

**Muskrat Falls Corporation**

Corporate Office  
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Lower Churchill Project Operations Office  
350 Torbay Road, Suite 2  
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25 May 2016

LTR-CH0032001-0285

ANDRITZ HYDRO CANADA INC.  
6100 Trans-Canada Hwy.  
Pointe-Claire, Quebec  
H9R 1B9

**Attention:** Mr. William Mavromatis

**Subject:** Agreement CH0032-001  
Supply and Install Powerhouse and Spillway Hydro-Mechanical Equipment

**Reference:** Default Rectified to Company Satisfaction

Dear Mr. Mavromatis,

Company's letter: LTR-CH0032001-0260 of 4 March 2016 gave notice to Contractor that it was in default of its obligations under the Agreement, and required that the defaults be rectified to the Company's satisfaction. Contractor has recently improved its performance to the satisfaction of Company, and our meeting of 19 May 2016, has provided a basis for continued performance to achieve Company's objectives for river diversion. In addition, Company and Contractor have agreed to an approach to resolve commercial issues relating to Change Order No. 10.

Given the above, Company states that the defaults identified in Company's letter of 4 March 2016, have been rectified to Company's satisfaction, and that Contractor is no longer in default.

Company looks forward to continued positive performance by Contractor. Of course, Company reserves all rights and remedies available to it under the Agreement in the event that issues with Contractor's performance arise in the future.

Regards,



**Scott O'Brien**  
Project Manager – Muskrat Falls Generation  
Project Delivery Team  
Lower Churchill Project