

LOWER CHURCHILL PROJECT	CHANGE ORDER Between Company and Contractor
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Agreement No:	<u>CH0030</u>	CHO No.	<u>014</u>
Agreement Title:	<u>Supply & Install Turbines & Generators</u>	Rev. No:	<u>00</u>
Company:	<u>Muskrat Falls Corporation</u>	CHR No.	<u>CHR-111 Rev. 01</u>
Contractor:	<u>Andritz Hydro Canada Inc.</u>	Date:	<u>30-Jan-2015</u>

Description of Change:

To cover the Change Request No. CHR-111 Rev.01 (Items 1.0 & 3.1 only) – Andritz shall provide and manage Indoor Storage of Turbine and Generator Components for Ten (10) Month LCP Schedule Realignment.

Item 1.0 Indoor Storage at Goose Bay Hanger for Ten (10) Month LCP Schedule Realignment CAD\$ 1,765,403.00

Item 3.1 Indoor Storage at Goose Bay Hanger beyond the initial Ten (10) Month LCP Schedule Realignment will be paid at Reimbursable
CAD\$ 4.20 per SQ FT per Month. Price is valid for a duration of Twelve (12) Months beyond the initial Ten (10) Month LCP Schedule Realignment period

Payment Schedule - Item 1.0

- o 20% Upon Signing of Change Order by both AH and LCP => \$353,081
- o Jun-15 => \$9,663
- o Jul-15 => \$9,663
- o Aug-15 => \$12,240
- o Sep-15 => \$15,138
- o Oct-15 => \$17,715
- o Nov-15 => \$17,715
- o Dec-15 => \$17,715
- o Jan-16 => \$17,715
- o Feb-16 => \$17,715
- o Mar-16 => \$17,715
- o Apr-16 => \$8,052
- o May-16 => \$5,476
- o Jun-16 => \$8,374
- o Jul-16 => \$0
- o Aug-16 => \$0
- o Sep-16 => \$0
- o Oct-16 => \$10,552
- o Nov-16 => \$48,559
- o Dec-16 => \$66,918
- o Jan-17 => \$86,888
- o Feb-17 => \$113,300
- o Mar-17 => \$125,617

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- o Apr-17 => \$128,838
- o May-17 => \$128,838
- o Jun-17 => \$128,838
- o Jul-17 => \$126,261
- o Aug-17 => \$105,003
- o Sep-17 => \$76,337
- o Oct-17 => \$50,569
- o Nov-17 => \$22,869
- o Dec-17 => \$14,816
- o Jan-18 => \$3,223

Supporting information that forms part of this Change Order:

Refer to the enclosed CHR-111 Rev. 01 document for Terms and Conditions related to the above listed items.

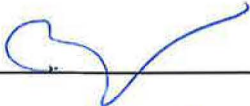
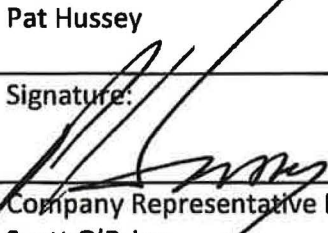
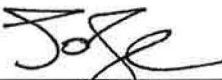
<p>Change Includes: <input checked="" type="checkbox"/> Price <input type="checkbox"/> Schedule</p> <p>Adjustment Type: <input type="checkbox"/> Lump Sum <input type="checkbox"/> Unit Rate</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> Fixed Amount <input type="checkbox"/> Estimate</p> <p style="padding-left: 40px;"><input checked="" type="checkbox"/> Reimbursable</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black;">Original Contract Price</td> <td style="text-align: right;">CAD\$ 124,517,329.25</td> </tr> <tr> <td></td> <td style="text-align: right;">US\$ 36,635,422.14</td> </tr> <tr> <td></td> <td style="text-align: right;">Euro 4,204,787.04</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Previous Change Orders Price</td> <td style="text-align: right;">CAD\$ 1,507,425.22</td> </tr> <tr> <td style="border-bottom: 1px solid black;">This Change Order Price</td> <td style="text-align: right;">CAD\$ 1,765,403.00</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Total Contract Price to Date</td> <td style="text-align: right;">CAD\$ 127,790,157.47</td> </tr> <tr> <td></td> <td style="text-align: right;">US\$ 36,635,422.14</td> </tr> <tr> <td></td> <td style="text-align: right;">Euro 4,204,787.04</td> </tr> </table>	Original Contract Price	CAD\$ 124,517,329.25		US\$ 36,635,422.14		Euro 4,204,787.04	Previous Change Orders Price	CAD\$ 1,507,425.22	This Change Order Price	CAD\$ 1,765,403.00	Total Contract Price to Date	CAD\$ 127,790,157.47		US\$ 36,635,422.14		Euro 4,204,787.04
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Impact on Control Schedule: No impact on Control Schedule

Revised Finished Date: No change

This Change Order shall form and be read and construed as an integral part of the above-noted Agreement. The above adjustment to the Contract Price constitutes full compensation (including all impact costs) to the Contractor for the above Changes.

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Issued by Company:		Acknowledgement of Contractor Receipt:	
Supply Chain Manager or Delegate Name: Pat Hussey		Signature: 	
Signature: 	Date: 30 Jan 2015	Name: Joanne Raddatz	
Company Representative Name: Scott O'Brien		Date: 05-Feb-2015	
Signature: 	Date: 05 Feb 2015		

LOWER CHURCHILL PROJECT	CHANGE REQUEST
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Agreement No:	CH0030	CHR No. (Reference):	CHR-111
Agreement Title:	Turbines & Generators	Rev. No:	01
Company:	Musktrat Falls Corporation	CHO No.:	
Contractor/Supplier:	Andritz Hydro Canada Inc.	Date:	15-Jan-2015
		Aconex No.:	CHR-CHO030001-0064
		DAN No.:	1103

Description of Change Request and Reason (attach all supporting information):

Indoor Storage of Turbine and Generator Components for Ten (10) Month LCP Schedule Realignment

Andritz shall provide and manage storage of the Musktrat Falls Turbine and Generator components in two storage facilities (Goose Bay hanger located in Goose Bay and Dynamic Air Shelter installed at the Contractor's Site Laydown Area).

Refer to the enclosed Andritz Change Request Commercial Impact Analysis dated 16-Dec-2014 for Terms and Conditions of the provided storage services.

Supporting information that forms part of this Change Request:

- Andritz Change Request Commercial Impact Analysis dated 16-Dec-2014
- Andritz Email no. Andritz-Email-001246 dated 9-Jan-2015

Description of impact on Control Schedule: N/A

Revised Finish Date: N/A

Lump sum price (or estimated cost) and adjustment to the Contract Price:

Item	Description	UOM	QTY	Unit Price	Extended Price CAD\$
1.0	Indoor storage at Goose Bay Hanger for Ten (10) Month LCP Schedule Realignment Additional storage beyond AH Base Plan (10 Month LCP Schedule Realignment) – see Pricing Sheet included in Attachment #1 of Andritz Change Request Commercial Impact Analysis dated 16-Dec-2014	Lot	1		\$1,765,403.00
2.0	One (1) Dynamic Air Shelter for Ten (10) Month LCP Schedule Realignment (incl. transport, foundation slab, installation, additional equipment, inventory control, material management, inspection and security) – see Pricing Sheet included in Attachment #2 of Andritz Change Request Commercial Impact Analysis dated 16-Dec-2014	Lot	1		\$1,255,840.00



LOWER CHURCHILL PROJECT	CHANGE REQUEST
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3.0	Indoor storage beyond Ten (10) Month LCP Schedule Realignment				
3.1	Goose Bay Hanger (40,000 SQ FT): \$4.20 per SQ FT per month, valid for a duration of Twelve (12) Months (beyond the initial 10 Month LCP Schedule Realignment period)				Reimbursable
3.2	Air Shelter (11,424 SQ FT): \$20,000 per month, valid for a duration of Twelve (12) Months (beyond the initial 10 Month LCP Schedule Realignment period)				Reimbursable
3.3	Additional Storage Space (up to 20,000 SQ FT): A detailed analysis of the actual extended storage space needed will be submitted by Andritz once the duration of the extended storage time is known. The costs cannot be evaluated at this time.				Cost to be evaluated at a later date if required

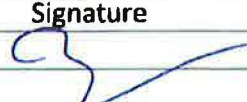
Value of this Change Request: \$3,021,243.00

- HST 13% will be charged extra
- Refer to Attachment #4 of Andritz Change Request Commercial Impact Analysis dated 16-Dec-2014 for Payment Schedule of Items 1.0 and 2.0

ORIGINATOR COMPANY CONTRACTOR/SUPPLIER

Title	Name	Signature	Date
Contract Administrator	Line Tremblay		15-Jan-2015
PACKAGE LEAD	RICHARD SOVIERS		16-Jan-2015

Received by:

Title	Name	Signature	Date
AH Project Manager	Joanne Radatz		16-Jan-2015



Change Request Commercial Impact Analysis

Agreement No:	<u>CH0030</u>	CHR No. (Reference):	<u>CHR-111</u>
Agreement Title:	<u>Lower Churchill Project – Turbines & Generators</u>	Rev. No:	<u>00</u>
Company:	<u>Muskrat Falls Corporation</u>	Date:	<u>16-Dec-2014</u>
Contractor/Supplier:	<u>Andritz Hydro Canada Inc.</u>		

Please modify CHR-111-01 with the following:

Description of Change Request and Reason (attach all supporting information):

As per LCP’s request via CHR-111-00 and following LCP’s schedule delay presentation on 30-Sep-2014 and AH’s subsequent storage presentation on 04-Nov-2014 , this is to provide a proposal for the additional storage required for the Turbine and Generator components under the CH0030 Package as a result of the LCP schedule change (duration of ten (10) months).

Indoor Storage for Ten (10) Month Schedule Delay:

- The analysis of the extended storage requirement (AH base plan storage requirement vs. revised storage requirement) is included in Attachment #1.
- AH’s proposal is based on the following assumptions:
 - Since the base indoor storage needs for the AH components will be accommodated at the Goose Bay Hanger located at 23 Halifax Road (owned by North Limited), it is proposed that the location for the extended indoor storage remain at the Goose Bay Hanger (maximum storage capacity at Goose Bay Hanger is 40,000 SQ FT).
 - In order to compensate for the additional storage required beyond the 40,000 SQ FT maximum capacity allowance at the Goose Bay Hanger, it is proposed that the remaining components be stored in one (1) Dynamic Air Shelter (maximum storage capacity 11,424 SQ FT) installed at the Contractor’s site Laydown Area. Installation of the Dynamic Air Shelter work must be completed before June 2016.
 - The Dynamic Air Shelter will remain at site and the ownership will be transferred to LCP once AH demobilizes from site. Therefore, the dismantling and removal costs are not included in this proposal.
 - Both proposed storage facilities (Goose Bay Hanger and Dynamic Air Shelter) will be structurally sound, secure, weather tight and heated as per the AH Standard Packaging Specification (P HCA SP 013/1e), as identified in the Muskrat Falls Quality Plan AH-MUS-QA-0002 Rev 6.
 - Inventory control, material management, inspection and security are included in the attached pricing (see Attachments #1 & #2).
 - Supplementary equipment (e.g. forklift) is required for the additional storage and is included in the attached pricing (see Attachments #1 & #2).

Indoor Storage Beyond Ten (10) Month Schedule Delay:

- Goose Bay Hangar Storage (40,000 SQ FT): Costs for storage beyond the ten (10) month related period specified in CHR-111-00 will be charged to LCP on a monthly basis at \$4.20 per SQ FT per month, valid for a duration of twelve (12) months (beyond the initial 10 month period).
- Site Air Shelter (11,424 SQ FT): Costs for the material handling fees beyond the ten (10) month extension period specified in CHR-111-00 will be charged to LCP on a monthly basis at \$20,000 per month, valid for a duration of twelve (12) months (beyond the initial 10 month period).
- Additional Storage Space (up to 20,000 SQ FT): Note that additional storage space (maximum increase of 20,000 SQ FT) will be required should the indoor storage needs be extended beyond the ten (10) month period specified in LCP's CHR-111-00. The storage analysis presented by AH on 04-November-2014 was based on an extension of ten (10) months where most of the embedded components will be delivered to site when the last shipment from China arrives in Goose Bay - 4th China Shipment (in-out scenario). A detailed analysis of the required additional storage space can only be submitted once the duration of the extended storage time is known. LCP to advise.
Note that this additional storage space will need to be covered by other storage facilities (location(s) not yet identified) or additional Air Shelters at site. The costs associated with this additional storage space (up to 20,000 SQ FT) are therefore not included in this proposal.

Outdoor Storage:

- Components recommended for outdoor storage will be stored in the site Contractor Laydown Area assigned to AH (see Laydown Area Sketch included Attachment #2).
- The minimum requirement for ten (10) additional months of outdoor storage for the CH0030 package is 149,500 SQ FT at the AH Laydown Area (including the space allocation for one (1) Air Shelter). The net capacity (excluding AH offices) for storage is 174,000 SQ FT based on the assumption that the power lines situated in the middle of the Contractor Laydown Area will be moved to the left edge of the Area (Ref. AI 153.5). The outdoor storage requirement will need to be re-analysed once the actual condition of the Contractor Laydown Area is known. Costs for the material management, security and regular inspection of the components stored outdoors will be provided when the outdoor storage requirement is re-analysed and provided to LCP via a separate Change Request.
- *The costs associated with the increased preservation of the components for storage beyond the anticipated AH base plan duration are not included in this proposal. AH will evaluate the impact and include these costs in a separate claim associated with the LCP schedule change.*

Please review and approve this Change Request by Tuesday, January 6, 2015. This proposal expires on Wednesday, January 7, 2015.

Supporting information that forms part of this Change Request:

- Attachment #1: Storage Requirements and Pricing Sheet for Indoor Storage at Goose Bay Hangar
- Attachment #2: Pricing Sheet for Storage in One (1) Air Shelter
- Attachment #3: Laydown Area Sketch
- Attachment #4: Payment Schedule
- Attachment #5: AH Storage Presentation (04-Nov-2014)
- Attachment #6: CHR-111-00



Lump sum price (or estimated cost) and adjustment to the Contract Price:					
Item	Description	UOM	QTY	Unit Price	Extended Price
1	Indoor storage at Goose Bay Hanger – additional storage beyond AH base plan (10 months schedule delay) – see Pricing Sheet included in Attachment #1.	Lot	1	\$1,765,403	\$1,765,403
2	One (1) Dynamic Air Shelter (incl. transport, foundation slab, installation, additional equipment, inventory control, material management, inspection and security) – see Pricing Sheet included in Attachment #2.	Lot	1	\$1,255,840	\$1,255,840
3	Indoor Storage Beyond Ten (10) month Schedule Delay: 1) Goose Bay Hanger (40,000 SQ FT): \$4.20 per SQ FT per month, valid for a duration of twelve (12) months (beyond the initial 10 month period). 2) Air Shelter (11,424 SQ FT): \$20,000 per month, valid for a duration of twelve (12) months (beyond the initial 10 month period). 3) Additional Storage Space (up to 20,000 SQ FT): A detailed analysis of the actual extended storage space needed will be submitted once the duration of the extended storage time is known. The costs cannot be evaluated at this time.				
	HST 13% will be charged extra.				
	Payment Schedule for Items #1 & #2 – see Attachment #4				
Value of this Change Request:					\$3,021,243

Title	Name	Signature	Date
AH Project Manager	Joanne Raddatz		16-Dec-2014