

Muskrat Falls Corporation

Corporate Office

500 Columbus Drive
P. O. Box 15000, Stn. A
St. John's, NL Canada A1B 0M4

Lower Churchill Project Operations Office

350 Torbay Road, Suite 2
St. John's, NL Canada A1A 4E1

LTR-CH0031001-0001

16-Jun-2017

Cahill-Ganotec, a Partnership
The Tower Corporate Campus
240 Waterford Bridge Road, Suite 101
St. John's, NL
A1E 1E2

Attention: Fred J. Cahill, P. Eng.
President

Re: RFP No. CH0031
Supply and Install Mechanical and Electrical Auxiliaries (MF)
Letter Agreement Pending Formal Agreement

This Letter Agreement is made as of June 16, 2017 (the "**Effective Date**").

This Letter Agreement authorizes **Cahill-Ganotec, a Partnership**, which is a partnership between G.J. Cahill (1979) Limited and Ganotec Inc., (the "Contractor") to commence work on the Supply and Installation of Mechanical and Electrical Auxiliaries (MF) associated with the Lower Churchill Project (the "Work"), on the following basis:

1. Contractor shall perform only such part of the Work described in Exhibit 1 - Scope of Work in Schedule "A" attached hereto which is necessary for the timely progression of all of the Work, and to ensure that all of the Work will be completed in accordance with the Milestones contained in the Work and Exhibit 9 - Schedule in Schedule "A" attached hereto if a Formal Agreement is executed (as referenced in Clause 2 herein).
2. Until such time as a formal agreement, including Articles of Agreement and all Exhibits and attachments thereto, ("Formal Agreement") is executed by Contractor and Muskrat Falls Corporation (the "Company"), the documents in Schedule "A" hereto shall apply to and govern those parts of the Work performed under this Letter Agreement.
3. If any provision in this Letter Agreement conflicts with a provision in the documents listed in Schedule "A" hereto, the provision in this Letter Agreement shall prevail.
4. Concurrent with Contractor commencing the Work under this Letter Agreement, both Company and Contractor (collectively, the "Parties") shall use their best

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efforts to proceed as expeditiously as possible to execute a Formal Agreement substantially in the form of the Articles and Exhibits attached in Schedule "A" hereto. Notwithstanding this Clause 4 and Clause 7, Company may terminate this Letter Agreement without any liability whatsoever (except for those costs referenced in Clause 5 herein and incurred prior to such termination) and for any cause whatsoever prior to entering into a Formal Agreement or the Contract Deadline Date (as referenced in Clause 7 herein).

5. The compensation to be paid by Company to Contractor for performance of the Work under this Letter Agreement shall be in accordance with the prices stated in Exhibit 2 – Compensation in Schedule "A" hereto relating to the Work authorized in Clause 1 herein subject to a maximum limit of One Million Canadian Dollars (\$1,000,000.00 CDN), exclusive of HST.
6. Upon execution of a Formal Agreement by the Parties, all payments made by Company under this Letter Agreement shall be credited against compensation payable to Contractor under the terms and conditions of the Formal Agreement as though such Work had been performed in accordance with the Formal Agreement. Compensation for any part of the Work performed under this Letter Agreement, for which Company has not paid Contractor prior to execution of the Formal Agreement, shall be payable under and in accordance with the terms and conditions of the Formal Agreement.
7. This Letter Agreement shall terminate on June 30, 2017 (the "Contract Deadline Date") and all Work thereunder shall cease unless (a) a Formal Agreement is executed by the Parties on or prior to such date, at which time this Letter Agreement shall terminate, or (b) the Contract deadline Date is extended by a written amendment to this Letter Agreement executed by the Parties.
8. If a Formal Agreement is not executed for any reason and this Letter Agreement terminates as described in Clause 4 or Clause 7 herein, the Contractor is entitled to be paid by Company for only those costs referenced in Clause 5 herein and determined in accordance with generally accepted accounting principles and practices.
9. Company shall have the sole authority to develop for release to the media and/or public any statement relating to this Letter Agreement. No other announcement

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or press release regarding the existence of this Letter Agreement will be made without the express written consent of Company.

10. This Letter Agreement does not constitute or create a joint venture, partnership or any other similar arrangement between the Parties. Each Party is an independent contractor and neither of them is the agent of, nor has the authority to bind, the other Party for any purpose.
11. Notwithstanding anything to the contrary elsewhere in this Letter Agreement, in no event shall either Party or its representatives, affiliates, subcontractors, vendors or suppliers be liable to the other Party or its representatives in connection with this Letter Agreement for any loss of profit, loss of revenue, cost of capital, loss of opportunity, or any indirect or consequential damages, regardless of whether such liability arises out of contract, tort (including negligence), strict liability or otherwise.
12. Unless otherwise provided, any notice, demand, request or communication under this Letter Agreement shall be deemed given when delivered either by email, hand or courier, or mailed by certified mail to the following addresses:

Muskrat Falls Corporation

Lower Churchill Project
350 Torbay Road, Suite No. 2
St. John's, NL
A1A 4E1
Attn: Scott O'Brien, Project Manager
Email: ScottOBrien@Lowerchurchillproject.ca

Cahill-Ganotec, a Partnership

The Tower Corporate Campus
240 Waterford Bridge Road, Suite 101
St. John's, NL A1E 1E2
Attn: James Parmiter
Email: jparmiter@cahill.ca

Notices shall be effective upon actual receipt or deemed delivered three (3) days after mailing. The designation and title of the person to be notified or the address

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of such person may be changed at any time by written notice given in accordance with this paragraph.

13. The Parties acknowledge that they each have reviewed this Letter Agreement and have had access to legal counsel. Any rule of interpretation that would otherwise require any aspect of this Letter Agreement to be interpreted least favourably against the Party primarily responsible for its drafting shall not be employed in the interpretation of this Letter Agreement.
14. Each Party shall bear its own expenses in concluding a Formal Agreement and with regard to this Letter Agreement, including, without limiting the foregoing, legal fees and fees of other advisors.
15. For the purposes of this Letter Agreement, each Party represents to the other that it has the power and authority to enter into this Letter Agreement.
16. This Letter Agreement, and Schedule "A" and the documents listed and referenced therein, constitute the entire agreement and understanding among the Parties with respect to the subject matter hereof. This Letter Agreement cancels, replaces and supersedes all previous verbal or written agreements among the Parties with respect to the subject matter hereof.
17. This Letter Agreement shall be governed by, construed, interpreted and enforced in accordance with the substantive law of the Province of Newfoundland and Labrador, excluding any conflict of law principles. Each Party irrevocably submits to the exclusive jurisdiction of the Courts of the Province of Newfoundland and Labrador, and irrevocably waives any objection which it may have at any time to the forum of any proceedings brought in any such Court. Nothing in this Letter Agreement precludes either Party from enforcing in any jurisdiction any judgment, order or award obtained in such Court.
18. Except as otherwise expressly and specifically stated in the provisions of this Letter Agreement, the terms and conditions contained in the documents listed in Schedule "A" shall be in force and effect.
19. This Letter Agreement may be executed in any number of counterparts, and any Party may transmit by facsimile or email in portable document format to the other Party a copy of this Agreement executed by that Party, the receipt of which shall

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have the same force and effect as if the original thereof had in fact been delivered at the same time. Any original, facsimile copy, portable document format or photocopy of this Agreement bearing one or more signatures on behalf of a Party shall be admissible against that Party in any legal proceeding as evidence of the execution and delivery of this Agreement by that Party and without the requirement to produce an executed original of the Agreement.

If you agree that the foregoing accurately states the agreement of the Parties, please sign the enclosed copy of this Letter Agreement and return to me.

Signed for and on behalf of:

Muskrat Falls Corporation

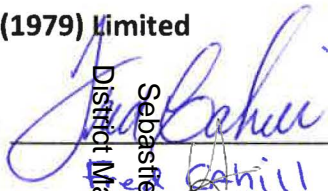
Signature: 
Name: Pat Hussey
Title: Supply Chain Manager

Signature: 
Name: Scott O'Brien
Title: Project Manager

Agreed and accepted on behalf of Cahill-Ganotec, a Partnership, as of this 16th day of June, 2017:

G.J. Cahill (1979) Limited

Ganotec Inc.

Signature: 
Name: Sebastien Larivee
Title: District Manager

Signature: _____
Name: _____
Title: _____

Execution Page of Cahill-Ganotec, a Partnership to the Letter Agreement effectively dated June 16, 2017 between Muskrat Falls Corporation and Cahill-Ganotec, a Partnership.

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Schedule "A"

This is Schedule "A" to the Letter Agreement effectively dated June 16, 2017 between Muskrat Falls Corporation and Cahill-Ganotec, a Partnership.

List of Documents

The following documents are attached to this Schedule "A" and incorporated in this Letter Agreement, and shall form and be read and construed as an integral part of this Letter Agreement:

Articles

Exhibit 1	Scope of Work
Exhibit 2	Compensation
Exhibit 3	Coordination Procedures
Exhibit 4	Supplier Document Requirements List
Exhibit 5	Health and Safety Requirements
Exhibit 6	Environmental and Regulatory Compliance Requirements
Exhibit 7	Quality Requirements
Exhibit 8	Subcontractors, Manufacturers and Material Sources
Exhibit 9	Schedule
Exhibit 10	Declaration of Residency
Exhibit 11	Company Supplied Documents
Exhibit 12	Site Conditions
Exhibit 13	Provincial Benefits
Exhibit 14	Performance Security
Exhibit 15	Rules for Arbitration