

THIS EXTENSION AGREEMENT is dated effective the 1st day of April, 2017 (the “**Agreement**”).

BETWEEN:

ALBERTA HEALTH SERVICES

(“**AHS**”)

- and -

WOMAN’S HEALTH OPTIONS LTD.

(the “**Operator**”)

(collectively, the “**Parties**” and each of them, a “**Party**”)

RECITALS:

- A. The Parties have entered into an agreement for the Provision of Facility Services Relating to Insured Pregnancy Termination Surgical Services referenced as #CLM200236 dated April 1, 2014 with Ministerial Order M.O. 8/2014 (the “**Initial Agreement**”).
- B. The Parties wish to amend the Initial Agreement on the terms and subject to the conditions set forth in this Agreement.
- C. The Initial Agreement is said to expire March 31, 2017.
- D. In accordance with and as contemplated in Section 6.3 of the Initial Agreement, the Parties wish to further extend the term of the Initial Agreement for a period of thirty six (36) months.

NOW THEREFORE for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties hereby agree on the terms and subject to the conditions set forth in this Agreement as follows:

ARTICLE 1 MINISTERIAL APPROVAL

- 1.1** It is an express condition precedent to this Agreement having any force or effect that the Minister of Health for Alberta shall have approved this Agreement. If this condition is not fulfilled as at the date of this Agreement then, notwithstanding any other provision to the contrary, this Agreement shall not come into effect unless and until the Minister of Health for Alberta’s said approval is granted and neither Party shall have rights or obligations relative to this Agreement until that time.

**ARTICLE 2
EXTENSION OF TERM**

- 2.1** In accordance with Section 6.3 of the Initial Agreement, the term of the Initial Agreement is extended for a period of thirty six (36) months commencing April 1, 2017 and ending March 31, 2020 (the “**Extension Term**”).
- 2.2** The Parties have negotiated and agreed to adjustments to the pricing structure and other fees to be payable by AHS to the Operator during the Extension Term. During the Extension Term, Schedule “A” attached hereto shall supersede Schedule “B” to the Initial Agreement and all references to Schedule “B” in the Initial Agreement shall be read as a reference to Schedule “A” attached hereto.

**ARTICLE 3
GENERAL**

3.1 Capitalized Terms

Unless otherwise defined, the capitalized terms used in this Agreement have the respective meanings ascribed to them in the Initial Agreement.

3.2 Effect of Agreement

Other than as expressly provided for herein, this Agreement does not serve to amend any terms or conditions of the Initial Agreement, the terms and conditions of which shall remain in full force and effect otherwise unamended. This Agreement is entered into as a supplementary document to the Initial Agreement and is subject to the other terms and conditions of the Initial Agreement and, in particular, all provisions and terms of general interpretation, construction and application (including but not limited to those relating to governing law, amendments, enurement, calculation of time periods and dispute resolution) are hereby incorporated by reference and deemed to be made a part hereof.

3.3 Entire Agreement

This Agreement and the Initial Agreement and any other agreements and documents that have been, or are required or contemplated to be, delivered pursuant hereto or thereto constitute the entire agreement between the Parties, setting out all the covenants, warranties, representations, conditions, understandings and agreements between the Parties pertaining to the subject matter of the Initial Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written.

3.4 Further Assurances

Each party shall, with reasonable diligence, do all such things, provide all such reasonable assurances and execute and deliver such further documents or instruments as may be required by the other party in order to give effect to and carry out the provisions of this Agreement or which otherwise may be reasonably necessary or desirable to effect the purpose of this Agreement.

3.5 Execution in Counterparts

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other means of electronic transmission and all such counterparts shall together constitute one and the same agreement.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized representatives as of the dates set forth below.

ALBERTA HEALTH SERVICES

Per: *Original Signed* _____

Per: *Original Signed* _____

WOMAN'S HEALTH OPTIONS LTD.

Per: *Original Signed* _____

CPSM COPY

SCHEDULE "A"

SERVICES AND SERVICE FEES

I. Description of Services

Alberta Health Services (AHS) requires the services of Woman's Health Options Ltd., an accredited Non Hospital Surgical Facility, to provide specified pregnancy termination procedures under the Alberta Health Care Insurance Plan.

II. Service Fees

Pricing and Procedure details provided in the original signed agreement.

III. Maximum Amount Payable

1. The maximum amount payable by AHS to the Operator (the "**Maximum Payable**") in each of the contract years April 1, 2014 to March 31, 2015, April 1, 2015 to March 31, 2016, April 1, 2016 to March 31, 2017, April 1 2017 to March 31, 2018, April 1, 2018 to March 31, 2019, and April 1, 2019 to March 31, 2020 (each a "**Contract Year**") will be calculated as follows:
 - (a) for purposes of this Section III, capitalized terms shall have the following meanings:
 - (i) "**Estimated Volume**" for each Type of Procedure shall mean the previous year's Estimated Volume for that Type of Procedure plus or minus an adjustment equal to the average of the Percentage Change for that Type of Procedure in each of the previous three twelve month periods commencing April 1 and ending March 31.
 - (ii) "**Percentage Change**" shall mean the increase or decrease in the actual volume of each Type of Procedure performed by the Operator in a Contract Year over the preceding twelve month period, expressed as a percentage.
 - (iii) "**Type of Procedure**" means any of those procedure categories listed in Section II "Service Fees" of this Schedule "B".
 - (b) for the Contract Year April 1, 2014 to March 31, 2015, the Maximum Payable shall be \$3,195,510.47, plus a 10% contingency amount of \$319,551.05, for a total of \$3,515,061.52. No portion of the 10% contingency may be billed for without prior written approval from AHS for use of the contingency. Contingency funding is for extenuating purposes only.
 - (c) for all remaining Contract Years of the Term, the Maximum Payable per Contract Year shall be calculated using the Estimated Volume of each Type of Procedure for that Contract Year multiplied by the applicable rate for the Type of Procedure, as set out in Section II above, provided that in no case shall the Maximum Payable in any of the remaining Contract Years exceed \$4,200,000.00.
2. The Maximum Payable during any given Contract Year will be paid in 12 equal monthly instalments payable in accordance with Section 5.2 of this Agreement, subject to the receipt by AHS, within fifteen (15) days of the beginning of each month, of an invoice from the Operator

setting out the amount payable for that month together with a statement detailing the actual number of each Type of Procedure performed in the prior month.

3. At the end of each Contract Year, the amount paid by AHS to the Operator during the Contract Year using the Estimated Volume will be reconciled against the actual number of each Type of Procedure carried out by the Operator in that Contract Year as follows:
 - (a) if the actual volume of all Types of Procedures combined performed in a Contract Year is less than 98% of the Estimated Volume for that Contract Year, the Operator will reimburse AHS for the difference between what AHS paid for that Type of Procedure and what AHS would have paid for that Type of Procedure if it had only been invoiced for the actual amount of that Type of Procedures performed in that Contract Year; and
 - (b) if the actual volume of all Types of Procedures combined performed in a Contract Year exceeds 102% of the Estimated Volume for the that Contract year, AHS will pay the Operator for the difference between what AHS paid for that Type of Procedure and what AHS would have paid for that Type of Procedure if it had been invoiced for the actual amount of that Type of Procedure performed in the Contract Year, provided that:
 - (i) notwithstanding the foregoing, the maximum amount payable by AHS for all Types of Procedures combined in any Contract Year shall not exceed 110% of the Maximum Payable for that Contract Year; and
 - (ii) the Operator has obtained AHS' prior written approval to exceed the Maximum Payable for that Contract Year or AHS feels the excess is reasonable due to extenuating purposes.
4. The Operator shall provide all information related to any reconciliation for a Contract Year within fifteen (15) days of the end of the Contract Year. Where amounts are due the Operator, the Operator shall also provide an invoice for the amount due within such fifteen (15) day period and AHS will pay any amount due within thirty (30) days of the receipt of the reconciliation details and Operator's invoice. Where Operator owes money to AHS as a result of any reconciliation, the amount due will be paid within forty-five (45) days of the end of the Contract Year to which reconciliation applies.
5. **THE ESTIMATED VOLUMES DETERMINED BY AHS SHOULD IN NO WAY BE TAKEN TO BE A REPRESENTATION, WARRANTY OR GUARANTEE BY AHS THAT THE OPERATOR WILL HAVE SUFFICIENT INSURED PROCEDURES TO ACHIEVE THE MAXIMUM PAYABLE FOR ANY GIVEN CONTRACT YEAR DURING THE TERM OF THIS AGREEMENT. IN ACCORDANCE WITH SECTION 3.5 OF THIS AGREEMENT, AHS DOES NOT GUARANTEE THAT ANY MINIMUM NUMBER OF PROCEDURES WILL BE PERFORMED IN THE FACILITY, OR THAT ANY MINIMUM AMOUNT OF SERVICE FEES WILL BE PAYABLE TO THE OPERATOR DURING THE TERM OF THIS AGREEMENT.**