

Rev: 11-Aug-2016

**AMENDMENT AGREEMENT****Number 1**

THIS AMENDMENT AGREEMENT (the "Amendment") is made as of the 23 day of August 2016

BETWEEN:

LABRADOR TRANSMISSION CORPORATION formed pursuant to the laws of the Province of Newfoundland and Labrador, and having its head office at the City of St. John's, Province of Newfoundland, Canada, and LABRADOR-ISLAND LINK LIMITED PARTNERSHIP, a limited partnership formed pursuant to the laws of the Province of Newfoundland and Labrador, represented by its general partner, Labrador-Island Link General Partner Corporation (hereinafter together or separately referred to as "**Company**")

– and –

GRID SOLUTIONS CANADA ULC a corporation duly incorporated pursuant to the laws of the province of British Columbia ("**Contractor**")

WHEREAS, Company and Contractor entered into a Supply and Install Agreement for the design, engineering, supply and construction for a 735-315 kV ac substation at Churchill Falls, Labrador, a 315 kV ac substation at Muskrat Falls, Labrador, a 230 kV substation at Soldiers Pond, Newfoundland (Agreement No. CD0502), as of August 15, 2014 (the "**Original Agreement**") in connection with the Muskrat Falls hydroelectric power development project (the "**Project**") as more fully described in the Original Agreement;

AND WHEREAS Company has enter into civil works contracts for the performance of civil works on the Project (each a "**Civil Works Contract**") with two civil works contractors (each a "**Civil Works Contractor**");

AND WHEREAS Company and Contractor wish to amend the Original Agreement as set out in this Amendment to address certain matters relating to the civil works;

NOW THEREFORE, the parties, each in consideration of the promises and agreements of the other, hereby agree as follows:

1. **Effective Date.** This Amendment shall be effective as of March 31, 2016.
2. **Definitions.** Capitalized terms used but not defined in this Amendment have the meanings given to them in the Original Agreement.
3. **Force and Effect of Original Agreement.** Except as expressly provided in this Amendment, the terms, conditions and definitions of the Original Agreement remain in full force and effect.
4. **New Civil Works Articles.** The following new Articles shall be added to the Original Agreement at the locations indicated below:

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(a) Immediately following Article 3.13, as new Article 3.14:

"3.14 Except for civil work performed pursuant to contract packages CD0504-001 (awarded to H.J. O'Connell Construction Ltd) and CD0504-002 (awarded to Pomerleau Inc.), Contractor shall perform all construction for all Civil Works. For greater certainty, Exhibit 17 – Joint Cost Savings Initiative for Civil Works shall only apply to contract packages CD0504-001 and CD0504-002."

(b) Immediately following Article 26.14, as new Article 26.15:

"26.15 Subject to all Change Orders and Change Requests as of the effective date of this Amendment, the Parties agree not to add the following scope items (commonly referred to as packages 3, 4 and 5), in whole or any material part, to contract packages CD0504-001 and CD0504-002 including, but not limited to:

- Building fit-out for the Control Building and Gas Insulated Switchgear Buildings at Churchill Falls, Muskrat Falls and Soldiers Pond, roads, drainage, cable trenches, grounding, fencing
- Notwithstanding the above, Company will consider adding minor works (related to interfaces such as electrical conduits and surface preparation) to contract packages CD0504-001 and CD0504-002 on a case by case basis provided Contractor submits justification in the form of a Change Order Authorization, in a timely manner, for Company review and Approval. Company will not be held liable for any costs or schedule impacts if Company decides such request is not applicable to minor works.

5. **Articles.** The Article 36.1 shall be deleted in its entirety and shall be replaced with the following:

For each Milestone specified in Exhibit 2 - Compensation being subject to liquidated damages, if Contractor fails to Deliver that part of the Work to achieve the Milestone within forty-five (45) days by the date specified, Contractor shall pay Company as liquidated damages the full amount stipulated in Exhibit 2 - Compensation for each calendar day, including any part thereof, of the delay of that Milestone commencing the forty-sixth (46<sup>th</sup>) day following the date the Milestone is achieved, unless the failure to achieve the Milestone is due to an event of Force Majeure.

6. **Exhibit 1 – Scope of Work.** The following amendments are made to the Scope of Work Specification, document number LCP-SN-CD-4000-EL-SP-0002-01, in Exhibit 1 – Scope of Work in the Original Agreement:

(a) The first paragraph in Section 2.1 is deleted in its entirety and replaced by the following :

"The substations shall be built on a basis of an EPC turnkey contract in accordance with this Exhibit 1 – Scope of Work and related documents in the Technical Documents List. Contractor shall be responsible for the design and engineering of civil works and buildings. Except for civil work for performed pursuant to contract packages CD0504-001 (awarded to H.J. O'Connell Construction Ltd) and CD0504-002 (awarded to Pomerleau Inc.), and notwithstanding anything to the contrary in this Exhibit 1 – Scope of Work, Contractor shall perform the construction for all civil works. For greater certainty, any reference to civil works contractors and specialized

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contractors for the civil works in this Exhibit 1 – Scope of Work and the technical documents and Drawings incorporated by reference, whether express or implied, shall be a reference to contractors for contract packages CD0504-001 and CD0504-002, as the case may be. The work performed under contract packages CD0504-001 and CD0504-002 shall be carried out under the construction management of Contractor.”

- (b) The following shall be added as subparagraph (e) in Section 2.2:

“(e) Contractor shall provide all the necessary civil and building design at all above substation sites, including calculation reports and drawings.”

- (c) The last sentence in the first paragraph in each of Sections 2.3.3, 2.4.3 and 2.5.3 is deleted and replaced with:

“Except for the civil works performed under contract packages CD0504-001 and CD0504-002, the civil work and building construction shall be performed by Contractor; however, Contractor shall retain overall responsibility for the execution of the civil works for contract packages CD0504-001 and CD0504-002 in accordance with the Agreement, including cost, schedule, health, safety and environment performance and quality control risks during construction as more fully explained in Exhibit 17 – Joint Cost Savings Initiative for Civil Works.”

- (d) The last sentence in the first paragraph in Section 2.7.1 is deleted and replaced with:

“Contractor is responsible to perform all necessary design for civil works, buildings and related HVAC and fire protection systems for each ac substation, including for contract packages CD0504-001 and CD0504-002 in accordance with Exhibit 17 – Joint Cost Savings Initiative for Civil Works.”

7. **Exhibit 2 – Compensation.** The following amendments are made to Exhibit 2 – Compensation:

- (a) The first paragraph in Section 11 in Exhibit 2 – Compensation in the Original Agreement is deleted in its entirety and replaced with the following:

“If Contractor fails to deliver that part of the Work to achieve the Milestones for “Commissioning Static Checks Complete” within forty-five (45) days by the Milestone date specified in Exhibit 9 – Schedule, Contractor shall pay Company as liquidated damages the full amount set out below for each calendar day, including any part thereof, of the delay of that Milestone, commencing the forty-sixth (46<sup>th</sup>) day following the date specified in Exhibit 9 – Schedule and ending the date the Milestone is achieved, subject to the liability limit referred to in Article 36.2 of this Agreement, unless the failure to achieve the Milestone is due to an event of Force Majeure:

- (a) For “Commissioning Static Checks Complete - Soldiers Pond”,

- Ten Thousand Dollars (\$10,000) per day for the first sixty seven (67) days following the forty-sixth (46<sup>th</sup>) day after the Milestone date specified in Exhibit 9-Schedule;
- One Hundred Thousand Dollars (\$100,000) per day, commencing sixty-eight (68) days following the forty-sixth (46<sup>th</sup>) day after the Milestone date specified in Exhibit 9 – Schedule,

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- (b) For "Commissioning Static Checks Complete at Churchill Falls and Muskrat Falls",
    - Twenty-five Thousand Dollars (\$25,000) per day for the first sixty seven (67) days following the forty-sixth (46<sup>th</sup>) day after the Milestone date for specified in Exhibit 9 – Schedule; and
    - One Hundred and Fifty Thousand Dollars (\$150,000) per day, commencing sixty-eight (68) days following the forty-sixth (46<sup>th</sup>) day after the Milestone date specified in Exhibit 9 – Schedule.
  - (c) For greater certainty, notwithstanding the number of Sites for which liquidated damages are otherwise payable in accordance with this Section 11.0 for a day of delay, Contractor shall not be liable for more than One Hundred and Fifty Dollars (\$150,000) per day in the aggregate."
- (b) Appendix A - Schedule of Price Breakdown is further amended to add immediately after Items 1.3.4, 2.3.4 and 3.3.4 the items shown on Schedule 1 to this Amendment and to revise the totals as a result.
  - (c) Appendix B – Milestone Payment Schedule is further amended to add immediately after Line Item 1.3/2.3/3.3 the line item shown on Schedule 2 to this Amendment.
8. **Exhibit 17 – Joint Cost Savings Initiative for Civil Works.** The following amendments are made to Exhibit 17 – Cost Savings Initiative for Civil Works in the Original Agreement:
- (a) The following shall be added immediately after the first paragraph in Section 1.0:
 

"Except for civil works being performed pursuant to contract packages CD0504-001 (awarded to H.J. O'Connell Construction Ltd) and CD0504-002 (awarded to Pomerleau Inc.), Contractor shall perform all construction for all Civil Works. For greater certainty, this Exhibit 17 shall only apply to contract packages CD0504-001 and CD0504-002."
  - (b) In Section 1.0, the words and numbers "of 10% from 24.25%" in the second paragraph are deleted and not replaced.
  - (c) In Section 3.4 the Civil Works Baseline amount of "CAN\$80,052,846" is deleted and replaced by "CAN\$54,924,732.19".
  - (d) Section 4 is deleted in its entirety and replaced with:
 

"The work that comprises the Civil Works Baseline dollar amount is the scope of work and quantities in contract packages CD0504-001 and CD0504-002."
  - (e) Section 5 is deleted in its entirety and replaced with:
 

"Contractor shall be responsible for all other Work that does not form part of contract packages CD0504-001 and CD0504-002 and civil work for the Transition Compounds."

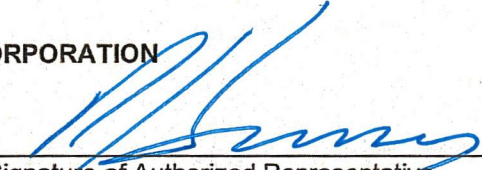
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EXECUTED AS AN AMENDMENT AGREEMENT on the 23 day of August, 2016:

For and on behalf of **LABRADOR TRANSMISSION CORPORATION**

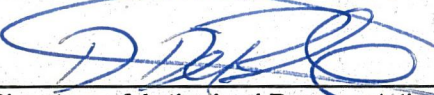
  
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Signature of Authorized Representative

Darren DeBourke  
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Name of Authorized Representative

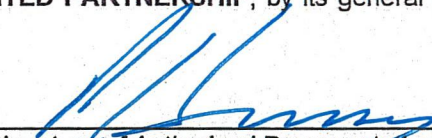
  
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Signature of Authorized Representative

Pat Hussey  
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Name of Authorized Representative

For and on behalf of **LABRADOR-ISLAND LINK LIMITED PARTNERSHIP**, by its general partner  
Labrador-Island Link General Partner Corporation


  
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Signature of Authorized Representative

Darren DeBourke  
\_\_\_\_\_  
Name of Authorized Representative

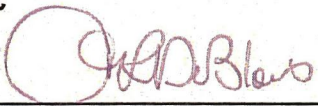
  
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Pat Hussey  
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Name of Authorized Representative

For and on behalf of **GRID SOLUTIONS CANADA ULC**

  
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Signature of Authorized Representative

Olivier Ruiz  
\_\_\_\_\_  
Name of Authorized Representative

  
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Signature of Authorized Representative

DANIEL DE BLOIS  
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Name of Authorized Representative

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**AMENDMENT 1 – SCHEDULE 1**

Appendix A – Schedule of Price Breakdown (CAD)

Item	SPV	Description	QTY	UNIT	TOTAL PRICE (\$CAD)
1.3.5	LTC	Balance of Civil Works – CF	1	lot	\$6,877,829.61
2.3.5	LTC	Balance of Civil Works – MF	1	lot	\$6,641,140.73
3.3.5	LIL	Balance of Civil Works – SP	1	lot	\$4,705,797.81

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**AMENDMENT 2 – SCHEDULE 2**

Appendix B - Milestone Payment Schedule

Line Item	Milestone Description	Payment Schedule	Criteria
1.3.5 / 2.3.5 / 3.3.5	Balance of Civil Works	Payable monthly on achieved progress of the work as Approved by Company up to a maximum of 95%. Balance on Substantial Completion.	Payment upon achieved progress (% complete) as Approved by Company.