From: scotto"brien@lowerchurchillproject.ca

To: <u>desmond tranquilla/nlhydro</u>

Subject: Astaldi

Date: Friday, November 15, 2013 3:15:44 PM

FYI.

Sent from my iPad

Begin forwarded message:

From: "Paul Harrington" < PHarrington@lowerchurchillproject.ca>

Date: November 15, 2013 at 2:49:18 PM NST

To: "Scott O'Brien"

<<u>ScottO'Brien@lowerchurchillproject.ca</u>>, "Jason Kean" <<u>JasonKean@lowerchurchillproject.ca</u>>, "Ron Power"

<RonPower@lowerchurchillproject.ca>,"Lance Clarke"

<LanceClarke@lowerchurchillproject.ca>

Cc: "Ed Over" < EdOver@lowerchurchillproject.ca>

Scott , Ron and Jason

You can get the details from Lance . Ed Martin and Mr Cerrii (Astaldi CEO) had a few calls today on the Astaldi situation. Here are the key points

1 Ed was well briefed by Lance on what the call was going to be about and the key messages we wanted Ed to hit home

2 We know Cerri was looking for a Contract Signing conditional on Financing being secured (it is not a matter of if but when in our case) So we made sure Ed knew that Astaldi are not making the progress that was promised and that if he agreed to the Conditional Contract Signing we would expect to see a step change in progress and also attitude- also we insist on the A team

3 Another pre requisite to Ed agreeing to the Conditional Contract signing was a Claims Waiver covering the LNTP, extension to the LNTP and the Conditional Contract periods - basically that Astaldi agree that the aforementioned periods will not be used in any future claim - delay, constructive delay or otherwise.

It appears that Ed is going to be Ok with signing the Conditional Contract assuming the following:

that the wording is of the Conditional Contract is acceptable to us (Ed Over and Lance have the pen on this)

that the Claims waiver is signed and the wording is acceptable to us (Ed Over and Lance have the pen on this)

that Astaldi step up, really get moving, mobilize the A team and their attitude changes positively (we need to monitor this and report back if we see them slipping back)

There is no doubt this contractor will take some management but we have shown that we mean business

Regards Paul

PS I had a phone call with Desmond on a different manner and gave him the same info as above

Paul Harrington

Project Director

PROJECT DELIVERY TEAM

Lower Churchill Project

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