

PANAMA CANAL AUTHORITY	VARIATION	PAGE 1 OF 6
1. REQUEST FOR PROPOSAL No.:	2. CONTRACT No.:	3. DATE:
76161	CMC-221427	May 5, 2015
		4. VARIATION No.:
		142

5. ISSUED BY:

PANAMA CANAL AUTHORITY
Employer's Representative
Locks Project Management Division
Building 740, Corozal
Panama, Republic of Panama

6. NAME AND ADDRESS OF CONTRACTOR (INCLUDE PHYSICAL & POSTAL ADDRESS)	7. CONTRACTOR'S TELEPHONE NUMBER:
Grupo Unidos por el Canal, S.A. Building 22B, Brujas Road Cocoli, Republic of Panama	507-316-9900
	8. CONTRACTOR'S FACSIMILE NUMBER:

9. VARIATION:


The contract referred to in item No. 2 is hereby varied as set forth in item 10, entitled "DESCRIPTION OF VARIATION".
YES. NO. The contractor shall send a copy, duly signed, of this Variation to the Employer's Representative/Contracting Officer.

	9 A. THIS VARIATION IS EXECUTED ON THE BASIS OF: (Specify the legal authority). THE VARIATION DESCRIBED IN ITEM 10 IS HEREBY INCORPORATED AND MADE A PART OF THE CONTRACT.
	9 B. THE CONTRACT REFERRED TO IN ITEM NO. 2, IS VARIED TO INCORPORATE ADMINISTRATIVE CHANGES (such as the paying office, account numbers, etc.).
X	9 C. THIS BILATERAL AGREEMENT IS SIGNED AND INCORPORATED INTO THE CONTRACT REFERRED TO IN ITEM NO. 2 OF THIS FORM, ON THE BASIS OF: (Specify the legal authority) Volume III, Conditions of Contract, Sub-Clause 1.16 [Entire Agreement], 4 th Paragraph
	9 D. OTHER. (Specify manner and the legal authority).
	9 E. ACCOUNT NUMBER (If required):

10. DESCRIPTION OF THE VARIATION (List in accordance with the order of the Contract. If additional space is required, use blank sheets).

See Variation Agreement Enclosed

Except for the variation(s) herein specified, all other terms and conditions of the Contract remain unchanged.

11. NAME AND TITLE OF THE PERSON AUTHORIZED TO SIGN (Type or print)	12. NAME AND TITLE OF THE EMPLOYER'S REPRESENTATIVE/CONTRACTING OFFICER (Type or print)
Giuseppe Quarta Contractor's Representative	Jorge de la Guardia, Employer's Representative
13. CONTRACTOR	14. DATE:
	5/4/2015
(Authorized signature)	15. PANAMA CANAL AUTHORITY
	
	(Employer's Representative/Contracting Officer's signature)
	16. DATE:
	5/4/2015

This Variation Agreement Number 142, is dated as of the 5th day of May, 2015 and made

Between: Autoridad del Canal de Panama, Building 740, Corozal, Panama, Republic of Panama (hereinafter called the "**Employer**") on the one part,

and

Grupo Unidos por el Canal, S.A., of Building 22B, Brujas Road, Cocoli, Panama, Republic of Panama, a corporation organized under the laws of the Republic of Panama, registered under microjacket number 682266, document number 1683284 of the Mercantile Section of the Public Registry Office of the Republic of Panama (hereinafter called the "**Contractor**" and together with the Employer, the "**Parties**") on the other part.

Whereas:

- (a) The Employer and the Contractor are party to Contract CMC-221427 for the Design and Construction of the Third Set of Locks, dated August 11, 2009 (as the same has been or may be varied, amended, supplemented or otherwise modified (the "**Contract**")).
- (b) Pursuant to Variation Agreement No. 048 dated September 10, 2012, Variation Agreement No. 067 dated May 22, 2013, Variation Agreement No. 081 dated October 25, 2013, Variation Agreement No. 107 dated July 07, 2014, Variation Agreement No. 109 dated July 31, 2014, Variation Agreement No. 111 dated August 04, 2014, Variation Agreement No. 112 dated August 04, 2014 and Variation Agreement No. 133 dated December 23, 2014, the Employer agreed to certain revised payment arrangements for Lock Gates, Gates Mechanisms and Associated Equipment.
- (c) In particular, pursuant to Variation Agreement No. 081, Variation Agreement No. 107, Variation Agreement No. 109, Variation Agreement No. 112 and Variation Agreement No. 133, the Employer agreed to certain revised payment arrangements in respect of items 2.3.3.1.11.4 and 2.3.3.2.11.4 of the Schedule of Project Elements and Prices on the terms set out in Variation Agreement No. 081, Variation Agreement No. 107, Variation Agreement No. 109, Variation Agreement No. 112 and Variation Agreement No. 133.
- (d) The Contractor has requested through RFV No. 0284, dated March 13, 2015, that the Employer agrees that the progress payments for the Lock Gates and Associated Mechanisms included in items 2.3.3.1.11.4 and 2.3.3.2.11.4 of the Schedule of Project Elements and Prices (with specific regard to the budget allocations for installation and testing) be amended as set out in RFV 0284, dated March 13, 2015.
- (e) Accordingly, the Employer has responded through letter IAE-UPC-2468 dated March 26, 2015 indicating to the Contractor that the Employer has agreed in



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Design and Construction of the Third Set of Locks

principle to a budget reallocation (including overheads and profit elements) for the Lock Gates and Associated Mechanisms included in items 2.3.3.1.11.4 and 2.3.3.2.11.4 of the Schedule of Project Elements and Prices as follows:

- From the existing progress payments on Gates installation of USD 74,100,000 (Seventy Four Million One Hundred Thousand Dollars) (61.8%) and on Gates testing of USD 45,900,000 (USD Forty Five Million Nine Hundred Thousand Dollars) (38.2%), giving total progress payments of USD 120,000,000 (One Hundred and Twenty Million Dollars) (100%);
 - To the proposed revised progress payments on Gates installation of USD 87,000,000 (Eighty Seven Million Dollars) (72.5%) and on Gates testing of USD 33,000,000 (Thirty Three Million Dollars) (27.5%), giving total progress payments of USD 120,000,000 (One Hundred and Twenty Million Dollars).
- (f) As a condition to the Employer permitting the amendments to the progress payments referred to in sub-paragraph (e) above the Contractor shall provide the VO No. 142 Bond Issuer Confirmation in the form set out in Appendix 4 to this Variation Agreement No. 142 no later than ten (10) Business Days after the date of this Variation Agreement No. 142.
- (g) Therefore, subject to the terms of this Variation Agreement No. 142, the Parties have agreed to a variation to the Contract as hereinafter stated, but not further or otherwise.

THE PARTIES HEREBY AGREE AS FOLLOWS:

The Employer and the Contractor agree to vary the Contract as follows:

1. In this Variation Agreement No. 142, the words and expressions shall have the same meanings as are respectively assigned to them in the Contract, save as amended below or as expressly stated.
2. It is agreed that this Variation Agreement No. 142 and the modifications contained herein are approved and dated in writing by the authorized representatives of the Contractor and the Employer and in doing so the Parties acknowledge and identify that this is done in accordance with Sub-Clause 1.16 [*Entire Agreement*] of the Contract.
3. The Parties acknowledge and agree that this Variation Agreement No. 142 shall not be deemed to settle any outstanding issues, claims, demands, actions, disputes or proceedings between the Parties including but not limited to those in relation to any delay to the Works (both as to time and costs) and all such issues, claims, demands, actions, disputes or proceedings remain in contention between the Parties and all respective rights, remedies, claims and defenses of the Parties including but not limited to those concerning and arising out of any delay and/or



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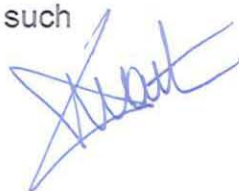
responsibility for delay and the consequences thereof remain fully reserved. The Parties expressly agree that no Party is waiving, making an admission with respect to, or intending to prejudice any claims, defenses, arguments or remedies that any of them has or may have arising out of events up to and including the date of this Variation Agreement No. 142 or in the future concerning their respective performance under and in relation to the Contract. For the avoidance of doubt, all delay-related issues between the Contractor and the Employer, and their respective rights and remedies regarding responsibility for delay and the consequences thereof, remain fully reserved. Nothing in this Variation Agreement No. 142 will have the effect of changing or extending the Time for Completion or any Milestone Dates under the Contract or entitle the Contractor to Excusable Delay.

4. Save in relation to breaches of, or failure by either Party to comply with, the terms of this Variation Agreement No. 142, the Parties agree that they shall have no claims for additional time or money or any other relief or entitlement of any kind as a direct consequence of this Variation Agreement No. 142.
5. Further, the Contractor's obligations as to the progress of the Works and to complete the Works and comply with the Contract remain in all respects unaffected and nothing within this Variation Agreement No. 142 is intended to be a waiver or relaxation of the Contractor's obligations under the Contract, save only as expressly stated herein and the Contract shall remain fully effective as varied herein and the Contract shall have effect as though the provisions contained in this Variation Agreement No. 142 had been originally contained in the Contract.
6. This Variation Agreement No. 142 shall be governed by the Laws of the Republic of Panama and is deemed to be incorporated into and form an integral part of the Contract.
7. Subject to paragraph 9 of this Variation Agreement No. 142 the Parties hereby agree to amend Sub-Clause 1.1 [*Definitions*] of the Contract as follows:

The Parties agree to add the following definitions to Sub-Clause 1.1 [*Definitions*] of the Contract under the Sub-Clause 1.1.6 [*Other Definitions*] (which shall be added in proper alphabetical order but without any number):

"Variation Agreement No. 142" means Variation Agreement Number 142, dated May 5, 2015 between the Employer and the Contractor.

"VO No. 142 Bond Issuer Confirmation" means a written confirmation (or rider, amendment or modification, as applicable), in the form set out in Appendix 4 to Variation Agreement No. 142 and otherwise acceptable to the Employer, from the issuer of the Payment Bond, in each case consenting to the modifications to the Contract made pursuant to the terms of Variation Agreement No. 142 and confirming the continuing validity of such security notwithstanding such modifications.



8. Subject to paragraphs 10 and 11 of this Variation Agreement No. 142, the Parties hereby agree to delete item (3) following the proviso to Sub-Clause 14.5.1 [*Plant and Materials Intended for the Works*] of the Contract and replace it with the following:

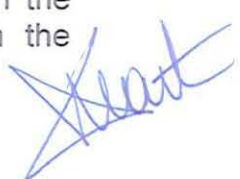
"(3) The Parties agree that in relation to the gates work items 2.3.3.1.11.4 and 2.3.3.2.11.4 of the Schedule of Project Elements and Prices such items will be paid as follows (as is more particularly explained and clarified in Appendix 2 and Appendix 3 to Variation Agreement No. 142):

(A) 32.5% for overhead and profit but this percentage applies solely in relation to the fabrication, delivery, installation, and testing of gates and recess closure works;

(B) 10.3% of item 2.3.3.1.11.4 and 10.5% of item 2.3.3.2.11.4 as per breakdown to be agreed by the parties upon passing successfully each corresponding test in accordance with Sub-Clause 9 [*Tests on Completion*] of the Contract and Sections 01 81 19; and

(C) the remaining percentage will apply to installation, other gate and recess closure work."

9. The parties agree that the amendment of the Contract and the Employer's agreement to the Contractor's request as set out in and in accordance with paragraphs 7 and 8 of this Variation Agreement No. 142 is subject to the Contractor delivering to the Employer no later than ten (10) Business Days after the date of this Variation Agreement No. 142 the original of the VO No. 142 Bond Issuer Confirmation, failing which the amendments set out in paragraphs 7 and 8 above shall be of no effect and void.
10. If the Contractor fails to comply with paragraph 9 above within the time period specified therein, then any amounts paid by the Employer to the Contractor in accordance with paragraph 8 above shall become immediately due and payable by the Contractor to the Employer and the Employer shall be entitled, at its sole and absolute discretion, to:
- (a) deduct the full amount of any such amounts paid by the Employer to the Contractor in accordance with paragraph 8 above in the next Interim Payment Certificate; and/or
 - (b) require payment of the full amount of any such amounts paid by the Employer to the Contractor in accordance with paragraph 8 above (or any part thereof not deducted in accordance with sub-paragraph (a) above) from the Contractor, in which case the Contractor shall within 21 days of written request from the Employer make payment of such amount(s) to the Employer and/or the Employer may recover such amount(s) as a debt due from the Contractor to the Employer. Payment of any amount(s) due from the



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Contractor to the Employer pursuant to this sub-paragraph (b) shall be made by electronic transfer of funds to the bank account nominated by the Employer,

and the payments in respect of the lock gates work items 2.3.3.1.11.4 and 2.3.3.2.11.4 of the Schedule of Project Elements and Prices shall continue in accordance with the Contract as if the amendments set out in paragraph 8 above had never been made.

11. Nothing in this Variation Agreement No. 142 is intended to or does give the Contractor any greater entitlement in respect of payment for the Lock Gates and Associated Mechanisms than was included within the original Contract Price and thus nothing in this Variation Agreement No. 142 is intended to or does increase the Contract Price or the sum due to the Contractor in respect of the Lock Gates and Associated Mechanisms.
12. The Parties acknowledge and agree that the Employer's rights in relation to the processing of Interim Payments including but not limited to under Sub-Clause 14.6 [*Issue of Interim Payment Certificates*] and Sub-Clause 14.7 [*Payment*] remain unaffected by this Variation Agreement No. 142.
13. Each Party shall from time to time (at its own cost) do, perform, sign, execute and deliver all such acts, deeds, documents and things (or procure the doing, performance, signing, execution or delivery of them) to give full effect to this Variation Agreement No. 142 and secure the full benefit of the rights, powers and remedies conferred upon it in this Variation Agreement No. 142.

In Witness whereof the Parties hereto have caused this Variation Agreement No. 142 to the Contract to be executed on the 5th day of May of the year 2015 by their duly authorized representatives.

For ACP



Jorge de la Guardia
Employer's Representative

For GUPCSA



Giuseppe Quarta
Contractor's Representative

Appendix 1 – Variation Agreement No. 142


RFV No. 284 - APPENDIX 1 - VARIANCES ON PERCENTAGES (INSTALLATION AND TESTS & COMMISSIONING)

A.) SUMMARY OF VARIANCES AS IN VO. No. 133 - APPENDIX 2

Details	Total	Direct	OVH %	Install	Tests	Recess	Other
<i>Atlantic</i>							
Lock Gates	270,968,991	204,504,899	66,464,092	28,401,353	17,069,697	7,000,000	118,935,142
<i>Pacific</i>							
Lock Gates	276,732,255	208,854,532	67,877,723	27,497,328	17,593,490	7,064,625	120,033,166
<i>Totals</i>	547,701,246	413,359,431	134,341,815	55,898,681	34,663,187	14,064,625	238,968,308
	132.5%	100.0%	32.5%	13.5%	11.8%		57.8%

B.) SUMMARY OF PROPOSED PERCENTAGES

Details	Total	Direct	OVH %	Install	Tests	Recess	Other
<i>Atlantic</i>							
Lock Gates	270,968,991	204,504,899	66,464,092	33,206,958	12,264,092	7,000,000	118,935,142
<i>Pacific</i>							
Lock Gates	276,732,255	208,854,532	67,877,723	32,450,396	12,640,422	7,064,625	120,033,166
<i>Totals</i>	547,701,246	413,359,431	134,341,815	65,657,354	24,904,514	14,064,625	238,968,308
	132.5%	100.0%	32.5%	15.9%	9.4%		57.8%



Appendix 1 – Variation Agreement No. 142

RFV No. 284 - APPENDIX 3 - Sub-Clause 14.5 - Plant and Materials Intended for the Works Proposed Breakdown for Pacific Lock Gates

2.3.3.2.11.1	Lockhead 1 Gates - Provide and Deliver all complete Lockhead 1 gates to Site. [Price for 2 gates]	27,102,205
2.3.3.2.11.2	Lockhead 2 & 3 Gates - Provide and Deliver all complete Lockhead 2 & 3 gates to Site. [Price for 4 gates]	85,136,089
2.3.3.2.11.3	Lockhead 4 Gates - Provide and Deliver all complete Lockhead 4 gates to Site. [Price for 2 gates]	44,180,075
	Price for "Fabricate and Delivery"	156,699,000
2.3.3.2.11.4	Price for "All other Gate and Recess closure work - including installation, testing, overhead and profit".	130,033,166
(B.1)	"Overhead and Profit" on Fabricate and Delivery	32.5% x 156,699,000 = 50,937,304
(B.2 + B + B.1)	Remaining amount for Installation, Testing and its "Overhead and Profit"	60,105,962
(B.3)	"Overhead and Profit" on Recess Closure, Installation and Testing	1.325 x 16,990,510 = 22,411,110
(B.4)	Remaining amount for Recess Closure, Installation and Testing	52,155,443
(B.5)	"Recess Closure"	7,064,025
(B.6)	"Testing"	12,640,422
(B.7)	Remaining amount for Installation	32,450,396
2.3.2.15	Total Price for Fabricate, Deliver, Installation, Testing, Overhead and Profit.	276,732,255
	Direct Cost for Fabricate, Deliver, Installation, Testing (Do not include Ovh. & Profit).	200,854,532

		\$	%	
Breakdown Atlantic Gates				
(B.7)	Installation	32,450,396	27.0%	Equip. Lab. & Delivery
(B.6)	Test	12,640,422	10.5%	
(B.5)	Recess Closure	7,064,025	5.9%	
(B.1 + B.3)	Overhead & Profit (Equip. 25% of Direct Costs)	67,577,723	54.5%	Equip. Direct Costs
	Total Installation, Tests, Recess Closure, Overhead & Profit	120,033,166	100.0%	
(A + B.4)	Total Direct Cost	200,854,532	100.0%	
(B.1 + B.3)	Total Overhead and Profit	67,577,723	32.5%	
(A + B)	Total Price	276,732,255	132.5%	

Appendix 1 – Variation Agreement No. 142


RFV No. 284 - APPENDIX 4 - Sub-Clause 14.5 - Plant and Materials Intended for the Works Breakdown Atlantic Lock Gates as in VO. No. 133 - Appendix 2a

2.3.3.1.11.1	Lockhead 1 Gates - Provide and Deliver all complete Lockhead 1 gates to Site. (Price for 2 gates)	218,039,203	
2.3.3.1.11.2	Lockhead 2 & 3 Gates - Provide and Deliver all complete Lockhead 2 & 3 gates to Site. (Price for 4 gates)	84,565,343	
2.3.3.1.11.3	Lockhead 4 Gates - Provide and Deliver all complete Lockhead 4 gates to Site. (Price for 2 gates)	39,029,303	
	Price for "Fabricate and Delivery"	332,633,849	
2.3.3.1.11.4	Price for "All other Gate and Recess closure work - Including Installation, testing, overhead and profit".	118,935,142	
(B.1)	"Overhead and Profit" on Fabricate and Delivery	32.5% x 332,633,849 =	49,411,001
(B.2 + B + B.1)	Remaining amount for Installation, Testing and its "Overhead and Profit"		69,524,141
(B.3)	"Overhead and Profit" on Recess Closure, Installation and Testing	10.0% (Fabricate and Delivery) 10.0% (Test Factor) 10.0% (Overhead and Profit)	17,253,091
(B.4)	Remaining amount for Recess Closure, Installation and Testing		52,471,050
(B.5)	"Recess Closure"		7,000,000
(B.6)	"Dry and Wet Testing"		17,069,697
(B.7)	Remaining amount for Installation		23,401,353
2.3.3.1.1	Total Price for Fabricate, Deliver, Installation, Testing, Overhead and Profit.	(C = A + B)	270,965,991
	Direct Cost for Fabricate, Deliver, Installation, Testing (Do not include Ovh. & Profit).	(D = A + B.4)	204,504,899
Breakdown Atlantic Gates			
(B.7)	Installation	23,401,353	23.9%
(B.6)	Test	17,069,697	14.4%
(B.5)	Recess Closure	7,000,000	5.9%
(B.1 + B.3)	Overhead & Profit (Factor 25% of Direct Costs)	66,464,092	15.9%
	Total Installation, Tests, Recess Closure, Overhead & Profit	118,935,142	100.0%
(A + B.4)	Total Direct Cost	204,504,899	100.0%
(B.1 + B.3)	Total Overhead and Profit	66,464,092	10.0%
(A + B)	Total Price	270,965,991	110.0%

Appendix 1 – Variation Agreement No. 142

RTV No. 284 - APPENDIX 5 - Sub-Clause 14.5 - Plant and Materials Intended for the Works
Breakdown Pacific Lock Gates as in VO. No. 133 - Appendix 2b

2.3.3.2.1.1.5	Lockhead 1 Gates - Provide and Deliver all complete Lockhead 1 gates to Site. (Price for 2 gates)	27,182,025	
2.3.3.2.1.1.2	Lockhead 2 & 3 Gates - Provide and Deliver all complete Lockhead 2 & 3 gates to Site. (Price for 4 gates)	85,136,080	
2.3.3.2.1.1.3	Lockhead 4 Gates - Provide and Deliver all complete Lockhead 4 gates to Site. (Price for 2 gates)	44,160,995	
	Price for "Fabricate and Delivery"	(A)	156,899,080
2.3.3.2.1.1.4	Price for "All other Gate and Recess closure work - including Installation, testing, overhead and profit".	(B)	120,031,166
(B.1)	"Overhead and Profit" on Fabricate and Delivery	$\frac{\text{Overhead \& Profit}}{\text{Fabricate and Delivery}}$	32.5% x 156,899,080 = 50,927,204
(B.2 = B + B.1)	Remaining amount for Installation, Testing and its "Overhead and Profit"	$\frac{\text{Instal., Test, Del. \& Profit}}{\text{Fabricate and Delivery}}$	69,105,962
(B.3)	"Overhead and Profit" on Recess Closure, Installation and Testing	$\frac{\text{Instal., Test, Del. \& Profit}}{\text{Recess Closure}}$	11.23% / 69,105,962 = 7,764,525
(B.4)	Remaining amount for Recess Closure, Installation and Testing	$\frac{\text{Instal., Test, Del. \& Profit}}{\text{Recess Closure}}$	61,341,437
(B.5)	"Recess Closure"	$\frac{\text{Instal., Test, Del. \& Profit}}{\text{Recess Closure}}$	7,764,525
(B.6)	"Dry and Wet Testing"	$\frac{\text{Instal., Test, Del. \& Profit}}{\text{Dry and Wet Testing}}$	11.23% x 156,899,080 = 17,593,490
(B.7)	Remaining amount for Installation	$\frac{\text{Instal., Test, Del. \& Profit}}{\text{Installation}}$	27,697,328
2.3.2.1.1	Total Price for Fabricate, Deliver, Installation, Testing, Overhead and Profit.	(C = A + B)	276,732,255
(B.1 + B.3)	Direct Cost for Fabricate, Deliver, Installation, Testing (Do not include Ovh. & Profit).	(D = A + B.4)	208,854,532
	Breakdown Atlantic Gates	\$	%
(B.2)	Installation	27,697,328	22.0%
(B.5)	Test	17,593,490	14.7%
(B.5)	Recess Closure	7,764,525	5.9%
(B.1 + B.3)	Overhead & Profit (Equiv. 25% of Direct Costs)	67,877,723	56.5%
	Total Installation, Test, Recess Closure, Overhead & Profit	120,031,166	100.0%
(A + B.4)	Total Direct Cost	208,854,532	100.0%
(B.1 + B.3)	Total Overhead and Profit	67,877,723	32.5%
(A + B)	Total Price	276,732,255	132.5%



RFV No. 284 - APPENDIX 1 - VARIANCES ON PERCENTAGES (INSTALLATION AND TESTS & COMMISSIONING)

A.) SUMMARY OF VARIANCES AS IN VO. No. 133 - APPENDIX 2

Details	Total	Direct	OVH %	Install	Tests	Recess	Other
<i>Atlantic</i>							
Lock Gates	270,968,991	204,504,899	66,464,092	28,401,353	17,069,697	7,000,000	118,935,142
<i>Pacific</i>							
Lock Gates	276,732,255	208,854,532	67,877,723	27,497,328	17,593,490	7,064,625	120,033,166
Totals	547,701,246	413,359,431	134,341,815	55,898,681	34,663,187	14,064,625	238,968,308
	132.5%	100.0%	32.5%	13.5%	11.6%		57.8%


B.) SUMMARY OF PROPOSED PERCENTAGES

Details	Total	Direct	OVH %	Install	Tests	Recess	Other
<i>Atlantic</i>							
Lock Gates	270,968,991	204,504,899	66,464,092	33,206,958	12,264,092	7,000,000	118,935,142
<i>Pacific</i>							
Lock Gates	276,732,255	208,854,532	67,877,723	32,450,396	12,640,422	7,064,625	120,033,166
Totals	547,701,246	413,359,431	134,341,815	65,657,354	24,904,514	14,064,625	238,968,308
	132.5%	100.0%	32.5%	15.9%	9.4%		57.8%

Appendix 3 – Variation Agreement No. 142

RFV No. 284 - APPENDIX 2 - Sub-Clause 14.5 - Plant and Materials Intended for the Works
Proposed Breakdown for Atlantic Lock Gates

2.3.3.1.11.1	Lockhead 1 Gates - Provide and Deliver all complete Lockhead 1 gates to Site. (Price for 2 gates)	218,039,203
2.3.3.1.11.2	Lockhead 2 & 3 Gates - Provide and Deliver all complete Lockhead 2 & 3 gates to Site. (Price for 4 gates)	84,565,343
2.3.3.1.11.3	Lockhead 4 Gates - Provide and Deliver all complete Lockhead 4 gates to Site. (Price for 2 gates)	39,009,369
	Price for "Fabricate and Delivery"	152,033,949
2.3.3.1.11.4	Price for "All other Gate and Recess closure work - including Installation, testing, overhead and profit".	118,935,942
[B.1]	"Overhead and Profit" on Fabricate and Delivery	32.5% x 152,033,949 = 49,411,001
[B.2 = B + B.1]	Remaining amount for Installation, Testing and its "Overhead and Profit"	69,524,941
[B.3]	"Overhead and Profit" on Recess Closure, Installation and Testing	1.325 / 1.325
[B.4]	Remaining amount for Recess Closure, Installation and Testing	52,471,050
[B.5]	"Recess Closure"	7,000,000
[B.6]	"Testing"	8.07% x 152,033,949 = 12,264,092
[B.7]	Remaining amount for Installation	33,206,958
2.3.7.2	Total Price for Fabricate, Delivery, Installation, Testing, Overhead and Profit.	270,968,991
	Direct Cost for Fabricate, Delivery, Installation, Testing (Do not include Owh. & Profit).	204,504,899
Breakdown Atlantic Gates		
[B.7]	Installation	33,206,958
[B.6]	Test	12,264,092
[B.5]	Recess Closure	7,000,000
[B.1 + B.3]	Overhead & Profit (Equip. 25% of Direct Costs)	66,664,092
	Total Installation, Tests, Recess Closure, Overhead & Profit	118,935,942
[A + B.4]	Total Direct Cost	204,504,899
[B.1 + B.3]	Total Overhead and Profit	66,664,092
[A + B]	Total Price	270,968,991



Appendix 3 – Variation Agreement No. 142

RFV No. 284 - APPENDIX 3 - Sub-Clause 14.5 - Plant and Materials Intended for the Works
Proposed Breakdown for Pacific Lock Gates

2.3.3.2.11.1	Lockhead 1 Gates - Provide and Deliver all complete Lockhead 1 gates to Site. (Price for 2 gates)	27,182,025
2.3.3.2.11.2	Lockhead 2 & 3 Gates - Provide and Deliver all complete Lockhead 2 & 3 gates to Site. (Price for 4 gates)	85,136,080
2.3.3.2.11.3	Lockhead 4 Gates - Provide and Deliver all complete Lockhead 4 gates to Site. (Price for 2 gates)	44,182,575
Price for "Fabricate and Delivery"		156,899,089
2.3.3.2.11.4	Price for "All other Gate and Recess closure work - including installation, testing, overhead and profit".	120,033,166
[B.1]	"Overhead and Profit" on fabricate and Delivery	(Overhead & Profit) 32.5% x 156,899,089 = 50,927,204
[B.2 = B + B.1]	Remaining amount for Installation, Testing and its "Overhead and Profit"	(Fabricate and Delivery) 156,899,089 + 50,927,204 = 69,105,962
[B.3]	"Overhead and Profit" on Recess Closure, Installation and Testing	(Insts., Test, Del. & Profit) 69,105,962 / 1.125 = 16,990,519
[B.4]	Remaining amount for Recess Closure, Installation and Testing	52,155,443
[B.5]	"Recess Closure"	7,064,625
[B.6]	"Testing"	(Test fabric) 8.1% x 156,899,089 = 12,640,422
[B.7]	Remaining amount for Installation	5.0% 7,064,625
[B.7]	Remaining amount for Installation	27.0% 32,450,396
2.3.2.11	Total Price for Fabricate, Deliver, Installation, Testing, Overhead and Profit".	276,732,255
Direct Cost for Fabricate, Deliver, Installation, Testing (Do not include Ovh. & Profit).		200,854,832

Breakdown Atlantic Gates		\$	%	
[B.7]	Installation	32,450,396	27.0%	Equip. Inst. & Delivery
[B.5]	Test	12,640,422	12.5%	
[B.5]	Recess Closure	7,064,625	5.9%	
[B.1 + B.3]	Overhead & Profit (Equip. 25% of Direct Costs)	67,877,723	54.5%	Equip. Direct Costs
Total Installation, Tests, Recess Closure, Overhead & Profit		120,033,166	100.0%	
[A + B.4]	Total Direct Cost.	200,854,832	100.0%	
[B.1 + B.3]	Total Overhead and Profit	67,877,723	32.5%	
[A + B]	Total Price	276,732,255	132.5%	

Appendix 4

VO No. 142 Bond Issuer Confirmation

[Letterhead of Zurich]

_____, 2015

Autoridad del Canal de Panama
Building 740, Corozal West
Panama, Republica of Panama

Reference: Contract No. CMC-221427, Design and Construction of the Third Set of Locks, Panama Canal
Confirmation regarding Variation Agreement No. 142

Dear Sirs:

We refer to (i) the Design and Build Contract for the Third Set of Locks on the Panama Canal (as amended, modified, varied or supplemented, the "Contract") tendered under RFP #76161 between you, as owner and Employer thereunder (the "Owner") and Grupo Unidos por el Canal, S.A., as contractor (the "Contractor"); and (ii) the payment bond, Bond no. 08960194, dated August 7, 2009, in an amount of USD 50,000,000 (Fifty Million Dollars), issued in the Owner's favor in respect of the Contract (as amended, supplemented or otherwise modified from time to time, the "Payment Bond"). Unless otherwise specified, capitalized terms used herein have the respective meanings specified in the Contract.

We have been provided with a copy of Variation Agreement No. 142 dated May 5, 2015 ("Variation Agreement No. 142") to the Contract, executed by the Owner and the Contractor, which provides for certain amendments to the Contract relating to the Lock Gates and Associated Mechanisms included in items 2.3.3.1.11.4 and 2.3.3.2.11.4 of the Schedule of Project Elements and Prices.

The undersigned, as Surety under and as defined in the Payment Bond, hereby consents to the aforementioned modifications to the Contract and confirms to you, as Owner and beneficiary under the Payment Bond, the continued validity of the Payment Bond in the respective amounts originally stated therein, notwithstanding the modifications set forth in Variation Agreement No. 142.

Nothing in this confirmation letter is intended to or shall waive, alter, amend or otherwise affect any of the terms or conditions of the Payment Bond, other than as stated herein.



ZURICH AMERICAN INSURANCE
COMPANY, as Surety under the Payment Bond

By: _____
Name:
Title:

ACCEPTED:

AUTORIDAD DEL CANAL DE PANAMA,
as Owner under the Contract and beneficiary under the Payment Bond referred to
above

By: _____
Name:
Title:

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.