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| PANAMA CANAL AUTHORITY | VARIATION | PAGE 1 OF 7 |
| 1. REQUEST FOR PROPOSAL No.: RFP-76161 | 2. CONTRACT No.: CMC-221427 | 3. DATE: August 5, 2015 |
| | | 4. VARIATION No.: 151 |

5. ISSUED BY:

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

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

9. VARIATION:

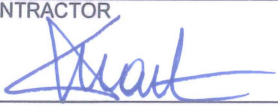
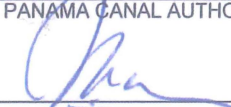
- ☒ The contract referred to in item No. 2 is hereby varied as set forth in item 10, entitled "DESCRIPTION OF VARIATION".
☒ YES. ☐ NO. The contractor shall send a copy, duly signed, of this Variation to the Employer's Representative/Contracting Officer.

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| | 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.

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| 11. NAME AND TITLE OF THE PERSON AUTHORIZED TO SIGN (Type or print) Giuseppe Quarta Contractor's Representative | 12. NAME AND TITLE OF THE EMPLOYER'S REPRESENTATIVE/CONTRACTING OFFICER (Type or print) Jorge de la Guardia, Employer's Representative |
| 13. CONTRACTOR  (Authorized signature) | 14. DATE: 5/8/15 |
| | 15. PANAMA CANAL AUTHORITY  (Employer's Representative/Contracting Officer's signature) |
| | 16. DATE: 5/11/2015 |

This Variation Agreement Number 151, is dated as of the 5th day of August 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 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) The Employer, by letter IAE-UPC-2483 dated April 9, 2015, notified the Contractor that the Employer had decided to carry out itself the removal of the Gatun Lake Plug, being the plug south of the Atlantic locks which connects the Works with Gatun Lake described in Paragraph 1.01A item 3 of the Employer's Requirements Section 35 20 23 [Dredging] and that a Variation to the Employer's Requirements would be issued by the Employer.
- (c) The Contractor, by letter GUPC-IAE-3510 dated April 17, 2015 confirmed receipt of the Employer's letter referred to in recital (b) above and stated that the consequent reduction in the Contract Price would be derived from the appropriate item in the cost loaded schedule.
- (d) Therefore, subject to the terms of this Variation Agreement No. 151, the Parties have agreed to a variation of 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. 151, 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. 151 and the modifications contained herein are approved and dated in writing by the authorized



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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. 151 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 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. 151 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.151 will have the effect of extending the Time for Completion or any Milestone Dates under the Contract or entitle the Contractor to Excusable Delay, but the Employer's Representative may take into account the reduction in the Contractor's scope brought about by this Variation Agreement No. 151 in evaluating any extension of time to which the Contractor may assert an entitlement under the Contract. For the avoidance of doubt, the provisions of this paragraph 3 do not conflict the provisions of Paragraph 1.01.C (e) below, which will always remain fully applicable. For the avoidance of doubt, this Variation Agreement No. 151 is without prejudice to each Party's position in any current or future DAB and/or arbitration proceedings pursuant to Sub-Clauses 20.4 [Obtaining Dispute Adjudication Board's Decision] and/or 20.6 [Arbitration] respectively (including but not limited to ICC Cases 2091 0/ASM and 20911/ASM)."
4. Save in relation to breaches of, or failure by either Party to comply with, the terms of this Variation Agreement No. 151, 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. 151 save for the reduction in the Contract Price referred to in Paragraph 9 below and save that the Employer's Representative may take into account the reduction in the Contractor's scope brought about by this Variation Agreement No. 151 in evaluating any extension of time to which the Contractor may assert an entitlement under the Contract.
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. 151 is intended to be



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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. 151 had been originally contained in the Contract. For the avoidance of doubt, it is agreed by the Parties that nothing in this Variation Agreement No. 151 comprises work which is to be carried out by others for the purposes of Clause 13.1 [*Right to Vary*] of the Contract.

6. This Variation Agreement No. 151 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. The Parties hereby agree to amend Sub-Clause 1.1 [*Definitions*] of the Conditions of Contract as follows:

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

"Variation Agreement No. 151" means Variation Agreement Number 151, dated August 5, 2015 between the Employer and the Contractor.

8. The Parties hereby agree to amend Volume II, Part 2, Section 35 20 23 [*Dredging*] of the Employer's Requirements as follows:

- (a) Paragraph 1.01 A item 3 which currently reads:

"Remove the plug south of the Atlantic locks to connect the Works with Gatun Lake."

shall be deleted and replaced with *"reserved"*.

- (b) There shall be a new Paragraph 1.01 C which shall state:

- (a) *The removal of the plug south of the Atlantic locks to connect the Works with Gatun Lake (the "Gatun Lake Plug") shall be carried out by the Employer when the Gatun Lake Plug is "Ready for Removal" as defined in Appendix 2 to Variation Agreement No. 151.*
- (b) *The Contractor shall notify the Employer in writing not earlier than 15 days before the estimated date in which the Contractor considers that the Gatun Lake Plug will be Ready for Removal.*
- (c) *Upon receipt of the notification referred to in Paragraph 1.01 C (b), the Employer shall mobilize and commence the removal of the Gatun Lake Plug within 21 calendar days of receipt of the notification referred to in Paragraph 1.01 C (b), in accordance with*

the Contractor's design as set out in Submittal 31 23 00-313 A - Wing Wall Inlet (Gatun L.) and Gatun Lake App. Chan. Finished Excavation FD. For the avoidance of doubt, the Contractor shall remain responsible for all design relating to the removal of the Gatun Lake Plug including but not limited to that set out in Submittal 31 23 00-313 A.

- (d) *If, at the date set out in the notification referred to in Paragraph 1.01 C (b), the conditions set out in Paragraph 1.01 C (a) above have not been satisfied so that the Gatun Lake Plug is not Ready for Removal, the Employer shall not be obliged to commence the removal of the Gatun Lake Plug but shall notify the Contractor in writing of the reasons why the Gatun Lake Plug is not Ready for Removal. The Contractor shall then be required to make the Gatun Lake Plug Ready for Removal following which the Contractor shall send a new notification to the Employer pursuant to Paragraph 1.01 C (b) that the Contractor considers that the Gatun Lake Plug is Ready for Removal. The Employer shall commence the removal of the Gatun Plug within 7 calendar days from such new notification in accordance with the provisions of Paragraph 1.01 C (c). The provisions of this Paragraph 1.01 C (d) shall apply to any such new notification that the Contractor may make.*
- (e) *The Employer shall complete the removal within 86 calendar days of commencement pursuant to Paragraph 1.01 C (c), save that such period shall be extended if and to the extent that the Employer is delayed by any of the following causes:*
- (i) exceptionally adverse climatic conditions;*
 - (ii) any delay, impediment or prevention caused by or attributable to the Contractor or the Contractor's Personnel;*
 - (iii) unforeseeable shortages in the availability of personnel or Goods caused by epidemic or governmental actions; and/or*
 - (iv) by any event of Force Majeure as defined in Clause 19 [Force Majeure] of the Conditions of Contract.*

The Employer will notify the Contractor of the occurrence of any of these conditions as soon as practicable after the Employer becomes aware of the event or circumstance giving rise to such claim. For the avoidance of doubt, the 28 days period for notification by the Contractor to the Employer foreseen in Sub Clause 20.1 shall commence from the moment the Contractor receives the Employer's notification referred to in this Paragraph



1.01.C (e).

Notwithstanding the Employer's entitlement to an extension of time for the period for completion of the removal as set out in this Paragraph 1.01 C (e), and notwithstanding any other provision contained in this Variation Agreement No. 151, if the Employer is delayed in completing the removal of the Gatun Lake Plug within 86 calendar days of commencement (pursuant to Paragraph 1.01 C (c)) for any reason other than as set out in Paragraph 1.01 C (e) (ii) above, this delays shall, subject to the terms of such Sub-Clauses, constitute a cause of delay under sub-paragraph (b) of Sub-Clause 8.4 [Extension of Time for Completion] of the Conditions of Contract and/or sub-paragraph (a) of Sub-Clause 8.13.5 [Gates Delivery Conditions, Agreed Performance Milestones, Functional Completion and Existing Advances Extended Repayment Date] of the Conditions of Contract and/or Sub-Clause 19.4 [Consequences of Force Majeure] of the Conditions of Contract as applicable.

- (f) *The Employer shall notify the Contractor when the Gatun Lake Plug has been removed.*

9. The Parties hereby agree to amend Volume II, Part 3, Section 01.10 00 [General Project Requirements] of the Employer's Requirements as follows:

- (a) Paragraph 1.04.B. 5 which currently reads:

"Gatun Lake Access: The design, dry excavation and dredging necessary to construct the access to Gatun Lake from the Atlantic locks (south of the Atlantic locks), shall be performed by the Contractor. This includes the Gatun Lake plug removal."

will be deleted and replaced with the following:

"Gatun Lake Access: The design, dry excavation and dredging necessary to construct the access to Gatun Lake from the Atlantic locks (south of the Atlantic locks), shall be performed by the Contractor. This excludes the Gatun Lake Plug removal."

10. As a result of this Variation Agreement No. 151, the Contract Price shall be reduced by USD 4,613,521.81.
11. 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



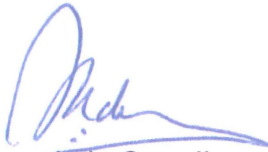
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Variation Agreement No. 151 and secure the full benefit of the rights, powers and remedies conferred upon it in this Variation Agreement No. 151.

In Witness whereof the Parties hereto have caused this Variation Agreement No. 151 to the Contract to be executed on the 5th day of August of the year 2015 by their duly authorized representatives.

For ACP



Jorge de la Guardia
Employer's Representative

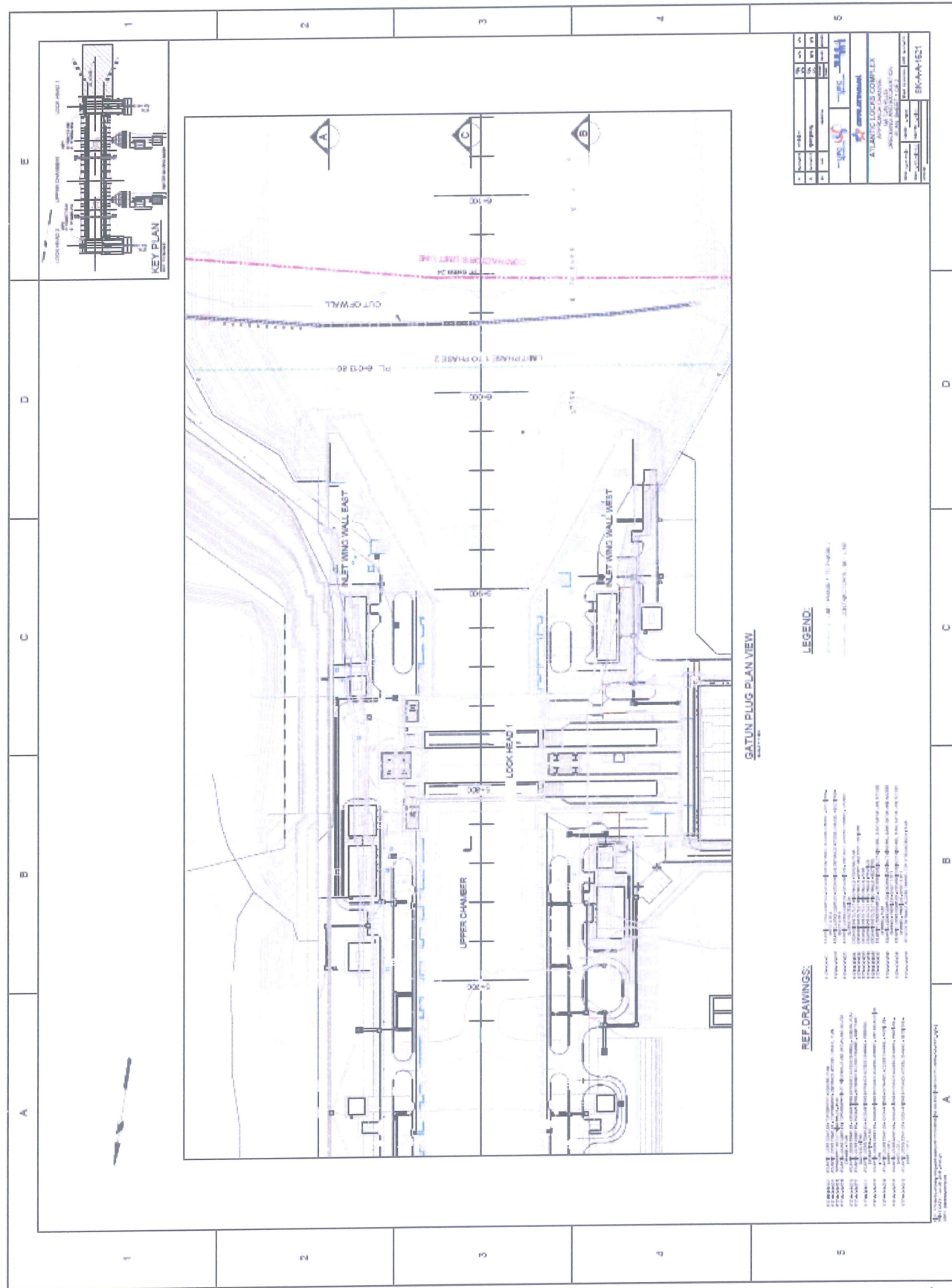
For GUPCSA



Giuseppe Quarta
Contractor's Representative



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"Ready for Removal"

Pursuant to Paragraph 1.01 C of Volume II, Part 2, Section 35 20 23 [Dredging] of the Employer's Requirements, the Gatun Lake Plug shall be "Ready for Removal" in accordance with the following conditions 2 and 3 below:

1. The removal of the Gatun Lake Plug has been subdivided in 3 phases (Phase Ia, Ib and II) as shown in drawings SK-A-A-1620 and SK-A-A-1621 which are set out in Appendix 1 to Variation Agreement No. 151. The dredging shall span the entire design width of the Approach Channel about 160 m East and 120 m West of the Locks Centerline, at elevation 28 m PLD.
2. Phase Ia and Phase Ib of the Gatun Lake Plug shall be ready for removal once Lock Gates 3 and 4 have been installed by the Contractor in accordance with the Contract and are able to retain the Gatun Lake.
3. Phase II of the Gatun Lake Plug shall be ready for removal once Lock Gates 1 and 2 have been installed by the Contractor in accordance with the Contract and are able to retain the Gatun Lake. The Contractor shall have completed all dry excavation required to be completed before the start of Phase II of the removal of the plug by dredging. This shall include a minimum clear distance of 10m between the concrete structures and the material to be removed by dredging.

Indicative sequence for the dredging works

The following indicative sequence is proposed for the dredging works (See drawings SK-A-A-1620 and SK-A-A-1621 which are set out in Appendix 1 to Variation Agreement No. 151):

- **Phase Ia:** Removal of the rock and fill, down to el. +17 m PLD. A slope 0.5H / 1V should be formed starting at el. +28 m PLD, on a line 90° to the locks axis, at Sta. 6A+013.80. Approximate volume of Phase Ia is 183,300 m³.
- **Phase Ib:** Removal of the rock and fill, down to el. +6.40 m PLD. The slope 0.5H / 1V should be extended downward. Approximate volume of Phase Ib is 207,500m³.
- **Phase II:** Complete removal of the remaining part of the plug (including the ramp down to the upper lock floor) entails a volume to be dredged of 212,000 m³.

In relation to dry excavation below el. 28 m PLD, this will be defined on site according to the conditions at the point in time when Phase Ia and Phase II respectively are to be carried out.

In the event that the Contractor is ready for an increased volume of water that cannot be satisfied with the current provisions for flooding before the Employer has advanced the dredging to supply the water, the Contractor will carry out the breaking of part of the Phase II plug with backhoes.

