

Muskrat Falls Corporation

Corporate Office

500 Columbus Drive

P. O. Box 15000, Stn. A

St. John's, NL Canada A1B 0M4

Lower Churchill Project Operations Office

350 Torbay Road, Suite 2

St. John's, NL Canada A1A 4E1

08-Nov-2018

LTR-CH0007001-2992_R01

ASTALDI Canada Inc.

Box 177 Station C

Happy Valley-Goose Bay,

NL, Canada, AOP 1C0

Attention:

Mr. Don Delarosbil

Agreement No.:

CH0007-001

Title:

Construction of Intake and Powerhouse, Spillway and Transition Dams

Subject:

Notice of Termination

Ref:

Company Letter LTR-CH0007001-2879

Dear Mr. Delarosbil,

Company issued a Notice of Default to Contractor on September 28, 2018. The Notice stated that Contractor is in default pursuant to Articles 24.1(a), (b), (c) and (i) of the Agreement, pursuant to paragraphs 39(a) and (c) of the Completion Contract and pursuant to paragraph 28(a), (c) and (d) of the Incentive Funding Contract.

Contractor has not remedied nor taken any steps to remedy the defaults listed in the Notice of Default as required by Article 24.2, and therefore Company terminates in whole Agreement No. CH0007-001 pursuant to Article 24.4(a) of the Agreement and paragraph 40(a) of the Completion Contract, including all subsequent amendments to and contracts between Company and Contractor in relation thereto. Termination shall be effective immediately.

In addition, Company hereby gives Notice to Contractor that Company terminates the Agreement No. CH0007-001 pursuant to Article 24.3 of the Agreement, including all subsequent amendments to and contracts between Company and Contractor in relation thereto.

Company hereby gives Notice to Contractor, pursuant to Article 24.8, that Company shall complete the Work or cause the Work to be completed. Pursuant to Article 24.9, Company is not obliged to make any payment to Contractor for Work performed until Company has achieved Final Completion at which time there shall be an accounting pursuant to Articles 24.9 and 24.10.

In accordance with Article 24.13 of the Agreement, Company requires Contractor to:

- (a) stop the performance of all Work and services hereunder except as may be necessary to carry out such termination;
- (b) assign to Company, upon Company's request, all rights of Contractor under such of the Subcontracts entered into by Contractor in connection with this Agreement as Company may specify;
- (c) terminate all Subcontracts as Company may specify in writing;
- (d) provide to Company a detailed list of all tangible and intangible property relating in any way to the Work including all equipment, machinery, fixtures, supplies, designs, concepts, plans, drawings, specifications, schedules, models, samples, patents, technology leases, licenses, books and records;
- (e) be deemed to have granted to Company for Company purposes a non-exclusive, perpetual license or other right to use any and all intellectual property, subject to the terms and conditions set forth in Article 37;
- (f) deliver or cause to be delivered to Company executed copies of all Subcontracts and related agreements to which it is a party, and shall use its best efforts to deliver or cause to be delivered copies of all documents and agreements relating to the Work which are in the possession or control of any Subcontractors;
- (g) deliver or cause to be delivered record drawings for the portion of the Work which has been completed to that date;
- (h) remove from the Site all material, debris, equipment and supplies that have not been incorporated in the Work and that are designated in writing by Company to be so removed;
- (i) do all such acts, execute and deliver to Company all such documents, conveyances, deeds, assignments, transfers, bills of sale, assurances and certificates and take all actions as may be required by Company to exercise its rights hereunder;
- (j) quit the Site;
- (k) surrender possession and control of the Site and the Work and deliver to Company or its nominee the Work (except those owned by third parties) free and clear of any and all security interests;
- (l) provide Company with such evidence or assurances as Company may reasonably require that title to the Work is unencumbered, and indemnify Company in connection therewith as provided for in Article 21 including an indemnification for any outstanding actions, suits or proceedings;

- (m) remove and dispose of such of the Work as is designated in writing by Company to be so removed and decommission or mothball the Work as reasonably required by Company; and
- (n) take any other action towards termination of the Work which Company shall request in writing.

Yours truly,



Scott O'Brien
Company Representative, Muskrat Falls Generation



Gilbert Bennett
Executive Vice President

cc: Mr. Francesco Rotundi
cc.: Astaldi SpA
cc: John McDevitt (john.mcdevitt@libertymutual.com)
cc: David Koziel (david.koziel@aig.com)