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Rec. No.: L010-S011-200-170331-00225

30 September 2013

SNC-Lavalin Inc.
350 Torbay Road
St. John's, NL A1A 4E1

Attention: Mr. Normand Bechard

**Subject: Lower Churchill Phase 1 Development
Agreement LC-G-002
Engineering, Procurement and Construction Management (EPCM) Services
Amending Agreement No. 5 - Rate Adjustments**

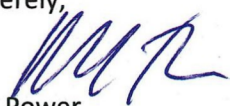
Dear Normand:

We refer to previous discussions and correspondence regarding adjustment of the Payroll Burden Rate (PBR), Computer Services Rate (CSR) and Reproduction Services Rate (RSR). We have prepared Amending Agreement No. 5 to incorporate the agreed revisions into the Agreement, effective 7 March 2013.

Duplicate originals of the Amending Agreement, which have been signed on behalf of Nalcor Energy, are attached hereto. Please sign both documents, return one fully executed original to the attention of Clarence Hewitt and retain the second original for your files.

If you have any questions regarding the above, please contact the undersigned or Clarence Hewitt.

Sincerely,


Ron Power
General Project Manager
Muskrat Falls & Labrador - Island Transmission Link
CH/ch

cc: Clarence Hewitt
John Skinner

**AMENDING AGREEMENT**

THIS AMENDING AGREEMENT NUMBER 5 is made as of the 7th day of March, 2013,

BETWEEN:

NALCOR ENERGY, a body corporate constituted pursuant to the Energy Corporation Act, S.N. 2007, c. E-11.01 and having its head office at the City of St. John's, Province of Newfoundland and Labrador, (hereinafter referred to as "**Company**") of the first part,

- and -

SNC-LAVALIN INC., a body incorporated under the laws of Canada and having its head office in the City of Montreal, Province of Quebec (hereinafter referred to as "**Consultant**") of the second part.

WHEREAS an Agreement Number LC-G-002 entitled Engineering, Procurement and Construction Management (EPCM) Services (hereinafter called the "Agreement") dated 1st day of February, 2011 was entered into between Company and Consultant;

AND WHEREAS the parties wish to amend the Agreement as hereinafter set forth in this Amending Agreement.

NOW THEREFORE THIS AMENDING AGREEMENT WITNESSES that, in consideration of the premises and mutual covenants and agreements hereinafter set forth and contained, the parties hereto agree that the Agreement be amended as follows:

1. Pursuant to Exhibit 4, Section 4.1.1 of the Agreement, Consultant's Payroll Burden Rate (PBR), Computer Services Rate (CSR) and Reproduction Services Rate (RSR) were subject to adjustment effective 1 January 2012. Due to delays encountered in reaching agreement on the revised PBR, the 2012 PBR, CSR and RSR adjustments were not implemented. The Parties now have concluded agreement on these adjustments and have further agreed a one-time lump sum cumulative 2012 invoice adjustment of [REDACTED] to compensate Consultant for these adjustments. Upon execution of this Amending Agreement no. 5, Consultant shall be entitled to submit an Application for Payment of this amount.

The Parties have further agreed that, to improve and streamline the annual total hourly billing rate adjustment process, Section 4.0 of Exhibit 4 shall be amended as set out below.

2. Section 4.1.1 is hereby deleted and replaced with the following:

“4.1.1 Escalation

Reimbursable Costs will be escalated based on the following:

Salary – Salaries for Consultant Personnel shall be subject to annual review, effective 7 March 2013 and annually thereafter, in accordance with Consultant’s corporate policy.

Company reserves the right to challenge any such increases that appear unreasonable and Company must approve all salary increases based on a spreadsheet showing the increase for each employee.

Payroll Burden Rates (PBR) – The PBR as set out in Section 4.3.2.2 of this Exhibit 4 are not subject to escalation and are fixed for the remainder of the Agreement.

The PBR multipliers are average rates that shall be applied to all hours worked by Consultant’s Personnel, including straight time and overtime hours.

Computer Services Rates (CSR) – CSR shall be adjusted, in March 2014 and annually thereafter, in accordance with the percentage change in the ‘Consumer Price Index (CPI) – All-Items, Newfoundland and Labrador’ over the previous calendar year ending 31 December of that year.

Reproduction Services Rates (RSR) – RSR shall be adjusted, in March 2014 and annually thereafter, in accordance with the percentage change in the Consumer Price Index (CPI) – All-Items, Newfoundland and Labrador’ over the previous calendar year ending 31 December of that year.

For the avoidance of doubt, the effective date of the annual salary review and CSR and RSR adjustments in 2014 and each subsequent year shall coincide with the first day of Consultant’s first payroll period commencing in March of that year.

Assignment Conditions / Business Travel and Travel Expenses (further defined in Sections 4.3.5 and 4.3.6 respectively) shall be reviewed annually or as required by the Project. Any adjustments shall be mutually agreed based on market conditions.”

3. The Payroll Burden Rates (Fixed Multiplier) table contained in Exhibit 4, Section 4.3.2.2 is hereby deleted and replaced with the following:

Location / Category	Rate
Newfoundland and Labrador	
Quebec	
Ontario	
Alberta	
British Columbia	
Students and Temporary Employees	
International Employees	

4. The Computer Services Rate (Fixed Rate) table contained in Exhibit 4, Section 4.3.2.4 is hereby deleted and replaced with the following:

Office Location	Rate
All locations other than Site / Field offices	
Site / Field office (Company supplied hardware)	

5. The Reproduction Services Rate (Fixed Rate) table contained in Exhibit 4, Section 4.3.2.5 is hereby deleted and replaced with the following:

Office Location	Rate
Project office –St. John's	
Site / Field office	
All other locations	

6. This Amending Agreement shall be effective from the date hereof and shall remain in full force and effect from such date.

7. This Amending Agreement is supplementary to the Agreement and is read with and construed in accordance with the Agreement, as if this Amending Agreement and the Agreement, as amended, constitute one (1) agreement.

8. Except as this Amending Agreement otherwise provides, the Agreement, as previously amended, is in all respects ratified and confirmed and all terms, provisions and covenants thereof shall remain in full force and effect.

9. This Amending Agreement shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the Parties hereto have executed and delivered this Amending Agreement as of the day and year first above written.

NALCOR ENERGY

Per: 

Title: Supply Chain Manager

Per: 

Title: General Project Manager

SNC-LAVALIN INC.

Per:

Title:

Execution Page to an Amending Agreement between Nalcor Energy and SNC-Lavalin Inc. and dated as of the 7th day of March 2013.