

December 2, 2014

DCN: IAE-UPC-2342

Mr. Giuseppe Quarta
Grupo Unidos por el Canal, S.A.
Building 22B, Brujas Road
Cocoli, Republic of Panama

Reference: Contract No. CMC-221427, Design and Construction of the Third Set of Locks,
Panama Canal

Subject: Numbering of Variations

Dear Mr. Quarta:

The Employer refers to a number of determinations, as listed below, which have resulted in changes to the Contract Price. For administrative purposes, the Employer has assigned variation numbers to each determination as shown in the table below. This is not intended to have any defining, modifying or other effect on the contents of the letters referred to.

ITEM	REFERENCE	DATE	VO NUMBER
Range Tower No. 2	IAE-UPC-1201	13-Aug-2012	122
Claim No. 10 Fiscal Law 8	IAE-UPC-1202	13-Aug-2012	123
On-Site Testing	IAE-UPC-1203	13-Aug-2012	124
Transition Walls	IAE-UPC-2119	25-Jun-2014	125
Gate Drive Mechanism	IAE-UPC-2122	25-Jun-2014	126
Claim No. 66 Increase in Wages	IAE-UPC-2127	2-Jul-2014	127
VDS Semaphores	IAE-UPC-2156	24-Jul-2014	128
Claim No. 96 - Labor Strike	IAE-UPC-2192	6-Aug-2014	129
Maintenance Closure System	IAE-UPC-2199	8-Aug-2014	130
Fingerprint Readers	IAE-UPC-2217	26-Aug-2014	131

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The Employer attaches a variation form in respect of each of the items above. The Contractor's Representative's signature is not required.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Jorge de la Guardia', with a stylized flourish at the end.

Jorge de la Guardia

Employer's Representative

Locks Project Management Division



August 6, 2014

DCN: IAE-UPC-2192

Mr. Giuseppe Quarta
Grupo Unidos por el Canal, S.A.
Building 22B, Brujas Road
Cocoli, Republic of Panama

Reference: Contract No. CMC-221427, Design and Construction of the Third Set of Locks,
Panama Canal

Subject: Contractor's Claim No. 96 - Labour Strike during April and May 2014:
Employer's Determination

Dear Mr. Quarta:

The Employer refers to the Contractor's Notice of Claim dated April 25, 2014 (GUPE-IAE-2854) in respect of the nationwide labor Strike declared by the Sindicato Unico Nacional de Trabajadores de la Industria de la Construcción y Similares (SUNTRACS) and the notice of claim dated May 16 2014 (GUPE-IAE-2901) in respect of the impact of the agreement reached between SUNTRACS and CAPAC (Camara Panamena de la Construcción) which agreement ended the strike. The Employer also refers to the supporting documentation provided by the Contractor in its Interim Supporting Particulars dated June 6, 2014 (GUPE-IAE-2946) and under cover of Transmittal 36169 dated July 14, 2014.

Attached to this letter is a Determination of the Employer's Representative in relation to this claim, together with supporting particulars. The Contractor will note that the Determination states that the Contractor is entitled to an extension of time of 15 calendar days and is also entitled to be paid a total sum of \$2,301,633 in respect of the claim which the Contractor should include in the next Application for Interim Payment Certificate submitted to the Employer in accordance with Sub-Clause 14.3.3(f) of the Conditions of Contract.

Sincerely yours,

Jorge de la Guardia
Employer's Representative
Locks Project Management Division

Enclosure

STRIKE
EMPLOYER'S REPRESENTATIVE DETERMINATION
AUGUST 06, 2014

BACKGROUND

1. The Contractor submitted a notice of claim dated April 25, 2014 (GUPC-IAE-2854) in respect of the nationwide labor Strike declared by the Sindicato Unico Nacional de Trabajadores de la Industria de la Construcción y Similares (SUNTRACS)
2. As a consequence of the strike, the Contractor is claiming entitlement to an extension of time for Completion and / or any Milestone Date and / or additional payment.
3. The Contractor also submitted a notice of claim dated May 16, 2014 (GUPC-IAE-2901) in respect of the impact of the agreement reached between SUNTRACS and CAPAC (Camara Panamena de la Construcción) which agreement ended the strike.
4. Following clarification sought by the Employer, the Contractor has confirmed that both events are to be treated as part of the same claim, number 96 in the jointly agreed list. That said the Contractor has by its letter dated June 6, 2014 (GUPC-IAE-2946) served Interim Supporting Particulars which only address that part of the Contractor's claim related to the impact of the strike itself. Notwithstanding that the particulars are interim, and further that those particulars are only relate to part of the Contractor's claim, as requested by the Contractor during the recent DAB Progress Meeting, the Employer has given consideration to the particulars provided to date and has proceeded to issue this Determination in accordance with Sub Clause 3.5 [*Determinations*] of the Contract. The Determination will be limited, however, to a consideration of the Interim Supporting Particulars served to date and accordingly will only address the impact of the strike itself.
5. This Determination is made on the basis of the information currently available to the Employer's Representative. The Employer's Representative reserves all of its rights to revisit this Determination and/or its approach in determining any part of this Determination, including any issues of entitlement, upon receipt of any additional relevant information. For the avoidance of doubt, nothing in this Determination shall amount to any acceptance or acknowledgement of the Contractor's approach with respect to any current or future claims.
6. In the Interim Supporting Particulars the Contractor is claiming an Extension of Time of 20.8 calendar days, which is divided into 15 calendar days for the duration of the strike itself, 2.3 calendar days to gear up productivity to the same level achieved at the time when the strike was declared and 3.5 calendar days for work to be carried out in the wet season at lower productivity than that of the dry season. The Contractor is also claiming

additional costs of \$25,364,377, as set out in its additional back up information provided under cover of Transmittal 36169 on July 14, 2014. There has been an increase in the additional payment sought by the Contractor from the \$24,335,025 as set out in the Contractor's letter dated June 6, 2014. Both the Extension of Time and additional payment sought are described by the Contractor as interim and it is assumed that the Contractor will be submitting further particulars showing a greater impact on both the time and cost consequences of the strike itself, as well as particulars of the impact of the Suntracs/CAPAC agreement.

CONTRACTUAL PROVISIONS

7. In its Interim Supporting Particulars, the Contractor cites the following clauses, as giving rise to entitlement: 8.4, 8.4A, 13.7, 13.9 and 19 "inter alia". If the Contractor is to provide further supporting particulars, it would assist the Employer's consideration if the sub-clauses the Contractor is seeking to rely on are clearly stated.
8. Of the clauses listed, presumably the Contractor is relying primarily on Sub-Clause 19 [Force Majeure] in respect of the impact of the strike, though it has not clearly stated that is the case. Sub-Clause 19.1 incorporates a non-exhaustive list of exceptional events or circumstances which will be considered to fall within the definition of Force Majeure under the Contract. Of the events listed, presumably (again as the Contractor has not expressly stated this to be the case), the Contractor is seeking to rely on Sub-Clause 19.1(iii):
"riot, commotion, disorder, strike or lockout by persons other than the Contractor's Personnel and other employees of the Contractor and Subcontractors".
9. As the strike was a nationwide strike impacting a significant element the construction industry and not restricted to "the Contractor's Personnel and other employees of the Contractor and Subcontractors", the Employer considers that this strike may be considered a Force Majeure event in accordance with Sub-Clause 19.1(iii) of the Contract.
10. Under Sub Clause 19.4 the Contractor, having been prevented from performing obligations as a consequence of the strike, may be entitled to the following:
 - (a) Extension of Time for Completion to the extent that completion is or will be delayed (Sub-Clause 8.4 [Extension of Time for Completion]);
 - (b) an extension of a Milestone Date if and to the extent completion of the relevant Milestone is or will be delayed (Sub-Clause 8.4A [Extension of Milestone Dates]; and
 - (c) payment of any such Cost. Cost is defined, at Sub-Clause 1.1.4.3, as *"all expenditure reasonably incurred (or to be incurred) by the Contractor, whether on or off the Site, including overhead and similar charges, but does not include profit."*

11. Under Sub-Clause 8.4 [*Extension of Time for Completion*], the Contractor is entitled to an extension of the Time for Completion “*if and to the extent that completion...is or will be delayed by* [listed causes].” Sub-Clause 8.4A [*Extension of Milestone Dates*] similarly provides for extensions to Milestones to the extent they are delayed by any of the listed causes.
12. The Contractor cites Sub-Clauses 13.7 [*Adjustments for Changes in Legislation*] and 13.9 [*Adjustment for Changes in Local Labor Rates*] which presumably are intended to be of relevance to that part of the Contractor’s claim as relates to the impact of the Suntracs/CAPAC agreement. The Employer awaits particulars before considering those elements of the Contractor’s claim. In the interim, the Contractor is reminded of the limitations of these clauses and is referred in particular to the Employer’s letter dated May 16, 2014, reference IAE-UPC-2070. The Employer in that letter reiterated the clear provisions of Sub-Clause 13.9.1 which provide that no adjustments are to be made in respect of adjustments to local labour rates after the 1694th day after the Commencement Date.

DETERMINATION PROCESS

13. The Employer’s Representative is issuing this Determination in accordance with Sub-Clause 3.5 [*Determinations*] of the Contract and in response to the Contractor’s specific request for a Determination. Notwithstanding that, the Employer’s Representative remains available to meet with the Contractor to discuss this Determination, in particular once the Employer’s Representative has received the further particulars that the Contractor has indicated are to follow.

DETERMINATION

14. The Employer has made a fair determination in accordance with the Contract. The Determination of the Employer’s Representative is as follows:

EXTENSION OF TIME

15. The Contractor is entitled to an Extension of Time for Completion of 15 calendar days. The entire strike duration of 15 days may be broken down into 12 work days and 3 non-work days, the latter being two Sundays and one public holiday falling within the strike period. Accordingly the Employer’s Representative considers the Time for Completion will be extended to November 4 2014.
16. The Contractor is also entitled to an Extension of Milestone Dates – each of the remaining Milestone Dates are to be extended by 15 calendar days, the duration of the

strike. The list of Milestones and current Milestone Dates together with revised Milestone Dates is attached in Appendix 1 to this Determination.

17. As regards the 2.3 calendar days the Contractor claims entitlement for in order for it to get productivity to the pre-strike levels, so far no substantiation has been provided. Whilst the Employer's Representative acknowledges the possibility of a limited ramp up period being experienced, the Contractor will be required to provide substantiation, including demonstrating that in fact it experienced a period of lower productivity during this ramp up period, before it can be determined what, if any, time was in fact required by the Contractor in order to reach pre-strike levels of productivity. Once that substantiation is provided the Employer will be able to make a fair determination in accordance with the Contract.
18. In respect of the claimed entitlement of 3.5 calendar days for work to be carried out in the rainy season with the resulting lower productivity than during the dry season, the Contractor has not provided any substantiation for the Employer to consider. The Employer does not consider that there will be any entitlement in respect of the work during the rainy season but if and when the Contractor provides such substantiation, the Employer's Representative will make a fair determination in accordance with the Contract.

COST

19. Given the Employer's assessment of the Contractor's entitlement to an Extension of Time of 15 calendar days, the Employer has assessed the additional payment which may be due to the Contractor based on the same period. The total sum currently being claimed by the Contractor for the 15 calendar days (the entirety of the strike period) is \$14,955,425 (an increase from the \$14,348,480 set out in the June 6, 2014 particulars).
20. The Employer's assessment of the Contractor's entitlement to additional payment is divided into the same cost categories used by the Contractor. A summary is presented as Appendix 2 to this Determination but the explanation of the Employer's Representative's approach is set out below for ease:

Direct Costs

Labour (\$292,549 claimed)

The Contractor's approach of using an average unit cost to determine the hourly rate for labor was found by the Employer's Representative to result in an overstatement of the

Contractor's entitlement. That approach includes a period outside of the strike period and in addition the Employer's Representative noted that May 1, 2014 was a public holiday in Panama and accordingly no additional payment is due in respect of the labor costs for that day.

The Employer's Representative's assessment of the additional payment to be made to the Contractor is based on the April 2014 and May 2014 GUPC Internal Payrolls as well as the Payment Certification from CSS for May 2014, both of which have been relied on to assess the actual hours worked during the period of the strike and the labor base salary. The working hours were broken down into regular and overtime hours with an average overtime factor being applied to the latter in accordance with the Panamanian Labor Code. Fringe benefits were included in accordance with the GUPC Internal Payrolls, as validated in accordance with the Panamanian Labor Code.

Following the above approach, the Employer's Representative determines that the Contractor is entitled to **\$73,771** in respect of the direct labour costs incurred during the period of the strike.

Foreman (\$440,864 claimed)

A meeting was held on July 3, 2014 between the Employer and Contractor's respective Project Control Teams during which the Employer's team requested the following information as necessary in order to assess the additional Costs being claimed in respect of the Foreman and Local Labour:

- April 2014 and May 2014 GUPC Internal Payrolls
- Payment Certification from CSS for May 2014

The Contractor provided the requested information under cover of Transmittal 36169 dated July 14, 2014 and based on the Employer's Representative's assessment of that information, the Employer's Representative has determined that the Contractor is entitled to recover the total of **\$440,864** in respect of the Foreman and Local Labour costs.

Depreciation (\$3,620,253 claimed, an increase from the \$3,544,290 as set out in the June 6, 2014 submission)

As the Contractor is aware the Employer's Representative does not agree with the Contractor's use of a daily rate for depreciation on the basis that this does not reflect the Cost (as defined in the Contract) incurred by the Contractor as a consequence of the strike. The Employer's Representative's consistent position on depreciation is that the "additional cost" of depreciation, if any, should be the difference between the salvage

value that the Contractor would have sold the equipment in question for had the strike not occurred, and the salvage value it will ultimately sell the equipment for, 15 calendar days later. Until the equipment in question is sold, any depreciation cost can only be theoretical. The Contractor's claim for depreciation is not adequately substantiated in accordance with the Contract and the Employer's Representative does not consider that the Contractor has established any entitlement at this time.

Rental of Equipment (\$743, 250 claimed, an increase from the \$676,125 as set out in the June 6, 2014 submission)

In the absence of actual cost information being provided by the Contractor, the Employer's Representative undertook its own assessment which involved taking all the reported rented equipment provided by the Contractor in the May 2014 Monthly Progress Report (April 20 to May 25), since it covers the strike period. Market research was then carried out in order to estimate the rental cost of each item of this equipment.

The cost estimate developed by performing the above exercise gave a result within a reasonable range when compared with the cost of rental equipment claimed by the Contractor.

The Employer's Representative's assessment of additional payment due is the amount of **\$743,250**. This amount is provisional and subject to the Employer carrying out an audit of the Contractor's cost in respect of rental equipment during the strike period. The Employer reserves its rights to revisit this amount and to make a deduction if the full amount assessed is not substantiated by the Contractor.

ITBMS (\$631,110 claimed, an increase from the \$389,670 as set out in the June 6, 2014 interim particulars)

The amount claimed in respect of ITBMS should relate to costs which are validly incurred or to be incurred in accordance with the Contract. The Contractor has taken the taxes for April and May and averaged those out to get to arrive at a figure for the duration of the strike. This approach is unacceptable. The Contractor should be able to identify those elements of cost on which it is claiming ITBMS and to identify the specific costs before applying ITBMS to them. The breakdown provided should be sufficiently detailed and cross-refer to invoices in respect of additional claimed costs.

Unless or until such substantiation is provided, the Employer's Representative does not consider that the Contractor has established any entitlement at this time in respect of ITBMS.

Subcontractor claims (Civil) (\$1,352,076 claimed)

Presumably these subcontractors are claiming pursuant to force majeure provisions in their respective contracts – as noted below, in the case of Hyundai and Cimolai the Contractor has confirmed this to be the case but the basis for the other subcontractor claims should be clarified. Just as the Employer requires the Contractor to provide substantiation of its claimed costs, the Contractor is entitled to the same from its Subcontractors and the Employer requires the same in order to assess whether such costs have been, or will be, reasonably incurred. The Contractor is also reminded that both it, and its Subcontractors have a duty to minimise the impact of the strike.

Subsequent to the meeting with the Contractor on July 3, 2014, the Contractor submitted the following additional information:

- Construmarco Claim in the amount of \$398,156: No information has been provided
- Jan de Nul Claim in the amount of \$953,920: No information has been provided

There is not enough detail to verify what is actually included in each of the subcontractor's claimed amounts. The Contractor should submit the breakdowns and the particulars for each subcontractor claim, including but not limited to the copies of those subcontracts including the cost information, payrolls and any other supporting documentation.

Consequently, unless and until substantiating information is provided by the Contractor, the Employer's Representative does not consider that the Contractor has established any entitlement at this time in respect of Subcontractor claims.

Subcontractor claims (EM) (\$752,115 claimed)

Subsequent to the meeting with the Contractor on July 3, 2014, the Contractor submitted the following additional information:

- Hyundai Claim in the amount of \$302,106.15: Hyundai Claim is based on the Force Majeure clause. However, even though the narrative information provided by this subcontractor seems to be detailed, no supporting documentation has been provided.
- Cimolai S.p.A. Claim in the amount of \$450,000.00: Cimolai Claim is also based on the Force Majeure clause. In support of this, however, the subcontractor appears only to have provided a statement indicating a preliminary assessment of costs incurred based on a figure of \$30,000/day.

Please see comments above in respect of the civils Subcontractors. Whilst invoices have been provided, they do not represent sufficient substantiation to demonstrate that the

costs have been incurred (or will be incurred) nor do they demonstrate that such costs are reasonable for the Contractor to incur. As a consequence of the lack of substantiation provided by the Contractor, the Employer's Representative does not consider that the Contractor has established any entitlement at this time.

Subcontractor (various) (tba)

The Employer is awaiting particulars in respect of this head of claim, if in fact the Contractor intends to pursue this. Alternatively the Employer should be grateful for confirmation that this may be omitted.

Indirect Costs

Local Staff (\$881,300 claimed)

Please see the comments under Foreman costs above. Based on the payroll and payment certification records provided, the Contractor is assessed to be entitled to recover a total of **\$881,300** in respect of Local Staff costs. The Employer's Representative assessed the total amount to be validated based on its review of the GUPC Internal Payrolls submitted by the Contractor.

Expatriate Staff (\$641,958 claimed, a reduction from the sum of \$667,410 as set out in the June 6, 2014 particulars)

At the meeting held on July 3, 2014 the Employer's Project Controls team requested additional information to validate the additional Cost claimed under this head, including:

- April 2014 and May 2014 GUPC Internal Payrolls
- Payment Certification from CSS for May 2014

The Contractor clarified that these expatriate staff are hired by the Contractor and not by the individual consortium companies. The majority of this staff are field supervisors and working in the Contractor's main office.

The information provided by the Contractor includes the costs for the expatriate staff as recorded in SAP during the months of April and May 2014. The costs include salaries, CSS, Seniority Provision, 13th month provision, Vacation provision, others and Professional Risks. A further breakdown was provided by the Contractor showing how each of the payroll costs were calculated.

The Contractor, however, has not submitted the Expatriate Staff Payroll information with employee names. The Contractor also has not provided the CSS payment

certification records for these personnel. In the absence of adequate substantiating information, the Employer's Representative does not consider that the Contractor has established any entitlement at this time related to Expatriate Staff.

GUPC Partners Expatriate Staff (\$1,174,680 claimed, an increase from the \$1,151,535 set out in the interim particulars)

The Contractor includes under this head the costs for the expatriate staff recorded in SAP during the month of April and May 2014.

During the meetings on July 3 and July 10, 2014 the Employer requested additional information to validate the additional Cost claimed for this cost item such as the monthly payroll (for April and May 2014) and invoices by each member company of the consortium.

To date the Contractor has, however, only provided limited invoices that relate to the strike period. The Employer's Representative does not, however, consider that the Contractor has established any entitlement at this time for such Expatriate Staff as are employed by the individual consortium members. Such costs appear to be "head office" costs in respect of which the Employer's consistent position is that the Contractor is not entitled to recover the same. There is no explanation or evidence provided as to why such costs should be claimed by the Contractor. The Employer's Representative accordingly does not consider that the Contractor has established any entitlement at this time.

General Expenses (\$256,410 claimed, a slight reduction on the amount of \$260,475 as set out in the June 6, 2014 particulars)

The information includes the costs recorded in the Contractor's SAP system during the months of April and May 2014 in respect of General Expenses. The costs are mainly for "Servicios – Vigilancia, Servicios – Telefonía Celular and Transporte del Personal" [security/cellphones/transport].

Of the amount claimed the Employer's Representative determines that an additional payment of **\$72,150** may be made to the Contractor as the only amount supported by invoices.

Services (\$1,035,510 claimed, an increase from the amount of \$868,215 as set out in the June 6, 2014 particulars)

The Contractor provided invoices in respect of Fall Line but those services, and the costs of the same, have been the subject of a claim which the DAB decided would

entitle the Contractor to costs until April 2014. No additional sums are therefore payable to the Contractor in respect of Fall Line.

In the absence of any substantiating invoices in support of this element of the Contractor's claim, the Employer's Representative does not consider that the Contractor has established any entitlement at this time for additional payment for Services.

General Expenses and Services (tba)

The Employer is awaiting particulars in respect of this head of claim, if in fact the Contractor intends to pursue this. Alternatively the Employer should be grateful for confirmation that this may be omitted.

Materials (\$116,940 claimed, an increase from the amount of \$103,575 as set out in the June 6, 2014 particulars)

The information provided by the Contractor includes the costs recorded in its SAP system during the months of April and May 2014 in relation to Materials. The Contractor provided a spreadsheet with materials costs including: Adhesives, pipes and fittings, diesel for Toyota hilux, concrete test equipment and topographic monitoring equipment.

During the meeting held with the Contractor on July 3, 2014, the Contractor explained that the costs claimed were in respect of materials taken out from its warehouse in order to maintain the project site during the strike period. This would have been for activities such as dewatering and road maintenance, necessary in order to avoid damage to the Works or the Site.

The information provided by the Contractor is not, however, supported either by a narrative report from the warehouse, or daily reports indicating what activities were performed during the strike period. Additionally, none of the claimed costs has been supported by invoices or any other supporting documentation that would allow the Employer to validate the same.

Consequently, the Employer's Representative does not consider that the Contractor has established any entitlement at this time for Materials.

Other Costs (Insurance and Bonds) (\$919,050 claimed)

The Contractor has submitted a table for costs regarding Bonds, Bank fees and Insurances. After meetings held with the Contractor, the Contractor submitted the following additional information:

Mobilization and Plant – Advanced Payment Bond (\$400M)

Scotia Bank invoices for the period of April and May 2014

Plant (\$200M)

Banistmo invoices for the period of July 1, 2014 to September 30, 2014

The Contractor is claiming approximately \$450K for performance Bond fees, however, given the likely change to the status of the Performance Bond pursuant to the MOU Variation Agreement, the Performance Bond charges will not arise.

Consequently, the Employer's Representative can only validate **\$90,298** for the Bonds (in particular this is for the Mobilization and Plant Advance Payment Bond (\$400m)). As regards bank fees and insurances, the Contractor has not provided any supporting documentation and accordingly the Employer's Representative does not consider that the Contractor has established any entitlement at this time.

Other Costs (Interest on debts) (\$993,586 claimed)

Absolutely no substantiation or explanation is provided as to the Contractor's claim for other costs such as interest on debts. It is unclear why, in any event, such costs should be passed on to the Employer. On that basis the Employer's Representative does not consider that the Contractor has established any entitlement at this time.

Other Costs (Various) (tba)

The Employer is awaiting particulars in respect of this head of claim, if in fact the Contractor intends to pursue this. Alternatively the Employer should be grateful for confirmation that this may be omitted.

H.O. Overheads (5% of DIR costs - \$391,611 claimed)

As the Contractor is aware, the Employer's consistent position is that it does not recognise the validity of claimed Head Office overheads as falling within the definition of Cost under the Contract. There is no explanation or evidence provided as to why any head office costs should be claimed by the Contractor or that such costs have ever been levied against the Contractor by the various head offices. The Employer's Representative accordingly does not consider that the Contractor has established any entitlement at this time.

Profit (5% of Total including Overheads - \$712,163 claimed)

The Employer notes that the Contractor has included a sum of \$1,158.809 as profit in its Summary of the Estimated Additional Interim Cost. Under the terms of the Contract, the Contractor is not entitled to recover any profit as a consequence of a Force Majeure event. The entirety of this amount is therefore rejected.

SUMMARY

21. This Determination has been carried out based on the Interim Supporting Particulars provided by the Contractor to date. The Contractor is invited to submit further particulars in respect of its claim which will be duly considered in accordance with the Contract. The Contractor is in the meantime reminded of its duty to minimise any delay in the performance of the contract as a consequence of the Force Majeure event. The Contractor is also reminded of its obligations under Sub-Clause 20.1 [*Contractor's Claims*] of the Contract to keep contemporary records as necessary to substantiate its claim and to permit the Employer's Representative to inspect these records.

DATE

6/viii/2014


EMPLOYER'S REPRESENTATIVE

APPENDIX 1

SECTION 8.3 (a, b) Milestones		GUPC Proposed Date	Extension to GUPC Proposed Date
a	DESIGN		
i	All Filling And Emptying System Design	15-Feb-11	15-Feb-11
ii	All Lock and Gate and Valve Design And Released For Fab	30-Nov-11	30-Nov-11
b	ATLANTIC CONSTRUCTION		
i	Aggregate System Deployed And The First 5000Mc Of Concrete Placed	2-Apr-11	2-Apr-11
iii	All Locks and WSB Structural Excavation	4-Dec-12	19-Dec-12
v	All Locks And WSB Concrete Placed	17-Sep-13	2-Oct-13
vii	Rolling Gates and Appurtunances	14-Feb-14	1-Mar-14
ix	Take-Over Certificate Requirements	20-Oct-14	4-Nov-14
b	PACIFIC CONSTRUCTION		
ii	Aggregate System Deployed And The First 5000Mc Of Concrete Placed	10-Apr-11	10-Apr-11
iv	All Pacific Locks and WSB Structural Excavation	8-Jan-13	23-Jan-13
vi	All Locks And WSB Concrete Placed	16-Oct-13	31-Oct-13
viii	Rolling Gates and Appurtunances	5-Mar-14	20-Mar-14
x	Pacific Take-Over Certificate Requirements	20-Oct-14	4-Nov-14

APPENDIX 2

No.	Description	Contractor's Claim (\$)	ER's Assessment (\$)
1	Labour	292,549	73,771
2	Foreman	440,864	440,864
3	Depreciation	3,620,253	0
4	Rental Equipment	743,250	743,250
5	ITBMS	631,110	0
6	Subcontractor claims (civil)	1,352,076	0
7	Subcontractor claims (E&M)	752,115	0
8	Subcontractor (various)	tba	0
9	Local Staff	881,300	881,300
10	Expatriate Staff	641,958	0
11	GUPC Partners Expatriate Staff	1,174,680	0
12	General Expenses	256,410	72,150
13	Services	1,035,510	0
14	General Expenses and Services	tba	0
15	Materials	116,940	0
16	Other costs – Insurances and Bonds	919,050	90,298
17	Other costs – Interest	993,586	0
18	Other costs – various	tba	0
19	SUBTOTAL	13,851,651	2,301,633
20	Head Office overheads	391,611	0
21	SUBTOTAL + Head Office Overheads	14,243,262	2,301,633
22	Profit	712,163	0
23	TOTAL	14,955,425	2,301,633

Note that the amounts in column 3 (Contractor's Claim) only relate to the amount claimed by the Contractor for the 15 days of the strike period.