From: Williams, Albert
To: Peach, Bert

Subject: Re: Meeting with Nalcor

Date: Wednesday, February 6, 2013 3:59:12 PM

Attachments: <u>image001.jpg</u>

I spoke to Scott at some length after and expressed my concerns about this structure. Ie I think we are headed for trouble.

Suggested as per Nick and my discussions that he speak to our CEO and Charles, visit Martin and suggest "cold eyes review team" to visit and report.

From: Williams, Albert

Sent: Wednesday, February 06, 2013 02:23 PM

To: Peach, Bert

Subject: Re: Meeting with Nalcor

No agree

From: Peach, Bert

Sent: Wednesday, February 06, 2013 02:18 PM

To: Williams, Albert

Subject: RE: Meeting with Nalcor

Hi Albert.

Yves asked for an update on yesterday's meeting. I jotted down a few comments. Is there anything else you think should be added? I plan to sent this to Yves with a copy to Charles, Nick and yourself.

Do you think this is too long winded?

Bert

Hi Yves,

Albert and I attended the meeting as representatives of TIB. Here are a few comments which are for your information only. I wouldn't circulate these any further as they are only my impressions from having attended this one function. Others may have a different perspective.

The meeting was in the form of an information session with senior management presenting an update to project staff on the progress of the work to date and plans for the future.

From Nalcor, the presenters were Ed Martin, Gilbert Bennett and Ron Power. Paul Harrington was with the lead group but did not present. From SNC-Lavalin, we had presentations from Scott Thon, Bernard Gagne and Normand Bechard. The presentations were followed by a question and answer session.

The presentations dealt with the progress to date, achievements, goals for the coming year, expectations for the future, and the proposed change to an integrated team organization for the next stages of the project. Management complimented the staff on their achievements to date, expressed their general satisfaction with the progress of the work, and indicated their high expectations for the project team going forwarded. The Nalcor speakers, in particular, attempted to be upbeat about the project, confirmed their satisfaction with SLI as their EPCM partner, depicted the team as one combining the best of the best from previous hydro and transmission projects in North America, major offshore and other projects in eastern Canada, and from Nalcor and SLI. The SLI speakers confirmed their support for the project and spoke about its importance to our Company.

The change over to the integrated team was described as a joint decision of Nalcor and SNC-Lavalin and part of the normal evolution of a mega project of this nature. SLI will retain the responsibility for the engineering design. The team to carry out the remaining phases of the work will be jointly staffed by Nalcor and SLI on a best man for the position basis. Both companies are 'connected at the hip' for the long haul.

After the meeting there were very few questions asked. Those that were dealt mainly with the team building sessions that had been carried out and how the lessons learned from them would be incorporated into the new organization. One secretary surprised, and I think embarrassed, the management team with questions about the lack of feedback to the staff on the results of the team building and how the new organization will impact them. The management group struggled to be convincing in their answers.

After the meeting I spoke with several of the people in attendance, from both SNC-Lavalin and Nalcor. I sense that there is dissatisfaction among the staff about the way the project has been organized and has progressed to date. There is a degree of distrust of the senior management group and their attitude toward the staff reporting to them. Many of the SLI folks feel they are being pushed aside and their opinions are not being listened too. Even some of the Nalcor staff are frustrated with the bureaucracy of the organization and how difficult it is to get things done. There were questions raised about the level of expertise of the construction management team and whether the people being chosen for the site organization will be able to deliver the project in the long term. Looking at the three components of the project, the Transmission Lines appears to be progressing well in the opinion of most people. Progress is not as rosy on the other components.

I'm not sure that the session achieved what it set out to do, which was to give a feeling of comfort to the staff and present an upbeat picture of the project to date and the in the future. Nalcor and SLI will have to work hard to put the best possible team in place and ensure the staff and the public that the project is in good hands. Getting the confidence and dedication of the staff, while giving them a feeling of empowerment and satisfaction in their jobs, will be very important to the success of the project.

Regards,

Bert Peach, P. Eng.

Senior Project Manager BAE-Newplan

Tel.: 709 368 0118 x 4997

SNC-Lavalin Inc. (BAE-Newplan Group)

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From: Cadotte, Yves

Sent: February 5, 2013 10:28 AM

To: Peach, Bert Cc: Gillis, Nick

Subject: FW: Meeting with Nalcor

Bert,

Please keep us in the loop after the meeting.

Thanks,

Yves

From: Bechard, Normand

Sent: Monday, February 04, 2013 13:17 **To:** Chebl, Charles; Gillis, Nick; Thon, Scott

Cc: Cadotte, Yves; Peach, Bert **Subject:** RE: Meeting with Nalcor

Charles, this is ok with Nalcor.

So I will send to Bert all details tomorrow morning

From: Chebl, Charles

Sent: February 4, 2013 1:25 PM

To: Bechard, Normand; Gillis, Nick; Thon, Scott

Cc: Cadotte, Yves; Peach, Bert **Subject:** RE: Meeting with Nalcor

Normand.

We need to show the client that we are supporting him as a comagny. Therefore I request that Bert participate to that meeting as a member of SNC-Lavalin team

Salutations, Charles Chebl From: Bechard, Normand

Sent: February 4, 2013 10:17 AM

To: Gillis, Nick; Chebl, Charles; Thon, Scott

Cc: Cadotte, Yves; Peach, Bert **Subject:** RE: Meeting with Nalcor

The purpose of the meeting is not to discuss about the contract issues but to look ahead and efforts required to support Nalcor in future.

So I do not see any advantages having Bert participating to that meeting.

Renegotiations meetings will restart by the end of the week or next week. I let you know.

From: Gillis, Nick

Sent: February 4, 2013 11:33 AM **To:** Chebl, Charles; Thon, Scott

Cc: Cadotte, Yves; Peach, Bert; Bechard, Normand

Subject: Re: Meeting with Nalcor

I am out of the office until the 11th Feb.

Bert can meet with Nalcor. He has all the history on the bidding and the current agreement

Nick

From: Chebl, Charles

Sent: Friday, February 01, 2013 01:43 PM

To: Thon, Scott

Cc: Cadotte, Yves; Gillis, Nick; Peach, Bert; Bechard, Normand

Subject: Meeting with Nalcor

Scott,

As discussed, Nick Gillis and Bert Peach from BAE Newplan (TIB division) should be part of the project team that will meet with Nalcor next week.

For your information, our BU'S are jointly executing this mandate with a split of 63/37 for Power and I&C respectively.

Regards,

Charles