

**LOWER CHURCHILL PROJECT - APPROVAL AUTHORITY LIMITS MATRIX
POST-SANCTION
(\$,000 CDN)**

| | Ref. # | Board of Directors | President & CEO | VP LCP & VP Finance & CFO (Note 4) | VP LCP | VP Finance & CFO | Project Director |
|--|------------|--|-----------------|------------------------------------|--------|------------------|------------------|
| AUTHORIZATION AUTHORITY | | | | | | | |
| Pre-Sanction AFE | A1 | Unlimited | | | | | |
| Master AFE | A2 | Unlimited | | | | | |
| Supplemental AFE | A3 | Unlimited | | | | | |
| Requisition in respect of: | A4 | | | | | | |
| - Award Recommendation (Contract/PO) | C1.3 | | AFE Total | 100,000 | 50,000 | 10,000 | 35,000 |
| - Variation (Note 1) | C1.5 | | AFE Total | 100,000 | 50,000 | 10,000 | 35,000 |
| - Single Source (Note 2) | C1.4 | | AFE Total | - | 25,000 | 7,500 | 15,000 |
| - Work Task Orders (Note 3) | C1.6, C1.7 | | AFE Total | - | 10,000 | 5,000 | 7,500 |
| - Personnel Authorization Assignment (EPCM Contract) | C1.7 | | AFE Total | - | 10,000 | - | 7,500 |
| COMMITMENT AUTHORITY | | | | | | | |
| Contract/PO/WTO/PAA/Variation execution | C1 | Execution must be preceded by an approved Requisition, along with completion of (and compliance with) business processes and controls outlined in: a) Procurement Management Plan b) Contract Due Diligence Procedure c) Capital Expenditure Authorization Procedure All Financial Commitments are executed by both the LCP Supply Chain Manager and the LCP Budget Holder responsible for the work scope and budget covered by the Financial Commitment | | | | | |
| Corporate purchase card | C2 | Restricted to \$1,000 per transaction by those who have been assigned these cards (travel can be charged to the card without value restriction and subject to an approved travel requisition.) | | | | | |
| VERIFICATION AUTHORITY | | | | | | | |
| Approval of invoices associated with Financial Commitments | V1 | Budget Holder approval: - Subject to acceptable financial and technical verification - Limited to the value of the Financial Commitment | | | | | |

Note 1:
Approval of each Variation will be based on the cumulative value of the Requisition associated with the Financial Commitment subject to Variation.

Note 2:
All Single Source justifications must also be approved by the Project Director and the Supply Chain Manager.

Note 3:
Each Work Task Order must represent a discrete scope of work and be associated with a Master Services Agreement. Level of approval authority for revised Work Task Orders is determined by the cumulative value of the Work Task Order.

Note 4:
Where either an Award Recommendation or Variation resulting in a revised Requisition is valued between \$50,000M and \$100,000M, it will require approval from both the VP LCP and the VP Finance & CFO.

Note 5:
Permanently delegated authority should be commensurate with normal activities associated with responsibilities of the position. Permanent delegation should not be greater than 75% of the authority of the delegator.
Temporary delegation can be assigned up to 100% of the authority of the delegator and should not exceed one month in duration.



 Approved
 Ed Martin
 President & CEO

Date January 16, 2013