



SNC-Lavalin Inc.
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January 30, 2017

SLI REFERENCE No.: 505573-0000-30CC-I-1488
LC Ref. No: S011-L010-200-170330-00262

Mr. Ron Power
 Project Manager Generation/Island Link
 Nalcor Energy
 Hydro Place, 500 Columbus Drive
 P.O. Box 12800, St. John's, NL, A1B 0C9 CANADA

**Subject: Lower Churchill, Phase 1 Development Agreement LC-G-002
 Engineering Procurement and Construction Management (EPCM) Services
 Engineering Management Quality Review**

Dear Ron,

As discussed during Serge Guérette's last visit in St. Johns, please be informed herewith that SNC-Lavalin Inc (SLI) is seeking your cooperation and assistance to perform an internal quality management review with regards to the engineering processes.

As prescribed in Section 5 - Quality Management, the attached Engineering Quality Audit Plan shall be conducted in the following area / components of the project and would also require the cooperation of the current project team in the following areas:

- Intake, Powerhouse, Spillway and Cofferdam / Transition Dam (Component 1)
- EPC Packages (Component 3)
- Transmission Lines (TL) (Component 4)

The following review team for SLI has been organised to share the work in the different locations of the LCP project:

- | | |
|--------------------------|--------------------|
| • Program Sponsor: | Normand Béchard |
| • Lead Auditor: | Patrice Castonguay |
| • Quality Advisor: | Frank Allaire |
| • QA Auditor: | Ken Morrison |
| • Hydro Technical Expert | Vinod Batta |
| • TL Technical Expert | Claude Daneau |

In consideration of the availability of the group, it is expected to set a kickoff meeting in St. John's with LCMC representatives on or around the 13th February 2017 for interviews and collection of all the data between the 14th to 17th of February.

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In preparation of the kickoff meeting, it would be appreciated if LCMC could provide in advance a copy of the following documentation to our Audit Team by February 7th 2017:

1. Project Quality Management Plan
2. Project Organizational Chart
3. Construction Management Plan
4. SDRL Flowchart
5. Responsibility Matrix for Engineering.

Additional documentation may be required by the Audit Team during the process of evaluation. Furthermore, and to facilitate comprehension and time reduction, a brief presentation by LCMC on project status would be beneficial.

Your acknowledgement and assistance with the above at your earliest possible convenience would be highly appreciated along with LCMC designated correspondent. Should you have any question, please do not hesitate to contact Normand Béchar.

Yours truly,

SNC-LAVALIN INC.

Joe Leone
Lower Churchill Project Manager
Hydro & Power Delivery

Attachment: Quality Audit Plan

c.c.: P. Cattelan, N. Béchar, J. Leone

Power

