



Lower Churchill Management Corporation
 Lower Churchill Project Operations Office
 350 Torbay Road, Suite 2
 St. John's, NL Canada A1A 4E1

LTR-CD0502001-0451

LTR-CD0502-LTCLILLP-AG-0254

25-May-2016

Mr. Stephen Hall
 Interim Project Director
 ALSTOM GRID CANADA ULC
 1400 Industrielle, Suite 100
 La Prairie, Quebec
 J5R 2E5

Subject: Outstanding Monthly Progress Reports
Ref: LTR-CD0502-LTCLILLP-AG-0068 dated 11-Aug-2015
LTR-CD0502-AG-LTCLILLP-0125 dated 29-Jan-2016
LTR-CD0502-LTCLILLP-AG-0171 dated 16-Mar-2016
LTR-CD0502-AG-LTCLILLP-0175 dated 5-Apr-2016
AGrid-EMAIL-005693 dated 7-Apr-2016

Dear Mr. Hall,

Today, Company received revision A1 of the monthly progress report for April 2016. This report was due on 5-May-2016. In addition, the following monthly reports are outstanding as recorded in Aconex:

Monthly Report	Rev.	Date Submitted in Aconex	Date Comments Returned	Document Code
October 2015	A1	17-Nov-2015	19-Nov-2015	05 – Not Reviewed
November 2015	A1	14-Dec-2015	7-Jan-2016	02 – Revise & Resubmit
December 2015	A1	21-Jan-2016	28-Jan-2016	02 – Revise & Resubmit
January 2016	A1	19-Feb-2016	7-Mar-2016	02 – Revise & Resubmit
February 2016	A1	29-Mar-2016	1-Apr-2016	02 – Revise & Resubmit
March 2016	A1	15-Apr-2016	6-May-2016	02 – Revise & Resubmit

Company notes that Contractor has provided many assurances to Company through letters and emails (see above) to submit the outstanding monthly progress reports by a specific date; however, Contractor continually fails to achieve these commitments. Company also notes that even though Contractor has assigned a resource to lead the monthly report activity, it is Company's opinion that Contractor still has not allocated enough qualified resources to meet contractual reporting requirements.

As previously requested on 11-Aug-2015 (ref. Company letter LTR-CD0502-LTCLILLP-AG-0068), Contractor was to submit to Company a plan by 14-Aug-2015. As no plan was submitted to Company, Contractor is again requested to submit a plan by 3-Jun-2016. The plan shall describe

how Contractor intends to clear the backlog of overdue monthly reports, as well as submit future monthly reports on time. The plan should also include measureable and achievable actions where progress can easily be verified and tracked.

Company has explained the importance of Contractor's monthly progress reporting on numerous occasions and will continue to withhold Project Management fees from Contractor invoices until this situation is rectified.

Please contact Mark Ellis if you have any questions pertaining to this matter.

Regards



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

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