

**Labrador-Island Link Limited Partnership**

Lower Churchill Project
350 Torbay Road Plaza, Suite No. 2
St. John's, NL
Canada A1A 4E1

LTR-CD0502001-0349

To the attention of Mr. Darren DeBourke

Date: 09-Mar-2016

O/Ref: LTR-CD0502-AG-LTCLILLP-0158**Y/Ref:** LTR-CD0502-LTCLILLP-AG-0195 dated 04-Mar-2016**Agreement No:** CD0502 – AC Substations Construction**Subject:** Contractor Performances / ongoing actions

Dear Mr. DeBourke,

This letter is an addition to the letter sent on 01-Mar-2016 Reference LTR-CD0502-AG-LTCLILLP-0128

Contractor wishes, in this letter, to give more information to the Company about the actions being taken within the GE Organisation to make sure the concerns raised by the Company are answered in a complete and sustainable way.

First, the GE Project Team wants to ensure the Company that, it has openly shared all the concerns raised by the Company at all levels of the organisation in Canada, in the USA and in our headquarters in Paris.

In addition to the two visits of our Stephen Hall, Executive VP Project Management, Company has been made aware that the GE Project Team had two extensive reviews for each project with the GE Grid Solution Excom during the last week of February.

Last week and up to close 8-Mar-2016, Contractor held a series of audits and working session with the following senior leader:

- o Jean Michel Rivière: GE Grid Solution Head of Engineering
- o Issa Konate: GE Grid Solutions Chief Planner
- o Jacques Georges: GE Grid Solutions Head of Construction

A significant objective of the week was to review the Projects schedules of CD0501 and CD0502 to make sure that the both our and the Companies expectations will be fully met with regards to the execution and delivery of the remaining works as well as ensuring all returns of experience, improvements and sequences of works align with the Construction Plan are implemented in the project schedule.

Alstom Grid Canada ULC

1400, Industrielle
La Prairie, Quebec
J5R 5Z5 CANADA

T 450 659 8921
F 450 659 3371
www.gealstom.com



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As discussed with Company's team, the objective was to send the CD0502 schedule to Company by 09-Mar-2016, and by 10-Mar-2016 for the CD501 schedule, including the February update, for a proposed common review, with limited attendance (PM's and planner) on 17-Mar-2016.

Additional working sessions have been completed in Montreal with the participation of Stafford personnel i.e. PES Project manager, PES Lead Engineer and PES Lead Planner to review the engineering progress, engineering workload and processes.

Another specific working session has been done for the Control strategy & integration and additional actions are being implemented.

Gate Reviews were planned before the start of the Electrical Installation. A dedicated gate review has been completed with the return of experience of HVDC Sweden and Dolwin (done by Jacques Georges to the Project Team).

This week, another audit is organized with our Head Of Risk Management Mr Hichan Esslimani.

The GE Project Team will wait till the complete results of the audits and working sessions are completed and signed off before communicating to the Company the action plans being implemented. Contractor understands the criticism of the current situation and the pressure on the Company Project team, and, Contractor has chosen to complement our letter LTR-CD502-AG-LTCLILLP-0128 to confirm that the GE Project Team leadership, supported by the GE Senior Management, is taking the necessary steps to improve the execution of the projects.

Once those audits are finalised a third letter will be sent with a complete list of actions to be taken and implemented.

During the review with our GE Grid Solution Excom, it has been underlined and reminded the key importance of the on time delivery is in the GE Culture.

It has also been underlined how important the Customer is in GE's success and Contractor has been all reminded to stay committed, accountable while maintaining an open, constructive and respectful working relationship, with the Company, are critical for the success of the projects.

Contractor has received the GE Senior Management support to ensure that the right level of resources and competences are, and will be being allocated to the project in all departments to allow fast, and sustainable, project performance improvement.



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On behalf of the team, Contractor Representative (Thierry Martin) wants personally to confirm to the Company his personal commitment as well as the commitment of the key leaders of my team to make the necessary improvements in a safe and respectful environment to make these projects successful.

Contractor expects Company leaders and team to remain partners and in a constructive approach as well.

Yours Faithfully,

Thierry Martin

Thierry Martin
LCP Project Director
Encl.: N/A