



**Lower Churchill Project  
SNC - LAVALIN INC.**  
350 Torbay Road, Suite 2  
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11 December 2012

**SLI REFERENCE No.:** 505573-0000-30CC-I-1419  
**LC Ref. No:** S011-L010-200-170330-00198  
**NALCOR REFERENCE No.:** L010-S011-200-170331-205

Nalcor Energy  
Hydro Place, 500 Columbus Drive  
P.O. Box 12800, St. John's, NL, A1B 0C9 CANADA

**ATTENTION: Ron Power, Project Manager – Generation /Island Link**

**Subject: Lower Churchill Development  
Agreement LC-G-002  
Engineering, Procurement and Construction Management (EPCM) Services  
MUSKRAT FALLS SITE TEAM**

Dear Ron:

We acknowledge receipt of your letter L010-S011-200-170331-00205 dated November 19, 2012 and can ensure you of our full support to implement this Site organization.

We have communicated this to all of our management and many questions have been raised and we have provided answers as much as we could to the Team. Detailed roles and responsibilities will help to ensure the transition and bring clarity.

After the meeting held on Thursday, between Mr. Gilbert Bennett, Mr. Paul Harrington, Mr. Lance Clark, Mr. Joseph Salim and Mr. Bernard Gagne, actions have been already taken to discuss the issues and bring the necessary amendment to the EPCM contract to reflect the scope change.

First of all, to concur with this major change in orientation of the scope of the contract, we should inform you that referring to the 19<sup>th</sup> November 2012 letter, SNC-Lavalin will decline any responsibility and liability under performance required by the Article 3.6.5, Health and Safety Management and under Article 3.6.6, Environmental Management.

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Our related personnel will act and support under Nalcor's representative written instructions.

We trust that this is acceptable to you, if you have any questions regarding this topic please contact the undersigned.

Yours truly,  
**SNC-LAVALIN INC.**



Normand Béchar  
General Project Manager

CC: Gilbert Bennett, Paul Harrington, Lance Clarke, Patrick Lamarre, Joseph Salim, Bernard Gagné