



LOWER CHURCHILL PROJECT – MUSKRAT FALLS

CH0007: CONSTRUCTION OF INTAKE AND POWER
HOUSE, SPILLWAY AND TRANSITION DAMS

22-July-2017

ACI-MFC-1126Muskrat Falls Corporation
350 Torbay Road, Suite 2
St. John's, NL Canada**Attention: Mr. Scott O'Brien, Company Representative****Agreement No.: Contract No. CH0007-001****Title: Construction of Intake Powerhouse, Spillway and Transition Dams****Subject: Tone of recent letters****Reference: LTR-CH0007001-1835, 1860, 1862, 1883, and 1885**

Dear Mr. O' Brien:

Contractor acknowledges receipt of the referenced letters and has to advise it is concerned with the escalating tone. One such letter that is particularly repugnant is LTR-1885. Contractor advises it has been placed in an untenable position where it perceives some Company personnel are employing heavy handed bargaining practices that may, on one hand be considered to be unconscionable, and on the other hand totally against the guiding principles of the Completion Agreement whereby both parties made a commitment to ensure conditions would be sought under which the Work under the Agreement could continue to Final Completion.

Furthermore, Contractor has found that recent Commercial Meetings have been ineffective with reaching agreement on Changes, and the Steering Committee meetings are focused on broader issues. With no other ability to reach a consensus or compromise, Contractor is left with no recourse other than to put its positions on paper and reserve its rights to further dispute issues in the future. We regret Company is taking offense to this.

Contractor advises it will continue to perform its work under Contract, respectfully requesting fair and reasonable compensation for extra work that it has entitlement to.

Sincerely,
Astaldi Canada Inc.

Don Delarosbil
Project Manager
Lower Churchill Project – Muskrat Fallscc: MFC – Mr. Mike Harris, Mr. Mel Melhem, Ms. Vivian Wang
Astaldi – Mr. Georges Bader, Mr. Robert Gregoire, Mr. Salman Aziz, Ms. Colleen MacDonald, File