

From: scottobrien@lowerchurchillproject.ca
To: [Frank Gillespie](#); [Bruce Drover](#)
Subject: Fwd: CH00032
Date: Wednesday, January 7, 2015 5:54:59 PM

Scott O'Brien

Project Manager - Muskrat Falls Generation

PROJECT DELIVERY TEAM

Lower Churchill Project

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Begin forwarded message:

From: "Paul Harrington" <PHarrington@lowerchurchillproject.ca>
Date: January 7, 2015 at 5:29:19 PM NST
To: "Carrier Daniel" <Daniel.Carrier@andritz.com>
Cc: "Gilbert Bennett" <GBennett@nalcorenergy.com>, "Scott O'Brien" <ScottOBrien@lowerchurchillproject.ca>
Subject: CH00032

Daniel

It has come to my attention and to Gilbert's that there are serious issues with this Contract relating to quality, procedures, manufacturing deficiencies, and communication issues. We understand that there is a meeting planned to be held in Linz in the near future for these issues to be addressed and an action plan developed to remedy the situation. We as Owner are greatly concerned and disturbed that this situation has been allowed to develop and request that Andritz resolve these most basic issues urgently.

This is the third time we have had to raise these items and so now require your full attention and that of the Linz team to rectify the communication, technical and other root cause issues that are behind these problems within your organization.

As a demonstration of our serious concerns, and to show our commitment to working with you to be able to resolve your internal challenges, we require the following:

1 Scott O'Brien our Project Manager for MF with supporting personnel to accompany your team to Linz to observe that these issues are being treated with a high degree of importance and priority- Scott will report back to myself and Gilbert on what he has observed, what actions Andritz must take to rectify the situation, what the possible implications are and although within your responsibility to fix, how we may be of assistance if possible.

2 That Senior representatives from Andritz Canada (Montreal) and Andritz Austria (Linz) travel to St John's by the 23rd January to present the action plans and timelines with identified responsibilities and resources to address the serious deficiencies and issues that have been identified. We require representation at your level and above with supporting personnel who can provide us with the assurances we require that there is a commitment and conviction from Andritz that a high priority will be placed on resolution of the serious deficiencies and issues.

We look forward to your cooperation and successful resolution of these challenges.

Regards Paul

Paul Harrington

Project Director

PROJECT DELIVERY TEAM

Lower Churchill Project

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