

**Lower Churchill Management Corporation**

Lower Churchill Project Operations Office

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LTR-CD0502001-0357

LTR-CD0502-LTCLILLP-AG-0171

16-Mar-2016

Mr. Thierry Martin
Project Director
ALSTOM GRID CANADA ULC
1400 Industrielle, Suite 100
La Prairie, Quebec
J5R 2E5

Subject: Monthly Progress Report Status**Ref: LTR-CD0502-AG-LTCLILLP-0125**

Dear Mr. Martin,

Company is in receipt of Contractor's letter, referenced above. As Contractor notes, there were still a significant number of comments related to reporting of events and specifically to actions/mitigations. Company welcomes Contractor's commitment to improve this in future reports.

Company also acknowledges Contractor's statement regarding transparency, and hopes that this is manifested not only in the monthly reports, but across all areas of the project. That said, the monthly project report is a record of fact, not speculation, and thus represents both Parties. It is not intended to be a forum for subjective statements, but rather a medium to state fact and provide specific back-up and actions.

It is to be expected that at least one (1) round of comments will be returned through Aconex after review. As Contractor states, after improvement in overall quality of presentation, these comments should be limited to events and actions as the gaps close between Contractor reports and Company requirements.

It is Company's expectation that after initial review, comments will be returned and a meeting scheduled to review these comments, which will facilitate a quick turnaround of reports. Therefore, Company declines Contractor's suggestion to submit comments/concerns via a separate letter, as this does not address the statements in the report, which would remain as a point of fact and defeat the purpose of the monthly report. Now that Contractor believes the monthly reports are in a better condition, the review and approval period should be more efficient so will continue to be done through Aconex.

Finally, Company notes that the monthly report presentation has not occurred since fall 2015. This presentation represented a forum for both parties to discuss the report and get clarification, and



was generally productive. Contractor is requested to consider re-instating these meetings, if they feel they add value.

Please contact Mark Ellis should you require any further clarification.

Regards,



Darren DeBourke, P.Eng.
Project Manager, HVdc Specialties

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