



April 28th, 2016

AH-Letter-PM-167
LTR-CH0032001-0359

Muskrat Falls Corporation
Lower Churchill Project Muskrat Falls Corporation
350 Torbay Road Plaza, Suite No. 2
St. John's, NL, A1A 4E1

Attention: Scott O'Brien – Project Manager, Muskrat Falls Generation

Subject: CH0032: Supply and Install Powerhouse and Spillway Hydro-Mechanical Equipment

Re: Work Stoppage Concrete Pour Bay 1 SRG/SI - 14-Apr-2016

Ref: Company letter LTR-CH0032001- 0336 – Work Stoppage Concrete Pour Bay 1 SRG/SI – April 14th, 2016
Contractor Letter – AH-Letter-PM-158 - Bay 1 SRG and S1 Concreting Activities – April 22nd, 2016

Dear Mr. O'Brien,

Contractor acknowledges receipt of Company letter LTR-CH0032001-0336. Contractor highlights that Company has provided no basis for the allegations of inaction and delay in implementing corrective measures. On the contrary, Contractor continues to improve the efficiency of its installation activities working towards Company's target river diversion date of June 15, 2016 as shown by the creation of a new cold joint procedure submitted to Company on 18-April-18 for which Contractor has yet to receive feedback.

In addition to the above, as reiterated in referenced Contractor letter AH-Letter-PM-158, all contingencies, delays, standby time and lost time and other non-billable activities resulting from any action or omission of any Party are the sole and exclusive liability of Company since Contractor is performing under CHO-010, a Time and Materials Company directive. Consequently, Contractor rejects any and all responsibility for all non-billable, stand-by and lost hours attributable to the referenced Incident.

Yours Truly,

A handwritten signature in blue ink, appearing to read "Bill Mavromatis".

Bill Mavromatis
Project Manager
Andritz Hydro Canada Inc.

CC: Frank Gillespie, LCP Deputy Company Representative/Area Manager
Bruce Drover, LCP Package Leader - Hydro Mechanical Equipment
Line Tremblay, LCP Senior Contract Administrator
Mathieu Bertrand - Installation Coordinator
Jean Rochon – AH Large Hydro Manager Operations