

CLAIM SETTLEMENT AGREEMENT

This Claim Settlement Agreement (hereinafter, the "Agreement") is made this 26<sup>th</sup> day of January, 2018, by and between ASTALDI CANADA INC. acting for themselves and for all other persons or entities having or claiming rights to a **CONTRACT OF INSURANCE** that is the subject of this Agreement (hereinafter collectively, etc. the "Insured"); and **WESTPORT INSURANCE CORPORATION, ROYAL & SUN ALLIANCE INS CO OF CANADA, TEMPLE INSURANCE COMPANY, XL INSURANCE COMPANY LIMITED, NON-MARINE UNDERWRITERS AT LLOYD'S (STARR TECH), NORTHBRIDGE INDEMNITY INSURANCE CORPORATION, NON-MARINE UNDERWRITERS AT LLOYD'S (QBE), INTERNATIONAL INSURANCE CO. OF HANNOVER, INTACT INSURANCE COMPANY and NON-MARINE UNDERWRITERS AT LLOYD'S (ASCOT)** (hereinafter referred to collectively as the "Subscribing Insurers").

## WITNESSETH THAT:

WHEREAS, the Insured is a contractor involved in the engineering and construction of a hydroelectric power station identified as Muskrat Falls in Labrador, Canada, part of the Lower Churchill Falls Project that sustained physical loss or damage, when on the 29<sup>th</sup> day of May, 2016 at the Muskrat Falls Hydroelectric Power House, the wooden forms supporting a concrete pour of draft tube #2 collapsed causing the escape of concrete requiring removal, re-engineering, re-forming and re-pouring of the draft tube for which the Insured has submitted a claim for indemnity ("the Claim") to the Subscribing Insurers:

WHEREAS, the Subscribing Insurers provided a **Contract of Insurance** covering material damage to the Insured pursuant to the provisions of Policy No. RS1300014 for the policy period of 18 November, 2013 to 02 June, 2018.

WHEREAS the Subscribing Insurers appointed representatives to adjust the Claim;

WHEREAS, the Insured and the Subscribing Insurers recently engaged in good faith discussions to resolve the material damage portion and all other related claims including claims for loss of productivity submitted as part of the Claim and reached a settlement-in-principle that is implemented by this Agreement;

WHEREAS the Claim has been adjusted in the gross amount of \$11,700,000.00, all subject to the \$2,000,000.00 deductible in accordance with the terms and conditions of the **Contract of Insurance**.

WHEREAS Subscribing Insurers have made advance payments to the Insured with respect to this Claim in the total amount of \$6,000,000.00, leaving \$3,700,000.00 to be paid by way of final settlement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements herein contained, and intending to be now legally bound, the Parties agree as follows:

- 3 -

- a. The Insured agrees to accept and Subscribing Insurers agree to pay severally and not jointly their contractual percentage participation set out in Appendices A and B in the agreed settlement figure of **ELEVEN MILLION, SEVEN HUNDRED THOUSAND DOLLARS (\$11,700,000.00)**, subject to a deductible within the **Contract of Insurance** of \$2,000,000.00, net \$9,700,000.00 in Canadian Funds, inclusive of principal, interest, costs, taxes, and any other expenses, in full and final settlement of the Claim.
- b. The Insured and the Subscribing Insurers intend by this Agreement to fully and finally resolve all matters between them arising from or relating in any way to the Claim under the Policy, leaving no matter open or subject to further claim, discussion or adjustment now or in the future which Claim includes without limitation any and all matters whether known or unknown and that relate directly or indirectly to the collapse of the formwork supporting the concrete pour of draft tube #2 at Muskrat Falls Hydroelectric Power House occurring on or about the 29<sup>th</sup> day of May, 2016.
- c. Representations and Warranties Re Payments and Related Indemnities

**ASTALDI CANADA INC.** or entities having or claiming rights under the **Contract of Insurance** RS1300014, that is the subject of this Agreement, represent and warrant: (i) they are fully entitled to receive the settlement of **ELEVEN MILLION, SEVEN HUNDRED THOUSAND DOLLARS (\$11,700,000.00)**, subject to the Two Million Dollar deductible from

- 4 -

the Subscribing Insurers; (ii) they have not at any time transferred or assigned to any third party a claim, right or cause of action under, pursuant to, or in connection with the settlement payment; (iii) they are not aware of any circumstance or reason why they would not be permitted to receive in full the entire settlement payment or why the Subscribing Insurers would not be fully and finally released upon delivery of their several payments totalling **NINE MILLION, SEVEN HUNDRED THOUSAND DOLLARS (\$9,700,000.00)**; (iv) that they have authority to grant full and final releases of the Subscribing Insurers following receipt of the settlement payment on behalf of themselves and any other lender or interest having or claiming an interest in the settlement of the Claim; and (v) waive any claim for indemnity for the Claim against the Subscribing Insurers in excess of the settlement payment provided in this Agreement.

- d. The Insured directs Subscribing Insurers to make payment to the Owner of the Project in accordance with **Memorandum I-Loss Payee** provisions of Section I of the **Contract of Insurance** page 21. Astaldi has made arrangements with the Owner to receive the final payments.
- e. The Insured agrees to indemnify and defend the Subscribing Insurers from and against all reasonable costs, damages, liabilities or other expense (including, without limitation, any lawyer's fees) incurred by them, if (i) any of the foregoing representations and warranties is inaccurate or incorrect in any respect, or (ii) any person, entity or public or private organizations claims or asserts that, with respect to settlement of the Claim hereunder, it or they were or are entitled to receive the settlement payment or any other benefits of the Policy, or the Subscribing

- 5 -

Insurers are or were not fully and finally released by all Insureds with respect to the Claim upon payment of the settlement amount provided in this Agreement.

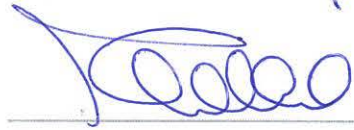
f. Releases and Covenants. In consideration of the mutual promises herein, and except as necessary to enforce any part of this Agreement, the Insured, acting on behalf of (i) themselves, (ii) their present and former subsidiaries of any kind, (iii) all of their present and former officers, directors, and attorneys of those of its affiliates, (iv) any and all successors, assigns, executors and/or heirs of the foregoing persons and entities, and (v) all of the persons or entities having or claiming rights under the **Contract of Insurance** that is the subject of this Agreement, irrevocably remise, release and forever discharge each of the (i) the Subscribing Insurers, (ii) all of their respective subsidiaries to the extent of their interest in the **Contract of Insurance**, (iii) all of their present and former officers, directors, employees, adjusters, experts, consultants, and attorneys, and (iv) any and all successors, assigns, executors and/or heirs of the aforementioned persons or entities, of and from all debts, demands, actions, causes of action, suits, costs, expenses, sums of money, accounts, covenants, contracts, agreements, omissions, variances, damages (including punitive or exemplary damages), penalties, executions, and liabilities (including but not limited to taxes, assessments, recoveries or other sums) and any and all other claims of every type or kind (including but not limited to bad faith or claims handling), whether presently known or unknown, that the Insured or anyone acting in their name now have or ever had, or may have in the future against the Subscribing Insurers arising under, out of, or in connection with the Claim.

- 6 -

Other than as necessary to enforce any part of this Agreement, the Insured further covenants not to sue or initiate arbitration or other dispute resolution (or to permit such action in their name) against the Subscribing Insurers in connection with the Claim. The Insured acknowledges that the filing of such an action except as allowed would be a material breach of this Agreement.

- g. Governing Law. This Agreement shall be interpreted under and governed by the laws of Ontario without regard to general principles of choice of law which might otherwise call for the application of the law of a different jurisdiction.
  
- h. Continuing Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and those whose interests depend on them, including but not limited to the Parties' respective successors, assigns, shareholders or other capital providers, principals, agents, servants, legal representatives, directors, officers, employees and affiliates of any kind.

i. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the Claim (except such undertakings as may have been made solely between or among the Parties and supersedes all prior discussions, agreements, and understandings, both written and oral, between the Parties with respect hereto.



By: F. Tonucci  
(Chief Financial Officer)

Its: \_\_\_\_\_

Date: January 26<sup>th</sup>, 2018

PROVINCE OF Québec, CANADA  
Commissioner of Oath

Before me, the undersigned ~~Notary Public~~ of the jurisdiction aforesaid, personally appeared, Randa Najem, with whom I am personally acquainted (or provided to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself or herself to be the Commissioner of Oath as defined herein and that he or she, as such officer, executed the foregoing instrument for the purposes therein contained and with full authority to do so by signing the name of that entity.

WITNESS my hand and ~~notary~~ seal, at office this 26<sup>th</sup> of January, 2018.

Randa Najem

Notary Public

My Commission Expires: \_\_\_\_\_







## APPENDIX A

		Participation
Insurer	Policy No.	%
Westport Insurance Corporation	RS1300014	22.0%
Royal & Sun Alliance Ins Co of Canada	RS1300014	22.0%
Temple Insurance Company	RS1300014	7.0%
XI Insurance Company Limited	RS1300014	14.5%
Non-Marine Underwriters at Lloyd's (Starr Tech)	RS1300014	5.0%
Northbridge Indemnity Insurance Corporation	RS1300014	6.5%
Non-Marine Underwriters at Lloyd's (QBE)	RS1300014	5.0%
International Insurance Co. of Hannover	RS1300014	9.5%
Intact Insurance Company	RS1300014	5.0%
Non-Marine Underwriters at Lloyd's (Ascot)	RS1300014	3.5%

APPENDIX B

**Final Settlement Payments at Closing**  
 (Settlement amount: \$11,700,000.00, less deductible \$2,000,000.00,  
 less advance payments \$6,000,000.00. Final Settlement Payment on Claim \$3,700,000.00)

		Participation
Insurer	Policy No.	Final Settlement Payment Share (CAD): \$3,700,000.00
Westport Insurance Corporation	RS1300014	\$814,000.00
Royal & Sun Alliance Ins Co of Canada	RS1300014	\$814,000.00
Temple Insurance Company	RS1300014	\$259,000.00
XL Insurance Company Limited	RS1300014	\$536,500.00
Non-Marine Underwriters at Lloyd's (Starr Tech)	RS1300014	\$185,000.00
Northbridge Indemnity Insurance Corporation	RS1300014	\$240,500.00
Non-Marine Underwriters at Lloyd's (QBE)	RS1300014	\$185,000.00
International Insurance Co. of Hannover	RS1300014	\$351,500.00
Intact Insurance Company	RS1300014	\$185,000.00
Non-Marine Underwriters at Lloyd's (Ascot)	RS1300014	\$129,500.00

RESOLUTIONS  
OF THE  
BOARD OF DIRECTORS  
OF  
ASTALDI CANADA INC.  
(the "Corporation" and/or "ASTALDI CANADA")

**RESOLUTIONS APPROVING A CLAIM SETTLEMENT AGREEMENT WITH  
INSURERS REGARDING AN INCIDENT ON THE MUSKRAT FALLS PROJECT  
DATED MAY 29<sup>TH</sup>, 2016;**

**WHEREAS** the Corporation is a wholly-owned affiliate of Astaldi S.p.A., an Italian company involved in the construction of infrastructure (the "**Parent Corporation**");

**WHEREAS** the Corporation is, among other things, involved, in the construction business in Canada (the "**Canadian Activities**");

**WHEREAS** the Corporation is a contractor involved in the engineering and construction of an hydroelectric power station identified as Muskrat Falls in Labrador, Canada, part of the Churchill Falls Project ( the "**Muskrat Falls Project**");

**WHEREAS** the Corporation has sustained physical loss or damages, when on the 29<sup>th</sup> of May at the Muskrat Falls hydroelectric power house, the wooden forms supporting a concrete pour of the draft tube no. 2 collapsed causing the escape of concrete requiring removal, re-engineering, re-forming and re-pouring of the draft tube for which the Corporation has submitted a claim for indemnity that claim to its insurers (the "**Claim**") under a contract of insurance, Policy no. RS 1300014 (the "**Contract of Insurance**");

**WHEREAS** the Corporation and the insurers have agreed to enter into a claim settlement agreement , copy of which is attached hereof, with respect to the Claim (the "**Claim Settlement Agreement**") for a gross amount of \$11,700,000.00 subject to the \$2,000,000.00 deductible, as provided under the Contract of Insurance ;

**WHEREAS** the Corporation has already received from the insurers advance payments of \$6,000,000.00 leaving \$3,700,000.00 to be paid to the Corporation by the insurers by way of final settlement;

**WHEREAS** it would be advisable for the Board of Directors of the Corporation to authorize the Corporation to enter into the Claim Settlement Agreement;

19.

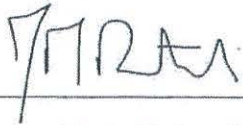
RESOLUTIONS  
OF THE  
BOARD OF DIRECTORS  
OF  
ASTALDI CANADA INC.  
(the "Corporation" and/or "ASTALDI CANADA")

**BE IT RESOLVED:**

1. That the Corporation be authorized and is hereby authorized, to enter into the Claim Settlement Agreement, substantially in the form and substance submitted to the Board of Directors of the Corporation for its review, and to enter into any ancillary document in connection thereto and to take such other action as may be required in order to give full effect to this resolution;
2. That Fabrizio Tonucci be authorized, and he is hereby authorized, to execute on behalf of the Corporation, the Claim Settlement Agreement and to enter and execute such other document (including any officer certificate to support such document) and to take such other action as may be required in order to give full effect to this resolution.

The undersigned being all directors of the Corporation hereby approved the foregoing resolutions in accordance with the provisions of the *Canada Business Corporations Act*.

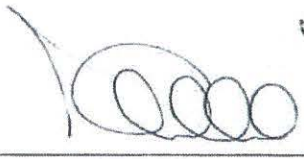
Dated this 25<sup>th</sup> of January 2018.



Francesco Maria Rotundi



Don Delarosbil



Fabrizio Tonucci



Emanuele Triassi