

**CONSENT AND AGREEMENT**

**INDEPENDENT ENGINEER AND OPERATING AND MAINTENANCE SERVICES AGREEMENT FOR THE LOWER CHURCHILL PROJECT BETWEEN NALCOR ENERGY INC. AND MWH CANADA, INC. (dated August 27, 2012)**

**AND**

**RELIANCE AGREEMENT AMONG, INTER ALIA, MUSKRAT FALLS CORPORATION, LABRADOR TRANSMISSION CORPORATION, LABRADOR-ISLAND LINK LIMITED PARTNERSHIP BY ITS GENERAL PARTNER LABRADOR ISLAND LINK GENERAL PARTNER CORPORATION, LABRADOR ISLAND LINK OPERATING CORPORATION, (the "ProjectCo Entities") and MWH CANADA, INC. (the "Contractor") and HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY THE MINISTER OF NATURAL RESOURCES ("Canada") (dated November 29, 2013)**

**THIS CONSENT AND AGREEMENT** is entered into this \_\_\_\_\_ day of September, 2015 with effect as of May 11, 2015 for good and valuable consideration.

Contractor has requested that ProjectCo Entities and Canada consent and agree to changes to the professionals assigned as the independent engineering service providers pursuant to the Independent Engineer and Operating and Maintenance Services Agreement referenced above;

Each of the ProjectCo Entities, the Contractor and Canada have entered into the referenced Reliance Agreement pursuant to which Canada is entitled to receive and rely upon the reports and materials provided by the Contractor, pursuant to the Independent Engineer and Operating and Maintenance Services Agreement;

Each of the ProjectCo Entities and Canada has a right to consent in connection with any change to the professionals allocated to provide services pursuant to the Independent Engineer and Operating and Maintenance Services Agreement;

In connection therewith, as an agreement for good and valuable consideration, subject to the conditions herein set out, the ProjectCo Entities and Canada have consented and agreed with the Contractor as follows:

1. Each of the ProjectCo Entities and Canada provide as consent and agreement that the professionals assigned to provide the engineering services of the Independent Engineer and Operating and Maintenance Services Agreement, as at and from May 11, 2015, is agreed to consist of the assigned professionals, with the identified tasks, as set out in **Schedule "A"** hereto. The consent and agreement includes Argirov Engineering Inc. ("**Argirov**") as a subcontractor. The Contractor acknowledges that the within consent is not a waiver of the right of each of the ProjectCo Entities and Canada that their consent is required for any further amendment or change to the assigned professional personnel, on the terms as set out in the Independent Engineer and Operating and Maintenance Services Agreement and Reliance Agreement. It is further acknowledged, and confirmed, that the consent and agreement to the assigned professional team pursuant to this paragraph is subject to the conditions hereinafter set out.

- (a) All designated members of the Contractor team (which will include Argirov) whether employee or subcontracted consultant will be given access to the data sites and notice of the posting of the reports and materials; all reports and materials for independent engineer review will be so posted to give simultaneous access to all information.
- (b) Contractor will keep its notice and access list current with the ProjectCo Entities and Canada; only persons that have been approved by the ProjectCo Entities and Canada will be appointed to the independent engineer review team and receive access; as at the

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date hereof the attached **Schedule "A"** is agreed to, further amendments continue to require consent.

- (c) Contractor confirms it has contracts with each of its independent consultants which form part of the independent engineer review team that provide for reasonable time, attention and length of retainer based on assigned tasks and expertise.
- (d) All draw requests and materials to be provided by ProjectCo Entities will be provided to those team members designated by Contractor (which will include Argirov) at the same time and basis for delivery.
- (e) The Contractor team coordinator will be given contact designated persons for each ProjectCo Entities and Canada from time to time; Contractor may contact those persons to discuss any issues they see during the regular cycle of review including as to any draw certificate. Argirov will be the reporting professional and retain the direct reporting responsibility, subject to Contractor review and signoff as follows.
- (f) Argirov and Contractor team will organize themselves as to their internal basis for review and sign off but subject to the client requirements that Argirov is permitted to complete the report compilation, review and certification in accordance with recent past practice; it is acknowledged this may not allow prior review and sign off before submission of the Argirov report by additional Contractor personnel on the Argirov Report confirming the draw requests. Contractor reporting and signoff will be as per (i) below.
- (g) The draw request will issue at the time required by the current process and will be provided simultaneously by the ProjectCo Entities to the persons listed by the Contractor and approved by the ProjectCo Entities and Canada as provided in this clause.
- (h) Draw request and advances will proceed based on the reports issued by Argirov, in accordance with the current process in place since the Spring of 2015.
- (i) It is confirmed and agreed that, subject to (h) above, Contractor may complete additional quality review and submit a revision to the Argirov report issued by Argirov based on that review after the issuance of the Argirov report, but only within 10 days of its submission. The report will constitute a Contractor issued, MWH confirmed, report only on the earliest of a revised report signed by a Contractor employed engineer, confirmation that the report is final by signature by a Contractor employed engineer or lapse of the 10 days. The signing engineer must be approved by the ProjectCo Entities and Canada.
- (j) The liability and indemnity provided by the Contractor under the Independent Engineer and Operating and Maintenance Services Agreement will apply only to the report which issues after the completion of the Contractor review process or is deemed issued 10 days after the Argirov draft if no Contractor signed report issues.
- (k) The process flow chart attached as **Schedule "B"** to supplement and clarify the existing agreements on review and finality of reports, including particularly 1(i) and (j) is hereby agreed.
- (l) Site visits, including factory visits, will be attended by Argirov and the agreed Contractor team specialists (which may include Peter Rae) applicable to the focus of the visit; this

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will be discussed and settled with the ProjectCo Entities. Site visits reports of Argirov will be reviewed for quality by Contractor prior to submission.

- (m) Substantive periodic reports of Argirov, as listed in Schedule C and including the commissioning report, will be reviewed by Contractor for quality control prior to submission.

2. The Contractor review and reporting process will be such as to assure delivery of the required independent engineer report and certification for the draw request process in accordance with the schedule set out in **Schedule "B"**. As between the ProjectCo Entities, Canada and Contractor, Contractor and its subcontractor Argirov, the review and verification process will not be affected by any review and signature process as between Argirov and Contractor such that any review by Contractor is to be without effect on the required independent engineer report process and timing. It is acknowledged that the period for review, after issuance of Argirov report, is intended to provide Contractor with the appropriate time frame for review, comment, and finalization, with the Contractor report being considered issued only upon the completion of the Contractor process and signature or passage of 10 business days from the Argirov draft without issuance of a Contractor report. In the event that Contractor review and certification has not been completed by the time of the required issuance of the report for the draw request process outlined in **Schedule "B"**, Argirov will issue such report and funds will be released as contemplated in 1(h) and **Schedule "B"** notwithstanding that the review and certification of the Argirov report by the Contractor may not have been completed. Contractor will then undertake the review process as set out in 1(i) above. The Contractor acknowledges that the timing for review of Argirov reports, as a consequence of the timing of delivery of the draw request materials, is such that prior review of the draft reports and certificates may not reasonably be possible, time being of the essence of the delivery of the reports for the draw request process.

3. ProjectCo Entities and Canada acknowledge, confirm and agree that an Argirov report issued is not a report of Contractor until the earlier of (i) a revised or accepted version is received having been signed by an employed engineer of Contractor and (ii) passage of the 10 business day review period after the issuance of the Argirov draft. Prior to finalization the Argirov report shall be used solely for the purpose of expediting the draw request process and among the parties to this consent without further release to any other persons.

4. The ProjectCo Entities and Canada acknowledge that Argirov Engineering Inc. is acting as a subcontractor of Contractor, and the references to Argirov throughout this outline are referencing Argirov as a subconsultant of Contractor. The consent given herein includes the consent to the agreement between Contractor and Argirov including a Canadian \$245 hour per rate for professional services rendered.

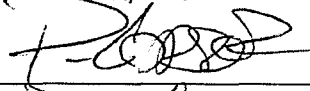
5. With respect to the subject matter dealt with herein, the terms of this consent and agreement modify, amend and supersede the terms of the above referenced agreements.

6. This consent is an agreement entered into and governed by the laws of Province of Newfoundland and Labrador.


7. This agreement will be read together with the above referenced agreements, and form part thereof.

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement under the hands of their proper officers duly authorized in that behalf.

MWH CANADA, INC.

By:   
 Name: Patrick Corser

MUSKRAT FALLS CORPORATION

By:   
 Name: Gilbert Bennett, P.Eng.  
 Vice President

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Title:

Title:

By: \_\_\_\_\_  
Name:  
Title:

By: James McManis  
Name: James McManis  
Title: General Manager, Finance

LABRADOR TRANSMISSION CORPORATION

LABRADOR-ISLAND LINK LIMITED  
PARTNERSHIP, by its general partner  
LABRADOR ISLAND LINK GENERAL  
PARTNER CORPORATION

By: Gilbert Bennett  
Name: Gilbert Bennett, P.Eng.  
Title: Vice President

By: Gilbert Bennett  
Name: Gilbert Bennett, P.Eng.  
Title: Vice President

By: James McManis  
Name: James McManis  
Title: General Manager, Finance

By: James McManis  
Name: James McManis  
Title: General Manager, Finance

LABRADOR ISLAND LINK OPERATING CORPORATION

By: Gilbert Bennett  
Name: Gilbert Bennett, P.Eng.  
Title: Vice President

By: James McManis  
Name: James McManis  
Title: General Manager, Finance

HER MAJESTY THE QUEEN IN RIGHT OF CANADA,  
as represented by the Minister of Natural Resources

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

ARGIROV ENGINEERING INC.

By: Nik Argirov  
Name: NIK ARGIROV  
Title: PRESIDENT

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Title:

Title:

By: \_\_\_\_\_  
Name:  
Title:

By: James Meaney  
Name: James Meaney  
Title: General Manager, Finance

LABRADOR TRANSMISSION CORPORATION

LABRADOR-ISLAND LINK LIMITED PARTNERSHIP, by its general partner LABRADOR ISLAND LINK GENERAL PARTNER CORPORATION

By: Gilbert Bennett, P.Eng.  
Name: Gilbert Bennett, P.Eng.  
Title: Vice President

By: Gilbert Bennett, P.Eng.  
Name: Gilbert Bennett, P.Eng.  
Title: Vice President

By: James Meaney  
Name: James Meaney  
Title: General Manager, Finance

By: James Meaney  
Name: James Meaney  
Title: General Manager, Finance

LABRADOR ISLAND LINK OPERATING CORPORATION

By: Gilbert Bennett, P.Eng.  
Name: Gilbert Bennett, P.Eng.  
Title: Vice President

By: James Meaney  
Name: James Meaney  
Title: General Manager, Finance

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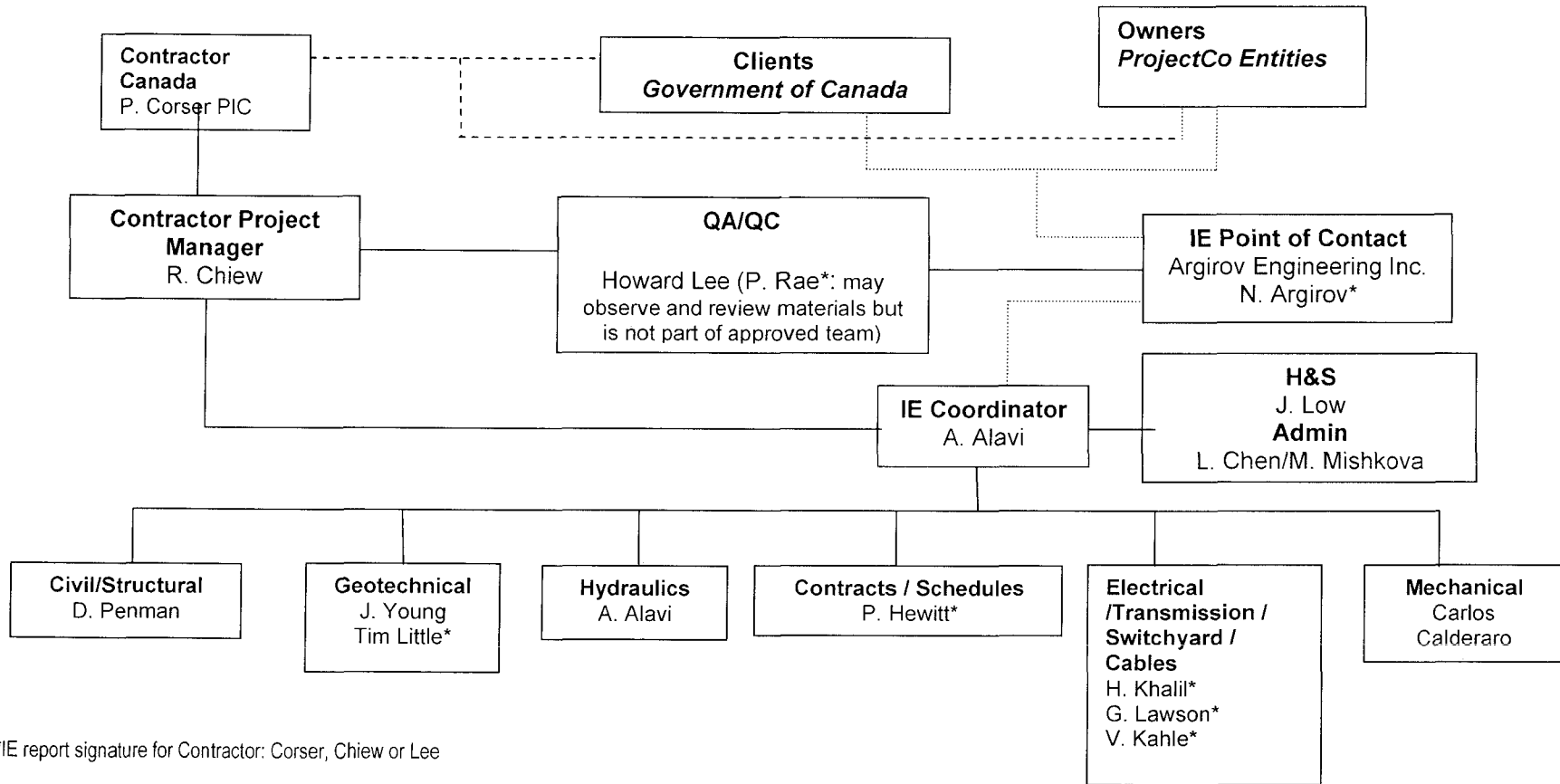
By: Anoop Kapoor  
Name: ANOOP KAPOOR  
Title: Senior Director, Renewable & Electrical Energy Division

By: \_\_\_\_\_  
Name:  
Title:

ARGIROV ENGINEERING INC.

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "A"**  
**Proposed Organization Chart - IE Services LCP**



\*\*IE report signature for Contractor: Corser, Chiew or Lee

Notes or Legend:

- \* Subcontractors
- # Contractor Advisor

- Direct Line of Responsibility and/or Direct Contracts
- ..... Formal Line of Communication and/or Coordination for Project Execution
- - - - - Lines of Communication for Issues Resolution

**SCHEDULE "B"**

**MONTHLY TIME LINE AND REVIEW PROCESS**

Release of draw (advance) funds:	Last Business Day of the month (May/November - 2nd to last Business Day of the month)
Canada Requisite Instructions (if requested)	Not later than 1 Business Day before release of draw
ProjectCo Entity request for meeting to discuss Collateral Agent Request	Not later than 1 Business Day before release of draw
Collateral Agent Recommendations:	Not later than 3rd Business Day before release of draw
MWH – Contractor may review but not required	10 day review period following the IE Confirmation – 3 <sup>rd</sup> Business Day before draw for 10 days
Updated Supporting Searches	Not later than 3rd Business Day before release of draw
Independent Engineer Confirmation	Not later than 3rd Business Day before release of draw
MWH – Contractor may review but not required and not if there is any interference with process and timing	6 <sup>th</sup> Business day to 4 <sup>th</sup> Business Day before release of draw
Funding Request Delivered	6th Business Day before end of month (5th Business Day before release of draw) (May/November - 7th)
Project Construction Report	20th day of month or next following Business Day if not a Business Day

**SCHEDULE "C"**  
**REPORTS REQUIRING PRIOR MWH REVIEW**

1. Site Visit Report
2. Manufacturing/Factory Visit Report
3. Commissioning Report and Certificate
4. Change Order Review Memo