



NOVA SCOTIA

## Executive Council Office

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November 20, 2012

Mr. Tim Bousquet  
5567 Cunard Street  
Halifax, NS, B3K 1C5

Dear Mr Bousquet:

**Re: You are entitled to part of the information you requested – [EXE-12-9]**

Your application for access to a record under the *Freedom of Information and Protection of Privacy (FOIPOP) Act*, was received on November 16, 2012. Specifically you requested:

*“Order in Council #2012-350, specifically the Schedule “A” outlining terms and conditions of payroll rebates for IB M Canada”*

You are entitled to part of the record(s) requested. Enclosed is a copy of the Schedule A. We have removed some information from this record. The severed information falls under exemption provisions according to subsection 5(2) of the Act. We refuse access to the severed parts of the record for the following reasons:

Section 13(1) – information that would reveal the substance of deliberations of the Executive Council or any of its committees

Section 17(1)(d) – information the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in undue financial loss or gain to a third party

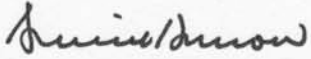
You have the right to ask for a review of this decision by a review officer. You have 60 days from the date of this letter to exercise this right. If you wish to ask for a review, you may do so on Form 7, a copy of which is attached. Please send the completed form to Review Officer, P.O. Box 181, Halifax, NS B3J 2M4.

T. Bousquet

November 20, 2012

If you have any questions about this decision, please contact our A/IAP Administrator, Kathy Hartlen at the address above, by e-mail at hartlekl@gov.ns.ca, or by telephone at 424-4897.

Yours truly,



David Darrow, P.Eng.

Deputy Minister

Encl.

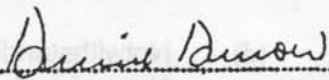
c: Kathy Hartlen  
A/Corporate IAP Administrator



2012-350

The Governor in Council on the report and recommendation of the Minister of Economic and Rural Development and Tourism dated October 24, 2012, and pursuant to Section 9 of the *Nova Scotia Business Incorporated Financial Assistance Regulations*, N.S. Reg 133/2001, made pursuant to Chapter 30 of the Acts of 2000, the *Nova Scotia Business Incorporated Act*, is pleased to consent to the decision of the Board of Directors of Nova Scotia Business Incorporated dated October 22, 2012, to provide financial assistance by way of a payroll rebate to IBM Canada Limited / IBM Canada Limitée (c.o.b. as IBM Global Business Services), in an amount not to exceed Twelve Million, Two Hundred Forty Thousand Dollars (\$12,240,000.00), on terms and conditions generally as outlined in Schedule "A" attached to and forming part of the Report and Recommendation of the Minister of Economic and Rural Development and Tourism dated October 24, 2012.

**Certified to be a true copy**

  
 \_\_\_\_\_  
 David Darrow  
 Clerk of the Executive Council

Todd Lavieri  
Managing Partner  
IBM Canada Limited / IBM Canada Limitée  
C.o.b. as IBM Global Business Services  
3600 Steeles Avenue East  
Markham, ON L3R 9Z7

Dear Mr. Lavieri,

Nova Scotia Business Inc. ("NSBI") has considered the form of assistance available from NSBI to assist IBM Canada Limited / IBM Canada Limitée (c.o.b. as IBM Global Business Services) in the development of a Canadian Delivery Centre, part of IBM's Global Delivery Centre network, in Nova Scotia (the "Project"). We are pleased to offer financial assistance, not to exceed \$12,240,000 to support this project. It has been approved by NSBI, subject to the issuance of an Order in Council by the Province of Nova Scotia, and takes the form of a payroll rebate to be earned at year-end over the term of this Agreement. The payroll rebate will be earned in accordance with the conditions set out below, and in the attached Appendix "A", standard terms and conditions for NSBI payroll rebates.

1. PROJECT

- (a) Subject to the terms and conditions of this Agreement, NSBI will provide financial assistance by way of annual payroll rebates (the "payroll rebates") not exceeding a total of \$12,240,000 over eight (8) years to assist IBM Canada Limited / IBM Canada Limitée (c.o.b. as IBM Global Business Services) (the "Company") with the Project. The Company is expected to employ up to 500 FTE Incremental Employees, in Halifax, Nova Scotia, and Industrial Cape Breton within eight (8) years following the commencement of the Project.
- (b) The Company projects that it will commence the Project in Nova Scotia by November 1, 2012.
- (c) Notwithstanding any other provision of this Agreement the financial assistance will commence as of the Company's commencement of the Nova Scotia expansion and will be completed no later than eight (8) years from such commencement.
- (d) Notwithstanding Appendix "A", the Commencement Date is deemed to be November 1, 2012 ("Commencement Date") and the Company is deemed to have Commenced operations as of such date.
- (e) "Company" means, IBM Canada Limited / IBM Canada Limitée (operating as IBM Global Business Services) and any company incorporated for the purpose of carrying out the Project in Nova Scotia, and where the context requires, any and all subsidiaries and affiliates of IBM Canada Limited / IBM Canada Limitée.
- (f) The average salary or wage, including benefits, statutory contributions, and performance bonuses, applicable to the total FTE employees for purposes of satisfying the requirements of subsection B1 of attached Appendix "A" shall be not less than \$50,000 per year.
- (g) The Company acknowledges and agrees that 76 Government of Nova Scotia positions (to be verified) having an annual gross payroll of not less than \$3,800,000 (to be verified) at its sites in Nova Scotia, that are offered and accept employment with IBM Canada Limited / IBM Canada Limitée, either before or after the Commencement Date, from the Government of Nova Scotia, will not be incented under this agreement and will act as, or form part of, the baseline. The

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3. APPLICATION OF STANDARD TERMS AND CONDITIONS

This Letter of Offer includes and is subject to the Standard Terms and Conditions attached as Appendix "A" hereto, except for the following:

- (a) Section A, paragraph 2, shall be amended to add the words "and incorporated by reference" immediately after the words "or in the Letter of Offer" in the last sentence.
- (b) Section B4 shall be amended to add the word "material" immediately preceding the words "default of any of its obligations" in the first sentence.
- (c) Section C18, paragraph 2, shall be amended to add the word "material" immediately preceding the "default under other financial assistance agreement(s)"
- (d) Section C19 shall be amended to add the words "excluding a change of control within affiliate" immediately after the words "Capital Stock of the Company" in the last sentence.

4. MINIMUM EMPLOYMENT REQUIREMENTS\*

Salary: \$50,000		Payroll Rebate: 8.00%		NG/NR FTE Rebate: 2.00%								
	Min FTE	Proj FTE	NG/NR FTE	Min Payroll	Proj Payroll	NG/NR FTE Payroll	Min Rebate	Projected Rebate	NG/NR FTE Rebate	Total Min Rebate	Total Proj Rebate	Total Max Payout
Yr 1	0	50	40	\$0	\$2,500,000	\$2,000,000	\$0	\$200,000	\$40,000	\$0	\$240,000	\$2,400,000
Yr 2	0	100	80	\$0	\$5,000,000	\$4,000,000	\$0	\$400,000	\$80,000	\$0	\$480,000	\$2,400,000
Yr 3	0	200	160	\$0	\$10,000,000	\$8,000,000	\$0	\$800,000	\$160,000	\$0	\$960,000	\$2,400,000
Yr 4	0	300	240	\$0	\$15,000,000	\$12,000,000	\$0	\$1,200,000	\$240,000	\$0	\$1,440,000	\$2,400,000
Yr 5	0	400	320	\$0	\$20,000,000	\$16,000,000	\$0	\$1,600,000	\$320,000	\$0	\$1,920,000	\$2,400,000
Yr 6	0	500	400	\$0	\$25,000,000	\$20,000,000	\$0	\$2,000,000	\$400,000	\$0	\$2,400,000	\$240,000
Yr 7	0	500	400	\$0	\$25,000,000	\$20,000,000	\$0	\$2,000,000	\$400,000	\$0	\$2,400,000	\$0
Yr 8	0	500	400	\$0	\$25,000,000	\$20,000,000	\$0	\$2,000,000	\$400,000	\$0	\$2,400,000	\$0
<b>Total</b>	<b>0</b>	<b>500</b>	<b>400</b>	<b>\$0</b>	<b>\$127,500,000</b>	<b>\$102,000,000</b>	<b>\$0</b>	<b>\$10,200,000</b>	<b>\$2,040,000</b>	<b>\$0</b>	<b>\$12,240,000</b>	<b>\$12,240,000</b>
<b>FTE Hours:</b>	<b>2000</b>											

- \* Minimum annual average salary is \$50,000 per FTE position (including benefits, statutory contributions, and performance bonuses).
- \* Payroll rebate is 8.0% of total annual payroll cost, including benefits, statutory contributions, and performance bonuses, plus an additional 2.0% for a maximum of 400 NG/NR FTEs, to a total maximum cap of \$12,240,000.
- \* In the event the Company achieves more FTE than projected, or if payroll is greater than projected, then the actual rebate for that particular year shall be adjusted accordingly PROVIDED, HOWEVER, that the Max Rebate in any one year shall never exceed \$2,400,000 and the total project rebate over the eight (8) years of the Project shall never exceed \$12,240,000.

**REQUIREMENTS:**

- \* FTE's are full-time equivalent positions representing a total of 2,000 paid hrs / annum (an employee can represent a proportion thereof).
- \* All employees are incremental.
- \* The payroll rebate is paid in arrears once Auditor's Report has been reviewed and verified.

The assistance will be administered by NSBI, which will require proof of the fulfillment of the terms and conditions set out herein before any funds become payable. Please forward the proof of attainment as required to NSBI's Business Support Coordinator.

Your acceptance of this offer, in writing, must be received prior to November 1, 2012. You may indicate your acceptance by signing and returning the attached duplicate of this letter to the attention of Amy Gibson, Business Manager, Investment Attraction.

Sincerely,

Stephen Lund