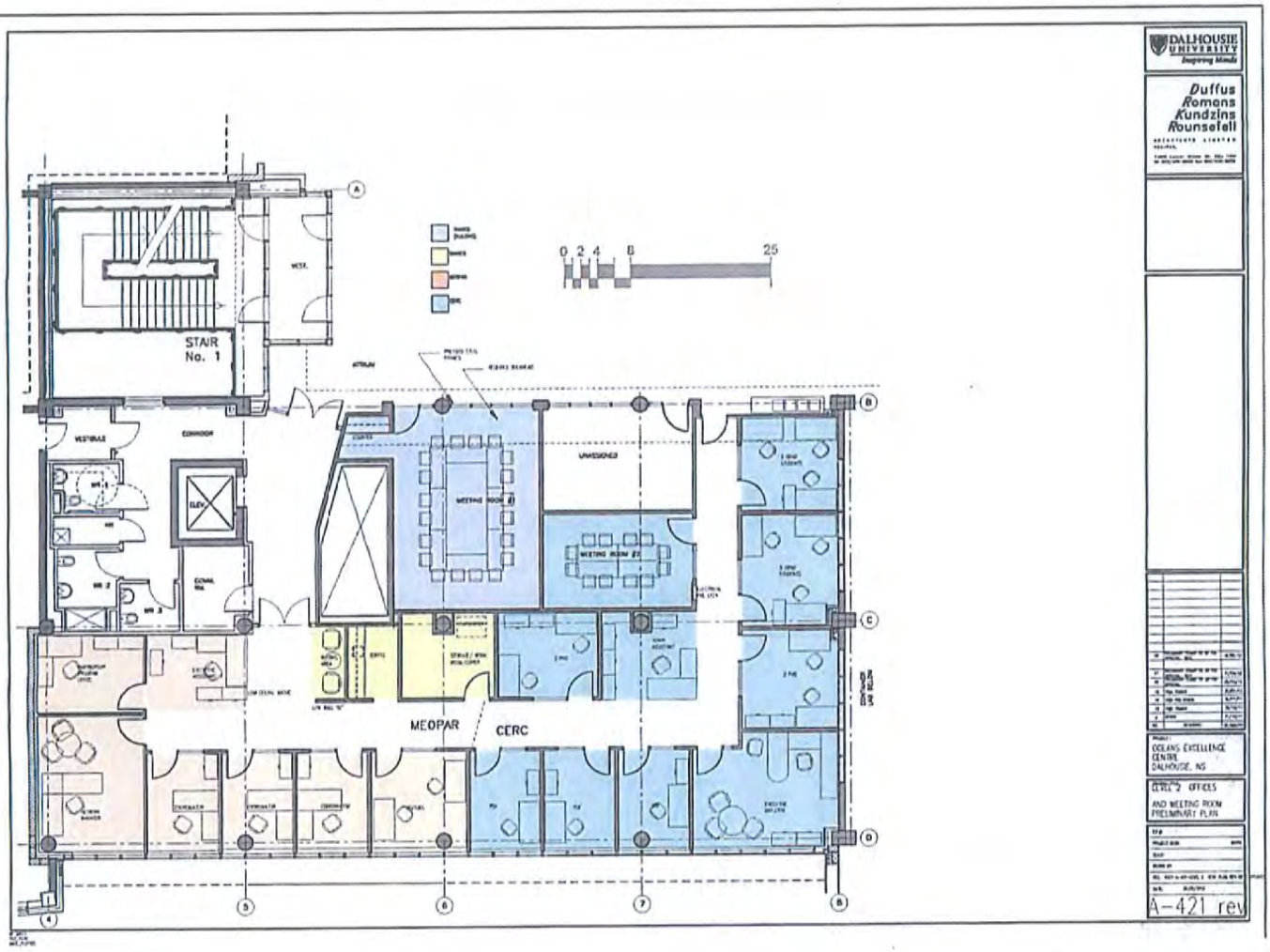
Douglas Wallace, PhD
Scientific Director, MEOPAR

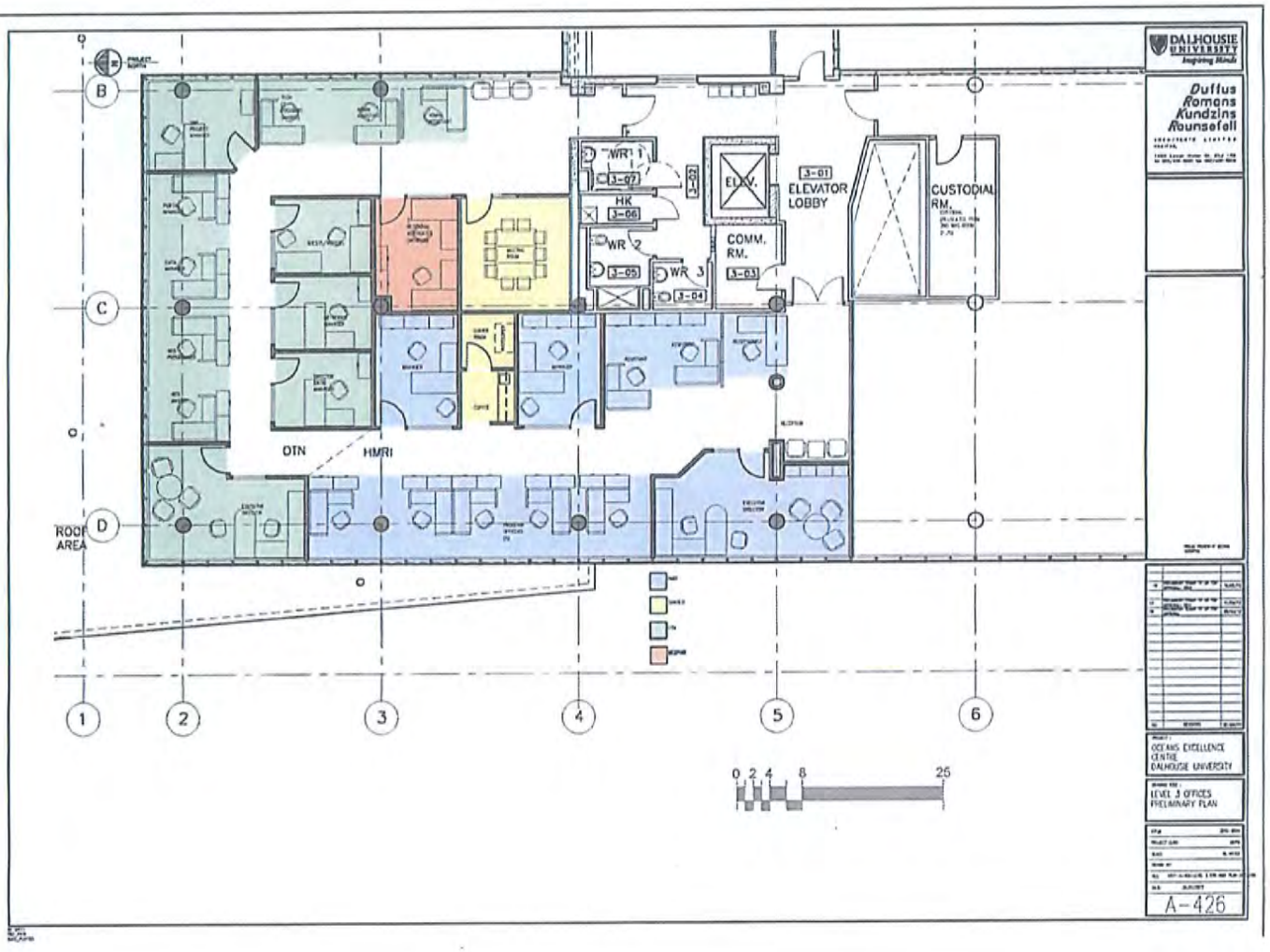
January 25, 2013
Date

(We have authority to bind MEOPAR Incorporated.)

Appendix A – Floor Plans

(See attached.)


DALHOUSIE UNIVERSITY
Inspiring Minds
Duffus
Romens
Kundzins
Rounsefell
0 2 4 8 25
STAIR
No. 1
MEOPAR
CERC
OCEANS EXCELLENCE
CENTRE
DALHOUSIE, NS
CERC 2 OFFICES
AND MEETING ROOM
PRELIMINARY PLAN
A-421 rev


DALHOUSIE UNIVERSITY
Inspiring Minds
Dutlus
Romans
Kundzins
Rounsefell
B
C
D
ROOF AREA
1
2
3
4
5
6
WR 1
3-07
HK
3-06
WR 2
3-05
WR 3
3-04
ELEV.
3-02
3-01
ELEVATOR LOBBY
COMM. RM.
3-03
CUSTODIAL RM.
OTN
HMRI
0 2 4 8 25
OCEANS EXCELLENCE CENTRE
DALHOUSIE UNIVERSITY
LEVEL 3 OFFICES
PRELIMINARY PLAN
A-426

Annex A – Network Agreement

(See attached.)

FUNDING AGREEMENT

Between:

The Natural Sciences and Engineering Research Council ("NSERC")
and
The Social Sciences and Humanities Research Council ("SSHRC")
and
MEOPAR Inc. (the "Network")
and
Dalhousie University (the "Network Host")

WHEREAS:

A. THIS AGREEMENT is made and effective as of the date of last signing (herein the "Effective Date") by all Parties. The "Term" of this agreement will be set out in Article 1.1 xxvii".

B. The goal of the Networks of Centres of Excellence ("NCE") Program is to mobilize Canada's research talent in the academic, private and public sectors and apply it to the task of developing the Canadian economy and improving the quality of life of Canadians;

C. The NCE Program is a program of the Government of Canada jointly administered by the *Natural Sciences and Engineering Research Council*, the *Social Sciences and Humanities Research Council* and the *Canadian Institutes of Health Research* in partnership with *Industry Canada*;

D. The Network has been established to achieve the following objectives:

develop knowledge, tools, technology and highly qualified people through collaborative research to enable the corporation's stakeholders to better evaluate, predict and respond to marine environmental risks to reduce economic losses, societal hardships and environmental degradation while optimizing economic opportunity.;

and

E. The Network has been selected, on the basis of its Application to the NCE Program, to receive funding under the NCE Program in order that it may carry out research that will yield new scientific knowledge and innovative applications.

NOW THEREFORE IN CONSIDERATION of the premises and of the mutual covenants herein, the Parties agree as follows:

1. DEFINITIONS

1.1 In this Agreement, the following terms are defined as follows:

i. "**Administrative Centre**" means the central administrative offices of the Network that are housed by the Network Host.

ii. "**Agreement**" means this Agreement and all its Appendices, as may be amended from time to time.

iii. "**Annual Report**" means the report referred to in section 11 of this Agreement.

iv. "**Application**" means the full application submitted on behalf of the Network to the NCE Program as reviewed and approved by the Granting Agencies.

v. "**Auditor**" shall be the person or firm referred to in paragraph 13.2 of this Agreement.

vi. "**Board**" means the Board of Directors of the Network.

vii. **"Commercialization"** means the series of activities to transform knowledge and/or technology into new goods, processes or services to satisfy market demands.

viii. **"Eligible Expenses"** has the meaning set forth in section 4 of this Agreement.

ix. **"Event of Default"** has the meaning set forth in section 8 of this Agreement.

x. **"Fiscal Year"** means a twelve (12) month period commencing April1 and ending March 31 of the following year.

xi. **"Grant"** means the funds to be provided by the Granting Agencies to the Network pursuant to this Agreement.

xii. **"Granting Agencies"** means the Canadian Institutes of Health Research (CIHR), the Natural Sciences and Engineering Research Council (NSERC) and the Social Sciences and Humanities Research Council (SSHRC). **"Granting Agency"** means any one of them.

xiii. **"HQP"** means the highly qualified personnel of the Network and Network Members and includes: trainees and research staff such as graduate students; postdoctoral fellows; research associates; technicians; and summer students.

xiv. **"Independent Member"** means an individual:

(a) who has no material relationship with the Network or a Network Member such that the individual's ability to think and act in an independent manner that is in the best interests of the Network, both in practice and in appearance, would be impaired; or

(b) who will not benefit directly from the activities of the Network.

The Board determines which individuals are Independent Members and details of such determinations must be provided in a written decision by the Board.

xv. **"Intellectual Property"** means all materials, concepts, know-how, formulae, inventions, improvements, industrial designs, processes, patterns, machines, manufactures, compositions of matter, compilations of information, patents and patent applications, copyrights, trade secrets, technology, technical information, software, prototypes and specifications, including any rights to apply for protections under statutory proceedings available for those purposes, provided they are capable of protection at law.

xvi. **"Memorandum Of Understanding"** means the *Memorandum of Understanding on the Roles and Responsibilities in the Management of Federal Grants and Awards* dated March 12, 2008, between the Network Host and the Granting Agencies, outlining the basic requirements for obtaining and maintaining institutional eligibility to administer grant funds.

xvii. **"Monitoring Committee"** means a sub-group *of* the NCE Selection Committee.

xviii. **"NCE – Network Program Guide"** means the guide published in connection with the NCE Program detailing the processes, procedures and Eligible Expenses of the NCE Program in existence at the time of this Agreement, as may be amended from time to time.

xix. **"NCE Program"** has the meaning set forth in the Recitals.

xx. **"NCE Selection Committee"** means the committee assembled by the Granting Agencies to evaluate applications to the NCE Program and make funding recommendations based on a peer review process.

xxi. **"Network"** means MEOPAR Inc., a not-for-profit corporation incorporated under *Canada Not-for-profit Corporations Act* and signatory to this agreement.

xxii. **"Network Agreement"** has the meaning set forth in paragraph 3.5 of this Agreement and attached as Annex A. The parties acknowledge that the template is intended as a guide only and may be revised in the course of negotiations between the Network and Network Members. Any revisions made to the Network Agreement shall continue to be consistent with this Agreement.

xxiii. **"Network Host"** means the Dalhousie University, a Canadian university or post-secondary institution with a mandate for research and its affiliated institutions (including hospitals, research institutes and/or other not-for-profit organizations) that houses the Administrative Centre and has signed this agreement.

xxiv. **"Network Investigators"** are researchers who are considered eligible to receive funds from the Granting Agencies and who are affiliated with a Network Member.

xxv. **"Network Member"** means Canadian universities or post-secondary institutions with a mandate for research and their affiliated institutions including hospitals, research institutes and/or other not-for-profit organizations or other organizations eligible to receive research funds from any of the Granting Agencies and that employ or otherwise give academic status to one or more Network Investigators and that has signed the Network Agreement attached as Annex A but excludes any "department" or "departmental corporation" as defined in section 2 of the *Financial Administration Act*, any "agent corporation" or "Crown corporation" as defined in subsection 83(1) of the *Financial Administration Act*, any province or municipality.

xxvi. **"Parties"** mean the signatories to this Agreement.

xxvii. **"Term"** means a period of five (5) years from the date of execution of this Agreement by all Parties, (the "Effective Date") as such Term may be extended pursuant to subsections 6.1, 18.2 and 18.3.

xxviii. **"Tri-Agency Financial Administration Guide"** means the guide published by the Granting Agencies detailing the Granting Agency policies on the uses, responsibilities, accountabilities, and administration of Grant funds, in existence at the Effective Date, as may be amended from time to time.

2. PURPOSE

2.1 In this Agreement the Parties wish to set out the terms and conditions under which the Granting Agencies shall disburse the Grant to the Network as set out in Annex B (Payment Schedule) of this Agreement.

3. DESCRIPTION AND USE OF THE GRANT

3.1 The Granting Agencies grant $24,997,535 to the Network based on the Application, such Grant to be administered by the Network Host in accordance with the terms and conditions of this Agreement, the Memorandum of Understanding, the NCE Program Guide, the Tri-Agency Financial Administration Guide and the Network Agreement. The Grant will be provided as follows:

NSERC Grant#	419518-2011	$	19.251.500
SSHRC Grant#	900-2011-0002	$	5,746,035

3.2 Subject to the terms and conditions of this Agreement, the Granting Agencies shall make payments of the Grant to the Network Host, in accordance with Annex B (Payment Schedule) who will:

i. Subject to subsection 3.8, transfer a portion of the Grant to the Network Member(s) upon direction by the Network and in accordance with the Network's decision to fund projects of Network Investigators; and

ii. Subject to subsection 3.8, make payments to the Network to cover the costs of day-to-day administration at the request of the Network.

3.3 The Network will ensure that the use and distribution of the Grant is only for Eligible Expenses directly related to, and necessary for, carrying out the strategic plan described in the Application and only to the extent that they are also directly in furtherance of the following objectives:

i. Increase networking and collaboration among researchers from Canada and abroad;

ii. Generate leading-edge research findings that are relevant to the needs of the user sector (e.g., private and public sectors, non-governmental organizations, and others) and Canada's socio-economic development;

iii. Establish nation-wide, multidisciplinary and multisectoral research partnerships between universities and the user sector (e.g., private and public sectors, non-governmental organizations, and others);

iv. Provide training that promotes multidisciplinary and multisectoral research approaches and encourages trainees to consider the economic, social, environmental and ethical implications of their work;

v. Accelerate the exchange of research results within the Network and the use of this knowledge within Canada by organizations that can harness it for Canadian economic and social development;

vi. Attract and retain world-class researchers and HQP in areas essential to Canadian economic and social development;

vii. Create functional multi-regional interdisciplinary research teams;

viii. Develop a pool of HQP in areas essential to Canadian economical and social development; and

ix. Increase Canada's international visibility and reputation.

3.4 Subject to subsection 3.8, the Network shall direct the Network Host that Grant funds be provided to the Network for administrative expenses and to Network Members to assist them to carry out activities consistent with this Agreement.

3.5 The Network shall not direct that funds be provided to a Network Member under subsection 3.4 until such time as the Network Member is approved by the Board and has entered into a Network Agreement with the Network. The Network Agreement shall be consistent with this Agreement. For greater certainty, the Network may only direct that Grant funds be provided to a Network Member under the same terms as are set out in subsection 3.3 and this shall be reflected in the Network Agreement.

3.6 The Parties acknowledge that the majority of the Network's research falls within the domain of the Natural Sciences and Engineering Research Council and that the Network and Network Host shall adhere to the rules and policies of Natural Sciences and Engineering Research Council contained in the Tri-Agency Financial Administration Guide and the NCE Network Program Guide.

3.7 The Granting Agencies will review the Annual Reports to satisfy themselves that the activities of the Network are progressing satisfactorily and that they comply with the policies, terms and conditions of the NCE Program. In the event that the Granting Agencies are not so satisfied, they may not approve future instalments of the Grant and they shall have the right to terminate this Agreement by delivering written notice of such termination to the Network Host and the Network. Upon delivery of such notice of termination the Granting Agencies shall have no further obligations towards the Network Host and the Network.

3.8 The parties acknowledge that the Network Host has the right and responsibility to withhold and withdraw approval of expenditures proposed by the Network that contravene the Eligible Expenses guidelines and/or the policies of the Network Host. The Network Host and the Network will enter into a separate agreement upon which the Network Host will administer funds for the Network (the "Network Host Agreement"). The Network Host Agreement shall include, among other things, provisions enabling the Network Host to implement and oversee controls designed to ensure that transactions charged to the Grant are Eligible Expenses and compliant with Granting Agency guidelines.

4. ELIGIBLE EXPENSES

4.1 The Grant shall only be used for the direct costs of research and facility access, stipends for research trainees, the direct costs of research dissemination and science promotion, and other specific expenses associated with the management of a Network as more particularly described in the NCE-Network Program Guide and in "Use of Grant Funds" section of the Tri-Agency Financial Administration Guide as interpreted by the rules and policies of Natural Sciences and Engineering Research Council in whose domain the majority of the Network's research falls; ("Eligible Expenses").

4.2 The Granting Agencies shall be entitled to recover from the Network any amounts claimed that are spent on expenses other than Eligible Expenses, or to set them off against future payments.

5. ADDITIONAL GOVERNMENT ASSISTANCE

5.1 The Network agrees, within three (3) months of the end of each Fiscal Year, to provide a statement to the Granting Agencies of all other sources of funding, received or applied for, from other government entities, whether federal, provincial or municipal, during the Fiscal Year.

5.2 The maximum level (stacking limit) of total government assistance (federal, provincial and municipal) for this Grant will not exceed 100% of Eligible Expenses.

5.3 If the total government assistance from all sources, received or due, in respect of Eligible Expenses exceeds 100% thereof, the Granting Agencies may recover the excess from the Network or reduce any subsequent payments by an amount equal to the excess.

5.4 Notwithstanding section 5.3, additional funding attracted by the Network or Network Members from governmental or non-governmental sources will not reduce the amount of the Grant provided that these additional funds are used to extend or accelerate the achievement of the Network's overall objectives by expanding its research program increasing its HQP development activities, enhancing its activities to exchange and exploit knowledge and technology or other activities to support the mobilization of research excellence for the benefit of Canadians.

6. EXTENSION OF TERM

6.1 In the event that the entire Grant will not be expended by the end of the Term, the Network may apply to extend the Term of the Grant by one year in accordance with *"Appendix E: Use of Grant Funds Beyond the End of the Term"* of the NCE-Network Program Guide.

6.2 Any portion of the Grant not expended with services rendered by the end of the Term, will be returned to the Receiver General of Canada within three (3) months of the expiration of the Term.

7. NOTICE REQUIREMENT

7.1 The Network shall inform the Granting Agencies in writing as soon as it incurs any of the Events of Default identified in section 8.1.

8. EVENTS OF DEFAULT AND REMEDIES

8.1 The Network will be in default upon the occurrence of any one or more of the following events ("Events of Default"):

i. the Network ceases to carry out a significant level of activities in furtherance of the objectives set out in this Agreement;

ii. the Network, Network Host or a Network Member has misrepresented or submitted false or misleading information, or does so at any time during this Agreement, to the Granting Agencies;

iii. the Network or Network Host fails to comply with any condition, undertaking or material term contained in this Agreement;

iv. the officers, directors, committee members or employees of the Network, Network Host or a Network Member fraudulently use Grant funds or use Grant funds in a manner not consistent with the Tri-Agency Financial Administration Guide or the NCE-Network Program Guide;

v. the Network or Network Host is wound up, liquidated or ceases to exist or becomes insolvent or is adjudged or declared bankrupt or if it goes into receivership or takes the benefit of any statute from time to time in force relating to bankrupt or insolvent debtors;

vi. the Network changes its jurisdiction of formation or corporate structure without the prior written consent of the Granting Agencies;

vii. the agreement with the Network Host is terminated or replaced without the prior written approval of the Granting Agencies; or

viii. the Network Host ceases to be eligible to receive funds from the Granting Agencies.

8.2 If a Granting Agency declares that an Event of Default has occurred, any or all of the Granting Agencies may immediately exercise one or more of the following remedies, in addition to any remedy at law:

i. Suspend its obligation to provide Grant funding; or

ii. Terminate any obligation to provide Grant funding; or

iii. Require, upon demand, that the Network repay the Granting Agencies, as appropriate, all or part of the Grant.

9. INTELLECTUAL PROPERTY

9.1 The Granting Agencies make no claim to ownership of Intellectual Property from the research funded under this Agreement.

9.2 The Network shall manage Intellectual Property in accordance with the Network Agreement.

10. REQUIREMENTS FOR CERTAIN TYPES OF RESEARCH

10.1 The Network agrees to ensure that all necessary certification, permits, licences and other approvals ("approvals") have been obtained before any research funded, in whole or in part, under this Agreement is carried out. Without limiting the generality of the foregoing, the following is a list of some of the activities for which approvals may be required: research involving human subjects, human pluripotent stem cells, animals, biohazards, infectious agents, radioactive materials, controlled information, aboriginal people, research in the Canadian Territories and research with effects on the environment.

11. REPORTING REQUIREMENTS

11.1 Annual Reporting

The Network shall provide to the Granting Agencies, an Annual Report approved by the Board in respect of each Fiscal Year of the Term. The information included in the Annual Report may be made public through the various publications and communications of the Granting Agencies. The Granting Agencies shall provide annually to the Network updated Annual Reporting templates and guidelines developed in accordance with the criteria of the NCE Program and which specify the submission deadlines for each element of the Annual Report.

11.2 The Annual Report shall include:

i. Bilingual Corporate-style reports developed annually by the Network;

ii. Statistical tables;

iii. Summary reports from the Network and Network Members including individual and consolidated statements of accounts, and statements of other sources of funding to the Network, the Network Members, and the Network Investigators;

iv. A report on conflict of interest matters and any environmental review carried out, if applicable;

v. A signed statement from the Board updating the representations and warranties of the Network contained in this Agreement;

vi. The major achievements of the Network over the previous year;

vii. A statement of strategies used to achieve the identified goals;

viii. A statement of the Network's objectives for the current Fiscal Year and for the foreseeable future including any course corrections or deviations from the objectives of the strategic plan described in the Application.

11.3 Final Report

The Network shall provide to the Granting Agencies, no later than three (3) months after the Network ceasing to carry out activities in furtherance of the

objectives contained in the strategic plan or the expiration of the Term, whichever shall first occur, a Network Final Report approved by its Board for distribution to the Granting Agencies. The Final Report will detail the impact of the work of the Network upon the objectives set out in 3.3, as well as on the following areas:

i. The most significant research discoveries and the researchers involved;

ii. The Network's key achievements, together with an explanation of their significance and socioeconomic impact on Canada and on the world;

iii. The commercialized technologies, the knowledge transferred, and social and/or public policy innovations, naming the industry, government or not-for-profit sector organizations involved in its utilization or application;

iv. The Network's achievements in developing and retaining outstanding researchers and training HQP;

12. **REPRESENTATIONS AND WARRANTIES**

12.1 The Network and Network Host hereby represent and warrant to the Granting Agencies as follows:

i. The execution and delivery of this Agreement by the Network and Network Host, and the carrying out by it of all of the activities as contemplated hereby by the Network and/or Network Host, have been duly authorized by all requisite corporate action;

ii. The Network and Network Host each have full power to execute and deliver this Agreement and to perform their obligations hereunder;

iii. This Agreement constitutes a legally binding obligation of the Network and Network Host, enforceable against each of them in accordance with its terms, subject to a court's discretionary authority with respect to the granting of a decree ordering specific performance or other equitable remedies; and

iv. The Network and Network Host will inform the Granting Agencies of any evidence of possible criminal misconduct involving funding under this Agreement and shall report such matters to the appropriate authorities.

12.2 The Network Host hereby further represents and warrants to the Granting Agencies as follows:

i. The Administrative Centre has and shall have throughout the Term of this Agreement, suitable accommodations, as well as access to appropriate computer, communications and financial administration systems needed to serve effectively as the administrative secretariat of the Network;

ii. It will not seek or accept compensation from the Grant to cover any costs incurred by it in connection with its obligations under this Agreement; and

iii. It will oversee and guarantee that necessary controls (i.e. satisfactory processes and procedures) are in place and implemented to ensure that transactions charged to the Grant are Eligible Expenses and compliant with the Granting Agency guidelines.

12.3 The Network hereby further represents and warrants to the Granting Agencies as follows:

i. The Network is a validly existing corporation duly incorporated under *Canada Not-for-profit Corporations Act;*

ii. The Network shall comply with all federal, provincial, territorial, local and foreign laws applicable to it;

iii. The Board shall, within six (6) months following the execution of this Agreement, be composed of at least twelve (12) directors, the majority of which shall be individuals with extensive business experience and/or representatives from the Network's user community;

iv. At least one third (1/3) of Board members are Independent Members within six (6) months following the execution of this Agreement; and

v. The Network has appointed an executive to manage the day to day administration of the Network;

13. FINANCIAL STATEMENTS AND BOOKS OF ACCOUNT

13.1 The Network shall cause to be prepared audited financial statements for each Fiscal Year in accordance with generally accepted accounting principles in Canada, consistently applied and which shall be approved by the Board.

13.2 The Network agrees to ensure that the Auditor of the Network shall be:

i. An individual who is independent of the Board, each of its directors and each of the officers of the Network, the Network Host and the Network Members; or

ii. A firm of accountants, at least one (1) of whose members meets the qualifications set out in subsection 13.2 (i).

13.3 The Network shall cause books of account and other records to be kept and shall establish financial and management practices that will ensure that the Grant is expended in accordance with this Agreement.

13.4 The books of account and other records of the Network shall be maintained in accordance with generally accepted accounting principles, consistently applied, and in such a way that they demonstrate that the Grant is properly protected and controlled and that the Network's business and affairs are conducted in accordance with the provisions of this Agreement, and in such a way that they will show descriptions and book values of all transactions involving the Grant.

14. NETWORK GOVERNANCE

14.1 The Network will ensure that its articles of incorporations, by-laws or other corporate documents and its operating procedures are, and remain, consistent with this Agreement and all requirements of the NCE Program.

15. POST-AWARD SUPPORT

15.1 The Granting Agencies may designate a staff member to participate, as an observer, in meetings of the Board and its committees. The staff member designated by the Granting Agencies will provide the Board and its committees with clarification on relevant program information related to this Agreement, the NCE Program and other programs of the Granting Agencies. The Network shall give the Granting Agencies the same notice as provided to the members of the Board and its committees in advance of each meeting.

16. AUDITOR GENERAL MAY AUDIT

16.1 The Network agrees that the Auditor General of Canada may, at Canada's cost, after consultation with the Network, conduct an inquiry under the authority of subsection 7.1(1) of the *Auditor General Act* in relation to the use of Grant funds. For the purposes of any such inquiry undertaken by the Auditor General, the Network shall provide, upon request and in a timely manner, to the Auditor General or anyone acting on behalf of the Auditor General,

i. all records held by the Network Members, the Network Host and the Network, or by its agents or contractors relating to this Agreement and the use of Grant funds; and,

ii. such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General, may request relating to any of this Agreement or the use of the Grant funds.

17. FINANCIAL MONITORING

17.1 The Granting Agencies shall be entitled to visit periodically the Network Host, the Network and its Network Members to:

i. assess whether they have the necessary financial and administrative systems and tools to manage research funds in accordance with this Agreement; and

ii. review Grant expenditures to ensure that these were made in accordance with this Agreement.

18. NETWORK REVIEW PROCESS

18.1 Annual Review

i. The progress of the Network will be assessed annually against the program criteria of the NCE Program by the Monitoring Committee.

ii. Based on the assessment identified in 18.1 (i) the Monitoring Committee may recommend continued funding, phasing out of the Network, or the completion of an in-depth review of the Network by a panel of experts assembled by the Granting Agencies who will assess the performance of the Network against the NCE Program criteria.

18.2 Year Five (5) Review

i. In year five (5) of the Network's operation, at the written request of the Network, the Granting Agencies may renew the Grant for an additional five-year period based on the recommendation of the NCE Selection Committee following an evaluation of the renewal application submitted by the Network.

18.3 Year Ten (10) Review

i. Networks receiving two five-year funding cycles may qualify for a third (and final) five-year funding cycle pending a successful evaluation by the Granting Agencies on the ability of the Network to transform itself into a partner-driven Network where the partners are the lead applicants and define the business plan and research agenda.

19. CONFLICT OF INTEREST

19.1 The Network shall adopt and implement a code of conduct in its bylaws for directors, officers, employees and committee members designed to adequately prevent real or perceived conflicts of interest with respect to use of the Grant provided under this Agreement. The conflict of interest policy shall be no less stringent than the policy outlined in "Appendix A" of the NCE-Network Program Guide.

20. SURVIVAL

20.1 The rights and obligations of the Parties under Sections 5 (Additional Government Assistance), 9 (Intellectual Property), 11 (Reporting Requirements), 16 (Auditor General May Audit), 17 (Financial Monitoring), 22 (Record Keeping), 23 (Access to Information Act and Privacy Act), 25 (Indemnification), 26 (Loans, Capital Lease or Other Long-Term Obligation), 27 (Recognition & Public Disclosure), 28 (Official Marks), 29 (Members of Parliament), 30 (Compliance with Post-Employment Provisions), 31 (Gifts, Inducements and Contingency Fees), 32 (Lobbying Act), 33 (Amounts Owing to the Federal Government), 34 (Acknowledgement) and 35 (General) and any other Section which is required to give effect to the termination or to its consequences will survive the expiry or early termination of this Agreement for a period of three (3) years.

21. APPROPRIATIONS

21.1 Any payment due by the Granting Agencies under this Agreement is conditional on:

i. Parliament appropriating sufficient funds to each Granting Agency for the Fiscal Year in which the payment is due; and

ii. The Treasury Board providing all required approvals.

22. **RECORD KEEPING**

22.1 The Network Host shall ensure that accurate accounts and records, including but not limited to, contracts, invoices, statements, receipts and vouchers, in respect of the Grant are kept in accordance with the Memorandum Of Understanding and shall, upon reasonable notice, make them available to a representative of the Granting Agencies for inspection and audit.

23. **ACCESS TO INFORMATION ACT AND THE PRIVACY ACT**

23.1 The Network acknowledges that the *Access to Information Act* and the *Privacy Act* apply to the NCE Program. Information as to the use and disclosure of personal information provided to the Granting Agencies can be viewed in the NCE Program Guide.

24. AMENDMENTS

24.1 This Agreement, together with the Annexes, form the complete agreement among the Parties and no amendment or modification shall be binding upon the Parties unless agreed to in writing by the Parties.

25. **INDEMNIFICATION**

25.1 Except for any claims arising from the negligence of the Granting Agencies' employees or servants, the Network and Network Host shall indemnify and hold harmless the Granting Agencies and Her Majesty the Queen in Right of Canada, their agents, employees and servants from all claims, demands, losses, damages, costs, actions, suits or proceedings brought by any third party, that are in any manner based upon, arise out of, or relate to the Grant or to this Agreement.

26. **LOANS, CAPITAL LEASE OR OTHER LONG-TERM OBLIGATION**

26.1 The Granting Agencies and Her Majesty the Queen in Right of Canada, their agents, employees and servants will not be held liable in the event the Network or Network Host enters into a loan, a capital lease or other long-term obligation in relation to the Network for which the Grant is provided.

27. **RECOGNITION & PUBLIC DISCLOSURE**

27.1 The Network shall, unless otherwise directed by the Granting Agencies, acknowledge the Grant received under this Agreement and the Granting Agencies in any published paper, report, promotional activity, public presentation and electronic material.

28. **OFFICIAL MARKS**

28.1 The terms "Networks of Centres of Excellence, Reseaux de centres d'excellence," are official marks of the Federal Government of Canada as represented by NSERC. The Network shall identify itself as a Networks of Centres of Excellence and is permitted to use the name "Networks of Centres of Excellence," the name "Reseaux de centres d'excellence," and the acronyms "NCE" and "RCE". The Network must immediately cease using all official marks upon termination of this Agreement or dissolution of the Network.

29. **MEMBERS OF PARLIAMENT**

29.1 No member of the House of Commons will be admitted to any share or part of this Agreement or to any benefit to arise there from. No person who is a member of the Senate will, directly or indirectly, be a party to or be concerned in this Agreement.

29.2 Members of Parliament have no role in the delivery or administration of the Program. Members of Parliament may be invited to announce funding decisions.

30. **COMPLIANCE WITH POST- EMPLOYMENT PROVISIONS**

30.1 The Network and Network Host confirm that no current or former public servant or public office holder to whom the Conflict of Interest Act, or the Values and Ethics Code for the Public Service applies shall derive a direct benefit from this Agreement unless the provision or receipt of such benefits is in compliance with such legislation and codes; and that no member of the Senate or the House of Commons shall be admitted to any share or part of the Agreement, or to any benefit arising from it, that is not otherwise available to the general public.

31. **GIFTS, INDUCEMENTS AND CONTINGENCY FEES**

31.1 The Network and Network Host represent and warrant that:

i. It has not, nor has any person on its behalf offered or promised to any official or employee of Her Majesty the Queen in Right of Canada, for or with a view to obtaining the Grant, any bribe, gift or other inducement, and

ii. It has not nor has any person on its behalf employed any person to solicit the Agreement for a commission, contingency fee or any other consideration dependant upon the execution of the Agreement.

32. **LOBBYING ACT**

32.1 The Network and Network Host declare that any person lobbying on its behalf to obtain funding is registered, and in all other respects is in compliance with the *Lobbying Act.*

33. **AMOUNTS OWING TO THE FEDERAL GOVERNMENT**

33.1 The Network must declare any amounts owing to the federal government under legislation or this Agreement. Any amounts payable to the Network may be set off against amounts owing by the Network to the government.

34. **ACKNOWLEDGEMENT**

34.1 The Network and the Network Host acknowledge having received and taken cognizance of the NCE - Network Program Guide and the Tri-Agency Financial Administration Guide and agree to be bound by them as they may, from time to time, be amended by the Granting Agencies, provided that no amendment will unreasonably expand the obligations of the Network and Network Host or impose upon them any obligation which is not already set out in this Agreement. Notice of any such permitted amendments will be provided in writing to the Network and Network Host.

35. **GENERAL**

35.1 Nothing in this Agreement shall be construed so as to create a legal relationship of partnership, agency or employment among any of the Parties. Each Party is an independent contractor and is not authorized or empowered to act as agent for any other Party for any purpose.

35.2 The Parties acknowledge that the Granting Agencies' role in any research is limited to making a financial contribution to the Network's research program. The Granting Agencies are neither decision makers nor advisors to the Network. Further, the Agencies have not had, nor will they have, any role in the carrying out of the research.

35.3 Notices under this Agreement shall be given by prepaid post, facsimile, email or courier. Notices sent by prepaid post shall be deemed received on the fifth business day following dispatch. Notices sent by facsimile or courier shall be deemed received on the business day following dispatch. Notices sent by email shall be deemed received upon sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement). Notices shall be addressed as follows:

i. If to the Granting Agencies:

Networks of Centres of Excellence
16th Floor Mailroom
350 ALBERT ST
OTTAWA ON, K1A 1H5

ii. If to the Network:

MEOPAR Inc.
1300-1969 Upper Water Street,
Halifax, Nova Scotia B3J 3R7

and,

iii. If to the Network Host:

Dalhousie University
6299 South Street, PO Box 15000
Halifax NS B3H 4R2

Or any such other address as any party may specify in writing to the other parties.

35.4 No Party hereto may assign, directly or indirectly, any right or obligation arising from this Agreement without the prior written consent of all of the other Parties. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective, heirs, executors, administrators, successors and permitted assigns.

35.5 This Agreement will be interpreted in accordance with the laws of the province where the Administrative Centre resides and the applicable laws of Canada.

35.6 No failure to enforce any provision of this Agreement shall be construed as a waiver of such provision or a waiver of the right to enforce each and every provision of

this Agreement. Waiver of any breach shall not be deemed to be a waiver of any future breach, even if similar in nature.

[signature page follows]

SIGNATURES

NSERC
Signed for and on behalf of NSERC by its duly authorized officer:

March 5, 2012

Suzanne Fortier, President — Date

SSHRC
Signed for and on behalf of SSHRC by its duly authorized officer:

March 9, 2012
Date

Signed for and on behalf of MEOPAR Inc. by its duly authorized officer:

Bob Walker
Chair of Board

Signed for and on behalf of the Dalhousie University by its duly authorized officer:

Tom Traves
President of Dalhousie University

Date

Confidential

MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement is made this __ day of February 2013.

BETWEEN:

MEOPAR Incorporated, a not-for-profit corporation incorporated under the Canada Not-for-profit Corporations Act (the "**Client**")

- and -

Halifax Marine Research Institute Inc., a not-for-profit corporation continued under the Canada Not-for-profit Corporations Act ("**HMRI**").

WHEREAS:

1. HMRI's mission is to promote the application of scientific research to the economic, social and environmental challenges that exist for regional coast waters, Canadian oceans and international oceans;

2. the Client is a Canada networks centre of excellence dedicated to addressing critical issues related to human impacts on the marine and coastal environment and the impact of marine hazards on human activities;

3. the Client wishes to engage HMRI to carry out the work and provide the services described in this Management Services Agreement, as such agreement may from time to time be amended (the "**Agreement**");

4. HMRI has agreed to carry out this work and provide the Client with these services upon and subject to the terms and conditions specified in this Agreement; and

5. in this Agreement, the Client and HMRI are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**",

NOW THEREFORE this Agreement witnesses that, in consideration of the premises and the mutual covenants and agreements hereinafter set out and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

1.0 SERVICES TO BE PROVIDED

1.1 HMRI will, through its employees and through independent contractors and third parties which it engages, perform the services, assume all those responsibilities and diligently execute all those duties described from time to time in Schedule "A" attached to this Agreement (collectively, the "**Services**"), and will comply with all reasonable directions and requests of the Client, in a manner satisfactory to the Client.

2.0 PERFORMANCE OF HMRI'S OBLIGATIONS

2.1 HMRI represents and warrants that:

2.1.1 HMRI possesses the necessary skills, expertise, and experience to deliver the Services required in accordance with the provisions of this Agreement, and

2.1.2 HMRI understands the Client's requirements under this Agreement and will use all commercially reasonable efforts to satisfy those requirements.

2.2 HMRI agrees to devote the time, attention, abilities, and expertise necessary to perform the Services in a professional manner, and to exercise no lesser degree of care, diligence and skill than it exercises in respect of its own affairs.

2.3 During the occurrence of an event of Force Majeure (defined below), any obligations of HMRI that are affected by such event of Force Majeure will be suspended, and HMRI will not be considered to be in breach or default under this Agreement for the period of such occurrence and to the extent that such obligations cannot be performed in accordance with the terms and conditions of this Agreement. The suspension of performance will be of no greater scope and of no longer duration than is reasonably required by the event of Force Majeure.

2.4 Upon the occurrence of an event of Force Majeure anticipated to impact HMRI, HMRI will give the Client prompt notice of (i) the particulars of the event of Force Majeure, and (ii) its expected duration, and HMRI will use commercially reasonable efforts to remedy its inability to perform.

2.5 In this Agreement, the capitalized term "Force Majeure" means an event, condition, circumstance or effect that is not within the reasonable control of the affected Party and which, by the exercise of due diligence, the affected Party is unable to prevent or overcome, including acts of God, fire, explosion, civil disturbance, war, riot, insurrection, military or guerrilla action, terrorist activity, economic sanction, blockade or embargo, sabotage, flooding, earthquake, drought, strike or other labour disruption, power failure and action or restraint by the order of a competent governmental authority.

3.0 ASSISTANCE FROM THE CLIENT

3.1 The Client will promptly provide such support, guidance, direction, instructions, decisions, information, and assistance as may be reasonably requested by HMRI or as may, in the opinion of the Client, be reasonably necessary to assist HMRI in the performance of this Agreement. Such assistance will include:

3.1.1 the provision to HMRI and any of its authorized representatives of information that is necessary in order for the obligations and responsibilities of HMRI under this Agreement to be performed;

3.1.2 the provision to HMRI and any of its authorized representatives of all information as may be reasonably requested by HMRI; and

3.1.3 the provision to HMRI of all material facts or information of which the Client is aware in relation to and which may affect the performance of the obligations or responsibilities of HMRI under this Agreement, including any known, pending or threatened suits, actions, claims, proceedings or orders by or against it or any of its members and associates before any court or administrative tribunal.

4.0 PAYMENTS TO HMRI

4.1 Subject to the following subsections, in consideration of Services requested by and performed on behalf of the Client, the Client will pay to HMRI fees based upon value delivered and/or management and professional time expended and charged at the rates set out in the Management Services Fee Schedule attached to this Agreement as Schedule "B", as amended from time to time by mutual agreement of the Parties.

4.2 HMRI will invoice the Client on a periodic basis (at least quarterly) and will provide reasonably detailed statements together with copies of or access to all supporting documents, vouchers, statements, and receipts reasonably requested by the Client.

4.3 The Client will pay HMRI within 30 calendar days after the receipt of each invoice. HMRI will be entitled to invoice, and the Client will be liable to pay, a late payment charge of 2% per month in respect of any invoiced amount that has not been paid by the Client within such 30-day period.

5.0 REIMBURSEMENT OF HMRI'S EXPENSES

5.1 The Client will promptly reimburse HMRI for reasonable expenses, at HMRI standard rates where applicable, relating to the provision of the Services. HMRI will provide or facilitate Client access to receipts or supporting documents reasonably requested by the Client in connection with review and processing of such reimbursements.

6.0 CONFIDENTIALITY OF INFORMATION ACQUIRED

6.1 While this Agreement is in effect, and for a period of three years following access to or acquisition of confidential information, HMRI will, subject to Section 6.2:

6.1.1 treat as confidential all information, data, documents, and materials acquired or to which access has been given in the course of, or incidental to, the performance of this Agreement;

6.1.2 not disclose, or permit to be disclosed, to any person, corporation, or organization other than the Client and its representatives such information, data, documents, or materials without obtaining written permission from the Client; and

6.1.3 comply with any rules or directions made or given by the Client with respect to safeguarding or ensuring the confidentiality of such information, data, documents, or materials.

6.2 Written permission of the Client to the following disclosure will not be required:

6.2.1 disclosure that is expressly permitted or contemplated in this Agreement, including disclosure to advisors, experts, service providers or other third parties engaged by HMRI or the Client in accordance with the terms of this Agreement;

6.2.2 such disclosure as may be required in order to comply with any applicable law (including any statute, regulation, rule and municipal by-law, together with any applicable rule, guideline, directive, standard, requirement, policy, order, writ, judgment, decision, ruling, injunction, award or decree of a governmental authority) which binds or is applicable to HMRI; and

6.2.3 disclosure of any information that comes into the public domain other than as a direct result of a breach of HMRI's obligations under this Agreement.

7.0 OWNERSHIP OF INFORMATION

7.1 Subject to any license or other agreement between the Parties, all identifiable Client information, data, research, documents, photographs, and written materials (collectively, the "**Client Materials**") discovered or produced by HMRI, or any officers, employees, or agents of HMRI, in the performance of this Agreement, and all copyright therein, will be the exclusive property of the Client and will be delivered without cost to the Client upon the termination of this Agreement or upon earlier request. Notwithstanding the foregoing, the Client agrees that HMRI may refer to work it has done with the Client, pursuant to this Agreement or otherwise, in its marketing materials. Marketing materials may include, without limitation, HMRI's website.

7.2 Notwithstanding the provisions of Section 7.1 and subject to any license or other agreement between the Parties, all rights in information, data, documents, and materials in the possession of HMRI prior to the execution of this Agreement, owned by HMRI, licensed by HMRI or acquired from a third party and used by HMRI in conjunction with the Services will remain and be deemed to be the exclusive property of HMRI.

7.3 While this Agreement is in effect, and following its termination, HMRI will not use, publish, or disclose any part of the Client Materials without first obtaining written permission from the Client.

7.4 Any equipment, materials, and supplies provided by the Client to HMRI for use in the performance of this Agreement will remain the property of the Client and will be returned without cost to the Client upon the termination of this Agreement or upon earlier request. Similarly, upon termination of this Agreement or upon earlier request, the Client will return to HMRI, without cost, all property of HMRI.

8.0 NOT LIABLE FOR INJURY

8.1 Neither Party will be liable for any injury to the other Party or to the other Party's officers, employees, or agents (collectively, the "**other Party's Representatives**") or for any damage to or loss of property of other Party or the property of any of the other Party's Representatives, caused by or in any way related to the performance of this Agreement.

8.2 Subsection (1) does not apply if the injury, damage, or loss is caused by the wrongful or grossly negligent act of any officer or employee of a Party while acting within the scope of his or her office or employment.

9.0 INDEMNIFICATION; LIMITATION OF LIABILITY; DISCLAIMER OF WARRANTIES

9.1 Each Party will use due care in the performance of its obligations under this Agreement with the intent that no person is injured, no property is damaged or lost, and no claims, liabilities, or demands are experienced as a result of any omission or wrongful or negligent act.

9.2 HMRI and its representatives will be entitled to indemnification by the Client from any claims, liabilities, demands and reasonable costs and expenses arising in any manner from the provision of services under this Agreement unless, in the case of HMRI, it failed to act in accordance with its obligations under this Agreement, including its obligations of care, diligence and good faith, or, in the case of a representative of HMRI, the person seeking indemnification is found guilty of fraud, willful default or negligence. HMRI will hold the benefit of this indemnity as agent and in trust for itself and for the benefit of its representatives who are not party to this Agreement.

9.3 The Client and its representatives will be entitled to indemnification by HMRI from any claims, liabilities, demands and reasonable costs and expenses arising in any manner from the fraud, willful default or negligence of HMRI in the performance of its obligations, except to the extent such claims (and costs and expenses) arise from the fraud, willful default or negligent acts or omissions of the person seeking indemnification. The Client will hold the benefit of this indemnity as agent and in trust for itself and for the benefit of its representatives who are not party to this Agreement.

9.4 Notwithstanding any provision of this Agreement to the contrary, neither Party shall be liable to the other Party or its associates for any special, incidental, indirect, punitive or consequential costs, liabilities or damages, whether foreseeable or not, arising out of, or in connection with, the performance or non-performance of any obligations under this Agreement.

9.5 Except as expressly stated in Schedule “A”, HMRI makes no warranty, representation or indemnity, express or implied, with respect to the delivery or performance of any service, any HMRI or third party system, or any work performed under this Agreement including any and all warranties of merchantability or fitness for a particular purpose or use or arising from a course of dealing, usage or trade, and all such warranties are hereby expressly disclaimed. Any warranties contained in Schedule “A” will be the only warranties made by HMRI to the Client under this Agreement and are made in lieu of all other warranties, written or oral, statutory, express or implied.

9.6 The Parties expressly agree that no claim for losses or damages whatsoever in connection with this Agreement, including indemnification under the provisions of Section 9.2 or Section 9.3, will be made more than two (2) years after the date that the event giving rise to that claim is known or reasonably should have been known to the Party making the claim.

9.7 Notwithstanding any provision of this Agreement to the contrary, HMRI’s maximum cumulative liability to the Client in connection with this Agreement will be limited, individually and in the aggregate, to the total amount of fees paid by the Client to HMRI with respect to the particular service(s) on which the claim is based during the six (6) months prior to the time the claim is made.

9.8 With the exception of amounts payable or reimbursable in accordance with Article 4 or Article 5 of this Agreement, and notwithstanding any other provision of this Agreement to the contrary, the Client's maximum cumulative liability to HMRI in connection with this Agreement will be limited, individually and in the aggregate, to the total amount of fees paid by the Client to HMRI with respect to the particular service(s) on which the claim is based during the six (6) months prior to the time the claim is made.

10. INSURANCE

10.1 HMRI will maintain commercial general and liability insurance coverage, including third party bodily injury and property damage coverage in an amount not less than two million dollars ($2M) per occurrence. The Client will be included as an additional insured with respect to claims or liabilities arising from, or connected with, the Services. HMRI will provide the Client with a copy of the Certificate of Insurance evidencing such coverage upon request. This coverage will not be cancelled by HMRI except upon at least 10 days Notice to the Client.

11. TERM AND TERMINATION

11.1 The initial term of this Agreement will commence on the date first written above and terminate on the fifth anniversary of the date of execution of the Funding Agreement (the "**Funding Agreement**") between The Natural Sciences and Engineering Research Council, The Social Sciences and Humanities Research Council, MEOPAR Inc. and Dalhousie University (the "**Term**") unless terminated, extended or renewed before that date in accordance with the terms of this Agreement.

11.2 Subject to Sections 11.3 and 11.4, if either Party (a "**Defaulting Party**") fails to perform or observe any material provision of this Contract and such failure continues for 30 days after the Defaulting Party receives a Notice from the other Party with respect to, and identifying in reasonable detail, that failure, the other Party may, at its sole option, immediately terminate this Agreement by providing notice in writing to the Defaulting Party.

11.3 If a failure described in Section 11.2 is not capable of being remedied within 30 days after receipt of the applicable Notice, but is capable of being remedied within a reasonable time (having regard to the nature of the failure), and:

(i) the Defaulting Party provides a reasonable schedule for remediation of such failure that is acceptable to the other Party (which acceptance will not be unreasonably withheld or delayed); and

(ii) the Defaulting Party commences and diligently proceeds to remedy such failure in accordance with the agreed remediation schedule,

then such failure will not give rise to a right to terminate under Section 11.2 if the failure is remedied prior to the expiry of the applicable time period set out in the agreed schedule for remediation.

11.4 Unless otherwise agreed in writing between the Parties, the Client must provide a minimum of 60 days notice of termination of this Agreement.

11.5 Upon termination of this Agreement, (i) HMRI will have no obligation to continue, and will cease, the provision of services under this Agreement, (ii) the Client will pay, upon receipt of an invoice and supporting documentation reasonably requested by the Client, such compensation as HMRI may be entitled to receive under this Agreement for work completed up to the effective date of termination, and (iii) the Parties will take all other steps reasonably required to complete any final accounting between them and to provide, if applicable, for the completion of any other matter contemplated by this Agreement.

12.0 SURVIVAL OF TERMS; FURTHER ASSURANCES

12.1 Any obligation of the Parties under this Agreement that accrued prior to the termination or expiration of this Agreement and was intended to continue after the termination or expiration of this Agreement will survive the termination or expiration of this Agreement.

12.2 Each Party agrees to execute any and all documents and to perform such other acts as may be necessary or expedient to further the purposes of this Agreement and the transactions contemplated by it.

13.0 INDEPENDENT CONTRACTOR; NO PARTNERSHIP

13.1 HMRI is an independent contractor, and this Agreement does not create the relationship of principal and agent between the Client and HMRI or the relationship of employer and employee, or principal and agent, between the Client and any officers, employees, or agents of HMRI. With respect to the subject matter of this Agreement, the Parties are not and will not be deemed to be partners or joint venturers with one another and no provision of this Agreement will be interpreted as to impose any liability as such on any of them.

13.2 HMRI and the Client, respectively, will be responsible for any deductions or remittances which may be required by law in connection with its employees engaged in the performance and receipt of the Services.

13.3 HMRI will not incur any expenses or debts in the name of, nor make any direct commitments for, the Client without first obtaining written permission from the Client, which permission will be a limited agency appointment.

14.0 NO ASSIGNMENT OR TRANSFER OF AGREEMENT; ENUREMENT

14.1 Neither Party may assign or transfer this Agreement or any of its rights or obligations under this Agreement without first obtaining written permission from the other Party. Such permission may not be unreasonably withheld or delayed.

14.2 Notwithstanding Section 14.1, HMRI may delegate or subcontract performance of specific aspects of its obligations under this Agreement, provided that such delegation or subcontracting will not relieve HMRI of any of its obligations under this Agreement.

14.3 This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

15.0 ARBITRATION

15.1 During the currency of this Agreement, in the event of a disagreement or dispute among the Parties with respect to any matter contained herein, the Parties agree to negotiate for a period of ten (10) days to settle such dispute. In the event the Parties are unable or unwilling to settle such disagreement or dispute within such ten (10) day period, they agree to refer such disagreement or dispute to a single arbitrator appointed and acting in accordance with the provisions of the *Commercial Arbitration Act (*Nova Scotia*)*. The parties agree that the decision of the arbitrator shall be final and binding upon them.

16.0 ENTIRE AGREEMENT; SEVERABILITY

16.1 This Agreement, including the attached Schedules and each amendment and renewal made from time to time by mutual agreement of the Parties, contains the entire agreement between the Parties with respect to its subject matter. There are no undertakings, representations, or promises, express or implied, other than those contained in this Agreement.

16.2 The provisions of this Agreement are severable. If any one or more of the terms, covenants, conditions or provisions of this Agreement are unenforceable or invalid under an applicable law, the intent of the Parties is that such unenforceability or invalidity will not render any of the other terms, covenants, conditions or provisions of this Agreement unenforceable or invalid. The Parties agree that this Agreement will be interpreted as if any unenforceable or invalid term, covenant or condition was never contained in this Agreement.

17.0 AMENDMENTS AND INTERPRETATION

17.1 No amendment to, change to, or modification of this Agreement will be valid unless it is in writing and signed by both Parties.

17.2 The section headings in this Agreement have been inserted for convenience of reference only and will not be used to affect the meaning, constructions or effect of this Agreement.

17.3 In this Agreement, words importing the singular number only will be interpreted to include the plural and vice versa, and words importing gender will be interpreted to include all genders. When the words “including” or “Includes” are used in this Agreement, they mean “including without limitation” or “includes without limitation”, respectively. Any reference in this Agreement to any document includes a reference to any schedule, exhibit, amendment or supplement to it, as well as any agreement made in replacement of it, all as permitted under that document. Any dollar amounts referred to in this Agreement are expressed in lawful money of Canada.

18.0 APPLICABLE LAW

18.1 This Agreement will be interpreted, performed, and enforced in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable in such Province, without reference to conflicts of law provisions.

19.0 COMMUNICATION

19.1 Any demand, notice or other formal communication under this Agreement (a "**Notice**") will be provided in writing and will be sufficiently given if delivered in person, by prepaid courier service or any other method of personal delivery to:

HMRI: Halifax Marine Research Institute Inc.
1411 Oxford Street, Room 371
Halifax, NS
B3H 3Z1

Attention: Chief Executive Officer

Client: MEOPAR Incorporated
c/o Dr. Douglas Wallace
Oceanography Department
Dalhousie University
1355 Oxford Street
P.O. Box 15000
Halifax, NS
B3H 4R2

Any Notice delivered as provided above will be deemed to have been given and received on the day it is delivered, provided that it is delivery on a day other than a Saturday, Sunday or statutory holiday recognized generally in the Province of Nova Scotia (a "**Business Day**"), and prior to 4:00 p.m. (Atlantic time). If a Notice is delivered after that time or on a day other than a Business Day, then the Notice will be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving Notice to the other Party in accordance with the provisions of this Section.

20.0 TIME OF ESSENCE

20.1 Time will be of the essence of this Agreement.

21.0 COUNTERPARTS

21.1 This Agreement may be executed in several counterparts (including by facsimile or other means of electronic communication), each of which when executed will be deemed to be an original, and all of which taken together will be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement in accordance with their respective rules and regulations as of the day and year first written above.

MEOPAR INCORPORATED

_____
Name:
Title:

_____
Name:
Title:

I/we have authority to bind the corporation.

HALIFAX MARINE RESEARCH INSTITUTE INC.

_____
Name:
Title:

_____
Name:
Title:

I/we have authority to bind the corporation.

SCHEDULE A

SERVICES TO BE PROVIDED BY HMRI

Services to be provided by HMRI are described in this schedule and may also be described in one or more service schedules entered into pursuant to this Agreement.

Where applicable, all duties and services will be performed and provided by HMRI in a manner consistent with the requirements imposed pursuant to the (NCE) Funding Agreement, or any similar applicable funding agreement.

HMRI will at all times act in good faith and endeavour to provide the Services with a view to the best interests of the Client.

Part I - Financial Services

HMRI will procure and provide the Category C financial services described below.

The Client will perform or procure, and HMRI need not procure or provide, the Category A and Category B financial services described below. The Parties' intent is that the Category B financial services be provided to the Client by Dalhousie University under a "Host Agreement" related to the commitment of Dalhousie University to act as host institution in respect of the MEOPAR networks centre of excellence.

Financial Services – Category A

- Banking reconciliation of Client accounts with a third party financial institution
- Cash reconciliation
- Project tracking
- Interim financial statement preparation
- Cash-flow maintenance
- Paper record file maintenance, documentation and data
- Budget preparation
- Valuation and journal entry requests regarding in-kind contributions

Financial Services – Category B

- Use of, and access to, the Dalhousie University financial administration system (i.e. Banner), including:
  - General ledger
  - Processing and payment of invoices
  - Issuance of invoices and collection of accounts receivable
- Access to group buying opportunities (e.g. PCPC)

Financial Services – Category C

- GST/HST/QST tracking and reporting
- Preparation and submission of GST/HST/QST rebate/refund applications
- Liaison with Canada Revenue Agency regarding compliance requirements
- Assistance with implementation and maintenance of control framework/procedures
- Year-end preparation and completion, including
  - Annual financial statement preparation
  - Management of the audit process with external auditors
  - Completion of T1044 Non-Profit Organization Information Returns
  - Completion of T2 Corporation Tax Returns

Part II – Other Services

The Parties currently anticipate that HMRI may provide some or all of the following services in accordance with a services schedule entered into pursuant to this Agreement:

- human resources consulting services;
- communications consulting services; and
- other services which are eligible expenses under applicable funding and financial administration guidelines, as may be identified by the Parties from time to time.

SCHEDULE "B"

MANAGEMENT SERVICES FEE SCHEDULE

Part I - Financial Services

HMRI will purchase Category C financial services from Dalhousie University for resale to the Client, and will bill the Client its direct costs of acquiring such services. Under an agreement between Dalhousie University and HMRI, Dalhousie University has committed to provide the Category C financial services at a rate of &7,500 per entity per year.

Part II – Other Services

HMRI will bill the Client at the rates specified in each service schedule entered into pursuant to this Agreement.