

# CH0007 COMPLETION CONTRACT

---

**MUSKRAT FALLS CORPORATION**

**and**

**ASTALDI CANADA INC.**

**1 December 2016**

Two handwritten signatures in blue ink are located in the bottom right corner of the page. The first signature is a stylized cursive 'A', and the second is a more complex cursive signature.

**CH0007 COMPLETION CONTRACT**

Effective as of December 1, 2016

(“Completion Contract”)

Between:

**MUSKRAT FALLS CORPORATION**

a body corporate constituted pursuant to the Corporations Act, RSNL 1990, c. C-36, as amended, and having its head office at the City of St. John's, Province of Newfoundland and Labrador (hereinafter referred to as the “**Company**”)

- and -

**ASTALDI CANADA INC.**

a company duly registered at the Registraire des entreprises (NEQ) 1168070192, having its head office at 780 ave Brewster, Suite 03-300, Montreal Quebec H4C 2K1, (hereinafter referred to as the “**Contractor**”)

**WHEREAS** Company and Contractor entered into the Civil Works Agreement for the construction of the intake and powerhouse, spillway and transition dams, Agreement No. CH0007, dated 29 November 2013 (the “**Agreement**”);

**WHEREAS** the Parties understand the cost to Contractor to complete the Work exceeds the amount remaining to be paid under the Agreement;

**AND WHEREAS** the Parties entered into an agreement dated 27 July 2016 respecting additional compensation for concrete installation and steel erection for the months of July to October 2016, inclusive, which work formed part of the Work under the Agreement (“**Bridge Agreement**”);

**AND WHEREAS** it is in the best interests of both Parties that conditions be found under which the Work under the Agreement may continue to Final Completion:

**NOW THEREFORE IN CONSIDERATION OF THEIR MUTUAL PROMISES** and the exchange of valuable consideration, the receipt and sufficiency of which is hereby duly and irrevocably acknowledged, **THE PARTIES HERETO AGREE AS FOLLOWS:**



**Bridge Agreement**

1. The Bridge Agreement is extended to and terminated as of 11:59 pm NST, November 30, 2016.
2. Notwithstanding termination of the Bridge Agreement in accordance with paragraph 1, Company shall pay for the volumes of concrete set out in Table 1 of the Bridge Agreement installed from November 1 to November 30, 2016, inclusive, at the rates and in accordance with the payment terms set out in the Bridge Agreement, being twenty-one million nine hundred sixty-one thousand four hundred forty-four dollars (\$21,961,444.00). The total earned by Contractor under the Bridge Agreement up to and including November 30, 2016, is one hundred thirty-four million seven hundred eighty-seven thousand two hundred thirty-three dollars (\$134,787,233.00).
3. Any portion of the total earned amount set out in paragraph 1 of the Bridge Agreement that has not been earned by November 30, 2016, shall form part of the compensation available to be earned pursuant to paragraph 7(a) of this Completion Contract.

**Contract Price**

4. Notwithstanding Section 1.1, Exhibit 2 - Compensation in the Agreement, the Contract Price is hereby increased to give a total Contract Price of one billion eight hundred thirty million dollars (\$1,830,000,000.00), plus applicable taxes but exclusive of reimbursable travel costs for craft labour under the Agreement, the increase being the additional compensation available to be earned under the Bridge Agreement and this Completion Contract and inclusive of direct and indirect costs of performing the Work.
5. For greater certainty:
  - (a) the total Contract Price set out in paragraph 4 is inclusive of all Changes, whether known or unknown, which are or could be the subject of Change Requests and Change Orders up to and including November 30, 2016, and shall include all amounts payable by Company pursuant to paragraphs 7(a) and (b), 16 and 17;
  - (b) Company shall not assess or claim unrecovered backcharges for issues which have occurred prior to and including November 30, 2016; and
  - (c) the increase in the Contract Price set out in paragraph 4 and pursuant to the Bridge Agreement are not Changes or as a result of Change Orders for the purposes of Section 9.3 of Exhibit 2 of the Agreement;
  - (d) all dollar amounts are exclusive of HST and in Canadian dollars.
6. By the later of forty-five (45) days from the execution date of this Completion Contract or February 28, 2017, Contractor shall:
  - (a) increase the value of the performance payment letter of credit number 504-12-0013271 issued by the National Bank of Canada ("Performance LC") and currently held by



Company as security pursuant to Article 7 of the Agreement by the amount of eighty million (\$80,000,000.00), to give a total performance security of one hundred eighty million dollars (\$180,000,000.00) and extend the expiry date of the Performance LC to September 30, 2019, with such increase and extension to be in a form acceptable to Company;

- (b) provided Contractor is not in default pursuant to paragraph 39, twelve months after the date of issue of the increased Performance LC Company shall issue a certificate to the National Bank of Canada to reduce the value of the Performance LC by eighty million (\$80,000,000.00), and thereafter the value of the Performance LC shall be one hundred million dollars (\$100,000,000.00) until called upon or relinquished;
- (c) Company shall pay Contractor for the cost to increase the value of the Performance LC referenced in paragraph 6(a) by Change Order in an amount that shall not exceed three million dollars (\$3,000,000.00).

#### **Payment for Work Performed to Final Completion and Advance**

7. Company will provide payment for Work performed by Contractor from December 1, 2016 to Final Completion, re-instate the advance made under the Agreement and provide an additional advance as follows:

- (a) five hundred eighty-one million seven hundred three thousand seven hundred ninety-seven dollars (\$581,703,797.00), which is comprised of the following two amounts:
  - (i) two hundred ninety-eight million four hundred fifty-eight thousand two hundred eighty-two dollars (\$298,458,282) for concrete production as further described herein, not to be exceeded but subject to any adjustment to the Contract Price to which Contractor is entitled under the terms of the Agreement and this Completion Contract; and
  - (ii) two hundred eighty-three million two hundred forty-five thousand five hundred fifteen dollars (\$283,245,515) for work scope objectives as further described herein, not to be exceeded but subject to any adjustment to the Contract Price to which Contractor is entitled under the terms of the Agreement and this Completion Contract;

payable as compensation by a combination of concrete production payments and work scope payments as further described in this Completion Contract;

- (b) the balance of the Non-Labour Component under the Agreement;
- (c) advances disbursed by Company to Contractor, and repayable by Contractor to Company as further described in this Completion Contract, in the following amounts:
  - (i) twenty-nine million nine hundred ninety-four thousand eight hundred twenty-six dollars (\$29,994,826.00) as an additional advance; and
  - (ii) eighty-one million seven hundred five thousand one hundred seventy-four dollars (\$81,705,174.00), to re-instate the advance made under the Agreement.



**Advance Payment**

8. Contractor may invoice Company for the total of the advances referenced in paragraph 7(c) (the total being \$111,700,000.00) at any time prior to December 31, 2016. Following receipt of the invoice, Company shall advance to Contractor the amount referenced in paragraph 7(c) as follows:
  - (a) twenty-nine million nine hundred ninety-four thousand eight hundred twenty-six dollars (\$29,994,826.00) by December 31, 2016;
  - (b) twenty-one million seven hundred five thousand one hundred seventy-four dollars (\$21,705,174) by February 28, 2017;
  - (c) thirty million dollars (\$30,000,000) by March 31, 2017;
  - (d) thirty million dollars (\$30,000,000) by April 30, 2017.
9. By the later of forty-five (45) days from the execution date of this Completion Contract or February 28, 2017, Contractor shall provide at it's cost one of the following:
  - (a) an increase of the advance payment letter of credit number 504-12-0013280 issued by the National Bank of Canada and currently held by Company as security pursuant to Article 7 of the Agreement ("Current Advance LC") by the amount of twenty-nine million nine hundred ninety-four thousand eight hundred twenty-six dollars (\$29,994,826.00) and extend the expiry date to September 30, 2019, with such increase and extension to be in a form acceptable to Company; or
  - (b) a new advance payment letter of credit with an expiry date of September 30, 2019, in the amount of one hundred thirty-two million four hundred twenty-four thousand eighty-one dollars (\$132,424,081.00) to secure repayment of the unpaid balance of the advance made under the Agreement and the advance made pursuant to paragraph 7(c) ("New Advance LC"). The New Advance LC shall be issued by a bank satisfying the requirements of Article 7.3 of the Agreement and in the form and with the content specified in Exhibit 14 of the Agreement. Upon delivery of the New Advance LC to Company, Company shall give up and deliver to Contractor Current Advance LC. The New Advance Payment LC shall be deemed to be the security described in Article 7.3(a) of the Agreement for all purposes of the Agreement.
10. Company will suspend reimbursement of the current outstanding balance of the advance payment made under the Agreement (being \$20,724,081.00) from the effective date of this Completion Contract through December 2016 with recovery by Company through the provisions of paragraph 11.
11. Contractor shall reimburse Company the current outstanding balance of the advance payment made under the Agreement and the advances described in paragraph 7(c) and the current outstanding balance of the advance payment made under the Agreement by deductions from Payment Certificates and invoices Approved by Company for the following work scope objectives described in Schedule A:

B4 in an amount of \$5,296,963

B5 in an amount of \$5,296,963  
B in an amount of \$13,242,408  
C2 in an amount of \$13,242,408  
C3 in an amount of \$13,242,408  
C in an amount of \$19,863,612  
D3 in an amount of \$10,593,926  
D4 in an amount of \$11,918,167  
E1 in an amount of \$19,863,613  
D in an amount of \$19,863,613

12. If the reimbursement to be made pursuant to paragraph 11 has not fully repaid all advances under the Agreement and this Completion Contract by April 30, 2019, then Company shall be entitled to issue a Notice of default. If Contractor has not re-paid the advance in full within 30 days of the Notice Company shall be entitled to immediately recover the outstanding balance from the security described in paragraph 9. Contractor waives any right it may have to dispute a Notice of default issued in accordance with this paragraph.
13. Upon the repayment of the advance referenced in paragraph 7(c)(i), Company shall issue a certificate to the issuing bank for the reduction of the value of the paragraph 9 security by twenty-nine million nine hundred ninety-four thousand eight hundred twenty-six dollars (\$29,994,826.00). In July of 2018 and January 2019, Contractor may request that Company present a certificate to the issuing bank to further reduce the value of the paragraph 9 security by the additional amounts of the advance that have been repaid to Company by Contractor. Company shall consider the request for a reduction in the value of the paragraph 9 security and may, in its sole discretion, determine whether to issue the requested certificate to the issuing bank.

#### **Material on Site**

14. Company has paid eight million seven hundred forty-two thousand four hundred fifty-nine dollars (\$8,742,459.00) for the inventory value of materials on Site ("Inventory Value") in accordance with paragraph 12(d) of the Bridge Agreement. While contemplated by paragraph 12(e) of the Bridge Agreement, Company has not deducted that amount from Contractor's invoices.
15. Contractor has re-instated the stockpile of materials on Site and as a result Company shall defer the deduction of the Inventory Value and make the deduction from Contractor's invoice of November 2017. If there is an insufficient amount in the November 2017 invoice to fully repay the Inventory Value, then Company shall deduct the available amount and make deductions from succeeding invoices until the Inventory Value is fully repaid.

#### **Concrete Production Payments**

16. For concrete installed from December 1, 2016, to Final Completion in compliance with all Technical Requirements, quality and safety requirements set out in the Agreement, Company will pay Contractor :



- (a) one thousand eight hundred dollars (\$1800) per cubic metre of concrete installed for the first 131,456 cubic meters of concrete; and
- (b) one thousand thirty-four dollars forty-nine cents (\$1034.49) per cubic metre of concrete installed for the volume beyond the first 131,456 cubic meters to completion of the Work.

The payment for concrete installed from December 1, 2016, to Final Completion shall be in addition to the applicable Non Labour Component under the Agreement. Contractor will seek opportunities to advance the placement of concrete volumes on the Baseline Schedule critical path.

### **Work Scope Payments**

17. Provided the work is in compliance with all Technical Requirements, quality and safety requirements set out in the Agreement, such confirmation not to be unreasonably withheld, Company shall pay Contractor the amounts set out in Schedule A upon Contractor completing the associated work scope objectives set out in Schedule A.

### **Extraordinary Risks Not Currently Known**

18. For extraordinary risks not currently known or anticipated, Company may consider additional compensation. If any additional compensation is agreed, the cumulative value of such shall not exceed fifty million dollars (\$50,000,000.00).
19. Upon Contractor considering that an extraordinary risk event has occurred, Contractor shall present such supporting documentation to the Joint Steering Committee, as Company may reasonably require, as to the cause and impact of the event for consideration by the Company following Substantial Completion.

### **Invoicing and Payment**

20. Invoicing and payment for concrete installation and work scope objectives under this Completion Contract shall be in accordance with the provisions of Article 12 of the Agreement with the following amendments:
- (a) For concrete production payments:
    - (i) as of the 15<sup>th</sup> of each month Contractor shall be entitled to issue a Production Payment Certificate and invoice for the amount of the concrete installed from the 1<sup>st</sup> day to the 15<sup>th</sup> day of the month;
    - (ii) as of the last day of each month Contractor shall be entitled to issue a Production Payment Certificate and invoice for the amount of concrete installed from the 16<sup>th</sup> to the last day of the month; and

provided the volume of concrete is accurately quantified, Company will approve Production Payment Certificates issued by Contractor within five (5) days from receipt,



and the related invoice will be paid no later than fifteen (15) days following receipt of Contractor's invoice at Company's St. John's project office.

(b) For work scope objectives:

- (i) based on existing processes referenced in Schedule A and for greater clarity, the Parties will confirm a process, by February 28, 2017, to further define the basis upon which a work scope objective listed in Schedule A has been achieved, including timing for delivery of documents;
- (ii) upon completing a work scope objective listed in Schedule A Contractor shall seek payment for the relevant amount in accordance with the provisions of Article 12.8(b) of the Agreement, and payment will be made no later than fifteen (15) days following receipt of Contractor's invoice at Company's St. John's project office.

21. Contractor covenants that payments by Company to Contractor under this Completion Contract will only be used to fund costs to perform the Work.

22. For avoidance of doubt:

- (a) the travel costs for all Contractor's Work Force covered by the Collective Agreement and working at the Site will be continued to be reimbursed on the basis of cost incurred in accordance with the terms of the Agreement; and
- (b) the Non Labour Component costs and compensation as per Section 2.6 of Exhibit 2 in the Agreement will continue to be invoiced and paid in accordance with the terms of the Agreement.

### **Financial and Cost Reports**

23. Contractor shall provide the following financial and cost reports to Company at the frequency noted below:

(a) From its finance department:

- "Reporting Package" of Astaldi Canada Inc. – Quarterly
- Costo Economico & Stato Patrimoniale - Monthly
- Revenue reconciliation (certified basis) – Monthly
- Accounts payable listing and subcontractor detailed ledger - Monthly

(b) From its project control department:

- Contgest report (Muskrat Falls only) – Monthly
- Cost data transactions (download in Excel), referred to as BaaN, that support the Contgest - Monthly
- Revenue reconciliation of all payment certificates - Monthly





- Project cost control report (Excel) monitoring monthly actual and forecast costs – Monthly
- Revised budget/current forecast of costs at completion - As issued

(c) From Astaldi SpA finance department:

- Updates to Astaldi SpA 2016-2020 Strategy Plan financial forecasts and assumptions in a format similar to the information provided by Contractor to Company in July 2016 - Quarterly

### **Confirmation of Responsibility**

24. For greater certainty and notwithstanding anything to the contrary in this Completion Contract, Contractor confirms that it is and shall remain fully responsible under the Agreement and this Completion Contract for:
- (a) scheduling and planning all aspects of the Work, including the preparation of a Control Schedule Baseline Document; and
  - (b) all means and methods of performing the Work; and
  - (c) the risk of any cost of performing the Work to Final Completion in excess of the Contract Price set out in paragraph 4, but subject to any adjustment to the Contract Price to which Contractor is entitled under the terms of the Agreement and this Completion Contract providing that any matter, occurrence or issue for such entitlement arises after November 30, 2016, and that it is not known or ought to have been known as of that date.

### **Joint Steering Committee**

25. Company and Contractor shall institute a Joint Steering Committee to meet monthly to consider reasonable safety management, quality assurance, engineering management, construction management, execution planning, interface management and cost control opportunities.
26. The Joint Steering Committee shall be lead by senior management representatives of each Party and shall be comprised of representatives of each Party at the level of the project managers and above.
27. Upon the recommendation by Company to the Joint Steering Committee, Contractor shall give favourable consideration to the retention of third parties to carry out assessments of opportunities to improve Contractor's safety, quality, engineering, planning and cost management systems for presentation to the Steering Committee, with a specific focus on ensuring the work is performed safely in the correct sequence to achieve the work scope objectives by the dates set out in Schedule A, that the work is performed efficiently as possible, and to the required standards of quality and all other requirements as prescribed in the Agreement.



28. Company's and Contractor's Chief Executive Officers shall target meeting a minimum of three times a year.

### **Baseline Control Schedule**

29. Contractor shall prepare a Control Schedule Baseline Document that defines the critical path to achieve the dates in Schedule A ("Baseline Schedule") and present that Baseline Schedule on or before January 31, 2017, to Company for review and comment.
30. Contractor confirms that Contractor will provide the necessary planning and management expertise to ensure the timely and efficient completion of the Work in accordance with the Baseline Schedule.
31. The Baseline Schedule shall be updated by Contractor and reported to Company in accordance with the provisions of Exhibit 3 to the Agreement.

### **Liquidated Damages**

32. Company waives its right to assess or claim liquidated damages for any Milestones which have not been achieved by the dates specified in the Agreement ("Agreement LDs") which have accrued to December 1, 2016.
33. Provided the Agreement is not terminated for any reason, Company will suspend from December 1, 2016, its right to payment of Agreement LDs and which accrue after November 30, 2016. If Contractor achieves Substantial Completion at any point in time then Company waives its right to assess or claim Agreement LDs.
34. If the Agreement is terminated for an event of default described in Articles 24.1(f), (g), (i), (j) or (k), then any Agreement LDs shall be immediately payable except that such liquidated damages shall be limited to the amount accrued between December 1, 2016, and the date of the termination.
35. If Contractor fails to complete a work scope objective listed in Schedule B by the date specified therein, then Contractor shall pay liquidated damages to Company at the rate specified in Schedule B from the date the delay commenced to the date the work scope objective was achieved ("Completion Contract LDs"). Subject to paragraph 36, the provisions of Article 26 of the Agreement shall apply as if the Completion Contract LDs were the liquidated damages described in Article 26.1.
36. Notwithstanding Article 26.1 of the Agreement, Contractor's limit of liability for Completion Contract LDs shall be eighty-five million dollars (\$85,000,000.00).

### **Camp Accommodations**

37. Notwithstanding the limit on camp accommodation to be supplied by Company in Section 5.1.1.3 of Exhibit 12 – Site Services, Company shall provide accommodation for all Contractor's Personnel in the camp, up to a maximum of one thousand four hundred fifty (1450) rooms, conditional upon Contractor providing an accurate written notice of the



number of beds for Contractor's Personnel in a calendar month at least thirty (30) days prior to the calendar month in which the accommodations are required. If Contractor requests in the notice for the months of April – August, 2017, Company shall provide a bunk bed in up to ten percent (10%) of the rooms and any inconvenience allowance payable to Contractor's Personnel will be reimbursed by Company up to a maximum of five hundred thousand dollars (\$500,000.00), with any allowance in excess of that amount to be paid by Contractor.

38. If Contractor fails to use at least 90% of the number of beds set out in the notice required by paragraph 37 then Company shall be entitled to compensation from Contractor in the amount of twenty (\$20) per day per each unused bed which had been made available to Contractor.

### **Default**

39. Contractor hereby agrees that it shall be deemed to be in default under Article 24.1 of the Agreement in the event of any of the following as if the following were included as an event of default in Article 24.1:
- (a) if Contractor fails to complete any of the work scope objectives listed in Schedule C by the dates specified therein, unless the failure to achieve the work scope objective is due to an event of Force Majeure, or a Change, or a Suspension Period;
  - (b) if Contractor breaches the covenant set out in paragraph 21;
  - (c) if Contractor or Astaldi S.p.A. transfers its shares by sale, assignment, amalgamation, merger, trust, operation of law or otherwise unless consented to in writing by Company
  - (d) if Contractor fails to obtain the securities specified in paragraphs 6 and 9 by the dates set out therein .
40. Notwithstanding the provisions in Article 24.2 of the Agreement, Contractor shall have no right to rectify or cure the default under paragraph 39 and Company shall have the right to give Notice of the default, immediately or at any time after the default, to Contractor and any surety and the right, at Company's election, to exercise any or all of the following remedies at any time without further notice:
- (a) terminate, in whole or in part, the rights or obligations of Contractor under this Agreement;
  - (b) take possession of the Work, Worksites and Contractor's Items and, subject to Article 24.8, finish the Work by whatever method Company deems expedient;
  - (c) call upon and receive payment from the securities provided by Contractor in accordance with Article 7 of the Agreement and any securities provided pursuant to paragraphs 6 and 9.
41. In the event Company exercises the remedies in paragraphs 40(a) and (b), such exercise shall be deemed to be a termination of the Agreement for the purposes of Article 24.13 of the Agreement. In addition to the obligations of Contractor under Article 24.13 of the



Agreement, Contractor shall not impede Company from retaining or employing Contractor's Personnel for the purposes of finishing the Work.

42. For greater certainty, Article 24 of the Agreement is amended by the addition of the default provisions in paragraphs 39 – 41 but otherwise remains unchanged and of full force and effect. In the event of any inconsistency between paragraphs 39 - 41 and Article 24 of the Agreement, the provisions of paragraphs 39 – 41 shall prevail.

#### **Draft Tube 2 Insurance Recovery**

43. Contractor shall provide Company with a complete copy, including any attachments, schedules and exhibits, of any claim made by Contractor under the construction all risk policy maintained by Company pursuant to Article 20.1 of the Agreement in respect of the draft tube #2 formwork failure which occurred on or about May 31, 2016 ("DT2 Failure").
44. Subject to an accounting for any amounts paid by Company to Contractor for work performed to rectify, repair and/or replace formwork and concrete as a result of the DT2 Failure, any funds received by Company from the construction all risk policy insurer for losses claimed by Contractor under that policy in respect of that failure shall be paid by Company to Contractor within fifteen (15) days of receipt and satisfaction of any requirements under the LCP financing agreements.

#### **Confidentiality**

45. Neither Party shall disclose this Completion Contract, the subject matter of related negotiations and any amendments to the Agreement without prior written approval of the other Party. If disclosure is required by Applicable Laws, the rules and regulations of any regulatory body or stock exchange, so far as it is lawful and practical to do so prior to such disclosure, the Party who is required to make the disclosure shall promptly liaise with the other Party to obtain that other Party's advice regarding such disclosure.

#### **Mutual Release**

46. Subject to paragraph 47, Contractor and Company mutually and irrevocably and unconditionally release, waive and forever discharges each other, their respective affiliates and related companies and their respective directors, officers, shareholders, agents, representatives, employees, successors and assigns, both present and former, from any and all claims, demands, actions, causes of actions, complaints, losses, interests, costs (direct and indirect) and/or damages of any kind or nature, whether known or unknown or ought to have been known, that arise out of or relate to the Agreement and Contractor's performance of the Work up to and including November 30, 2016, including but not limited to the claims set out in Contractor's "justification for incremental compensation" submitted to Company on or about April 1, 2016.
47. Nothing herein shall be interpreted to release Contractor from its quality (including any Defect caused prior to January 1, 2017), safety and Warranty obligations under the Agreement.

**Agreement Affirmed**

48. Except as expressly modified by the Bridge Agreement and this Completion Contract, the Parties affirm all of their rights and obligations under the Agreement and that the Agreement remains in full force and effect.
49. This Completion Contract, and the payments by Company to Contractor and other matters contemplated by it, shall not be deemed to be an admission of fault, wrongdoing or liability on the part of either Party, which fault, wrongdoing or liability is expressly denied in respect of any cause, matter or thing arising from or in relation to the Agreement.
50. For greater certainty, the governing law and attornment provisions of Article 1.19 of the Agreement shall apply to this Completion Contract.

**General**

51. Unless otherwise defined, all capitalised terms and expressions used herein shall have the meaning respectively ascribed thereto in the Agreement. Unless otherwise stated, references to a paragraph number are references to that numbered paragraph in this Completion Contract.
52. Notwithstanding execution of this Completion Contract by the Parties, this Completion Contract shall be subject to and conditional upon:
- (a) all written consents from parties to the LCP financing agreements that are required by the terms of those agreements;
  - (b) written confirmation by the sureties, Liberty Mutual Insurance Company and AIG Insurance Company of Canada, that they have had notice of the terms and conditions of this Completion Contract and that the performance bond, number BDTO-230043-013/93-52-47, and all riders thereto currently held by Company as security pursuant to Article 7 of the Agreement retain their full and unimpaired validity, force and effect;
  - (c) written confirmation by the sureties, Liberty Mutual Insurance Company and AIG Insurance Company of Canada, that they have had notice of the terms and conditions of this Completion Contract and that the holdback release bond, number BDTO-230044-013/93-52-48, and all riders thereto currently held by Company as security pursuant to Article 12.16 of the Agreement retain their full and unimpaired validity, force and effect; and
  - (d) written consent to the terms and conditions of this Completion Contract by Astaldi S.p.A., the guarantor under the Parent Company Guarantee dated November 29, 2013, acknowledging that the Parent Company Guarantee retains its full and unimpaired validity, force and effect.
53. Contractor confirms that upon execution of this Completion Contract and with the compensation contemplated herein it has all necessary resources, including financial resources, which it requires to perform the Work to Final Completion in accordance with the Agreement and this Completion Contract. Contractor confirms that it has diligently assessed

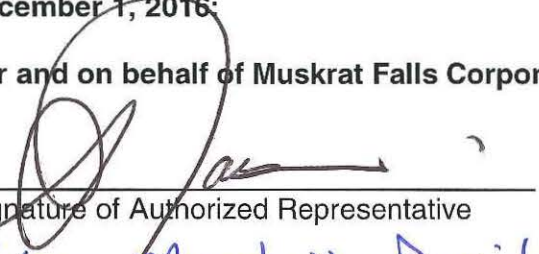


the work remaining to be completed under the Agreement and this Completion Contract and represents to Company that it is not aware of and does not anticipate the occurrence of any facts, circumstances, events or conditions that will delay the Contractor's ability to meet the work scope default dates, or that might ground any claim for schedule extension by Change Order.

54. Each Party confirms that it has read this Completion Contract and fully understands its terms and that each Party voluntarily accepts its rights and obligations under this Completion Contract as it is in the best interests of each Party to do so. Each Party further confirms that they each have received the benefit of independent legal advice regarding the terms of this Completion Contract.

EXECUTED AS AN AGREEMENT on February 14, 2017, and effective as of December 1, 2016:

For and on behalf of Muskrat Falls Corporation

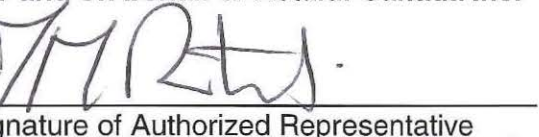
  
\_\_\_\_\_  
Signature of Authorized Representative

Stan Marshall - President and CEO  
Name of Authorized Representative

  
\_\_\_\_\_  
Signature of Authorized Representative *Executive*

Gilbert Bennett - Vice President  
Name of Authorized Representative

For and on behalf of Astaldi Canada Inc.

  
\_\_\_\_\_  
Signature of Authorized Representative

FRANCESCO MARIA ROTUNDI  
(PRESIDENT)  
Name of Authorized Representative





**SCHEDULE A  
Work Scope Objective Compensation**

**CH0007 Work Scope Objectives**

Completion of Work Scope Objectives is contingent upon Company acceptance of applicable Mechanical Completion Certificate (MCC) and their associated Punchlists for the scope related to each item as per the CH0007 Civil Completions Guidelines MFA-PT-MD-000-CV-PL-0001-01 and Completion Scope Definition document MFA-PT-MD-0000-CV-LS-0001-01.

| Item | Area   | Description  | Date      | Value \$   |
|------|--------|--|-----------|------------|
| A1   | SSB    | <p><b>SSB M18 Completion</b>, including all primary, secondary &amp; miscellaneous structural steel, architecture and electrical including high bay lighting.</p> <p>Exceptions;</p> <ul style="list-style-type: none"> <li>- Reception Building</li> <li>- Mezzanine 5-7 above EL 25</li> <li>- OH Crane Roof Opening</li> <li>- Elevator Shaft &amp; Stair No.1 (inside elevator shaft)</li> <li>- Steel columns for mezzanine masonry walls on line 2 &amp; D</li> </ul>  | 31-Mar-17 | 11,330,000 |
| A2   | SSB    | SSB Parking Area Retaining Wall & SSB to Converter/Switchyard Scope  | 30-Jun-17 | 11,330,000 |
| B1   | Unit 1 | <p><b>Powerhouse Ready for Draft Tube Cone Installation Conditions</b> (applies to Items B1 to B4 inclusive)</p> <ul style="list-style-type: none"> <li>- Completion of Sequence 4 &amp; 5 (Connection to Intake at EL 24.8) on MFA-SN-CD-3320-ST-DD-0031-01</li> <li>- Ready for Main South OH Crane 200T load test (Unit 1 only)</li> <li>- Tailrace deck area complete including all concrete and misc steel</li> <li>- Roofing complete between A-D</li> <li>- High Bay lighting and roof drains systems installed</li> <li>- PxLSA-05, PxUSB-01, PxUNB-01, PxUNA-01 complete</li> </ul> | 2-Jul-17  | 14,162,000 |
| B2   | Unit 2 |  | 29-Aug-17 | 8,497,000  |
| B3   | Unit 3 |  | 26-Sep-17 | 8,497,000  |
| B4   | Unit 4 |  | 22-Oct-17 | 8,497,000  |

| Item | Area                 | Description   | Date      | Value \$   |
|------|----------------------|---|-----------|------------|
| B5   | Powerhouse           | <b>Powerhouse Building Enclosed Milestone, including the following:</b><br>- Structural Steel complete except SSB reception area, mezzanine 2 and mezzanine roof between lines 8 - 27<br>- SSB Elevator shaft complete, including mezzanine steel and concrete deck between lines 5-7 and misc steel<br>- Mezzanine 1 concrete floor complete between Lines 1 - 27<br>- Roofing complete except above Mezzanine area between D-E, Lines 8-27<br>- Cladding complete, except: reception building area, NSB and Unit 4<br>- Powerhouse heating and ventilation operational as per Exhibit 12 clause 2.5.1 | 30-Oct-17 | 11,330,000 |
| B    | Powerhouse           | Completion of B1 to B5 Work Scope Objectives, including cladding for NSB and Unit 4   | 30-Nov-17 | 16,995,000 |
| C1   | Unit 1 - Pit Free    | M24 - Generator Floor Completed, including Pit Free   | 28-Jul-18 | 14,162,000 |
| C2   | Unit 2 - Pit Free    | M32 - Generator Floor Completed, including Pit Free   | 13-Sep-18 | 11,330,000 |
| C3   | Unit 3 - Pit Free    | M40 - Generator Floor Completed, including Pit Free   | 28-Oct-18 | 11,330,000 |
| C4   | Unit 4 - Pit Free    | M48 - Generator Floor Completed, including Pit Free   | 6-Dec-18  | 8,497,000  |
| C    | All Units - Pit Free | Completion of C1 to C4 Work Scope Objectives  | 6-Dec-18  | 25,492,000 |
| D1   | Intake 1             | M28 - Intake Structure Complete and Ready for start of Hydro-Mechanical Works by Company's Other Contractor (CH0032)<br>Includes;<br>- PH Mezzanine EL 34 & Roof complete (Lines 8 to 12)   | 22-Dec-17 | 11,330,000 |
| D2   | Intake 2             | M36 - Intake Structure Complete and Ready for start of Hydro-Mechanical Works by Company's Other Contractor (CH0032)<br>Includes;<br>- PH Mezzanine EL 34 & Roof complete (Lines 12 to 17)  | 2-Apr-18  | 14,162,000 |



| Item | Area     | Description   | Date      | Value<br>\$ |
|------|----------|---|-----------|-------------|
| D3   | Intake 3 | M44 - Intake Structure Complete and Ready for start of Hydro-Mechanical Works by Company's Other Contractor (CH0032)<br>Includes;<br>- PH Mezzanine EL 34 & Roof complete (Lines 17 to 21)                            | 18-Aug-18 | 19,827,000  |
| D4   | Intake 4 | M52 - Intake Structure Complete and Ready for start of Hydro-Mechanical Works by Company's Other Contractor (CH0032)<br>Includes;<br>- PH Mezzanine EL 34 & Roof and NSB Building Enclosure complete (Lines 21 to 27) | 1-Jul-18  | 16,995,000  |
| D    | Intake   | Completion of D1 to D4 Work Scope Objectives  | 18-Aug-18 | 25,492,000  |
| E1   |          | M2 Substantial Completion (excluding rollways 2 and 4)  | 20-Dec-18 | 19,827,000  |
| E2   |          | M2A Final Completion  | 1-Jun-19  | 14,163,516  |

### Schedule B Completion Contract Liquidated Damages

Contractor shall pay Company liquidated damages at the rates set out below for each of the following work scope objectives if the work scope objective has not been achieved by the specified date:

#### Work Scope Objectives Subject to Liquidated Damages

1. Item C1, as described in Schedule A, by 28 July 2018
2. Item D1, as described in Schedule A, by 22 December 2017
3. B (Overall), as described in Schedule A, by 30 November 2017
4. C (Overall), as described in Schedule A, by 6 December 2018
5. D (Overall), as described in Schedule A, by 18 August 2018

#### Liquidated Damages Rates

Subject to the limit of liability for Completion Contract LDs described in paragraph 36, liquidated damages shall accrue at the following rates for each day of delay to the achievement of the work scope objective, calculated from the date the delay commenced to the date the work scope objective is achieved:

For the first 30 days .....\$0 / day  
 For days 31 to 45 inclusive .....\$50,000 / day

Should a work scope objective be achieved prior to day 46 then all accrued Completion Contract LDs to that date for such work scope objective shall be waived. Should the delay to such work scope objective reach 46 days then all accrued Completion Contract LDs shall become due and;

For days 46 to 60 inclusive .....\$80,000 / day  
 For days 61 to 75 inclusive .....\$160,000 / day  
 For each day after day 75 .....\$500,000 / day

### Schedule C Work Scope Default Dates

The following are the work scope objectives which are subject to default pursuant to paragraph 39(a):

1. Item B5, as described in Schedule A - January 29, 2018
2. Item C (Overall), as described in Schedule A - March 6, 2019
3. Item D (Overall), as described in Schedule A - November 16, 2018

