

PANAMA CANAL AUTHORITY	VARIATION	PAGE 1 OF 11
1. REQUEST FOR PROPOSAL No.: 76161	2. CONTRACT No.: CMC-221427	3. DATE: February 24, 2016
		4. VARIATION No.: 161

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) 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.

	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) 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: 25/2/16
	15. PANAMA CANAL AUTHORITY  (Employer's Representative/Contracting Officer's signature)
	16. DATE: 24/2/2016

This Variation Agreement Number 161, is dated as of 24th day of February 2016 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) Pursuant to Sub-Clause 14.2J [*Repayment of Other Existing Advances*], the Contractor was due to repay the Other Existing Advances on December 31, 2015 unless the Contractor provided to the Employer the Other Existing Advances LOC-Extension providing a December 31, 2018 maturity date by no later than 45 days prior to January 1, 2016. The Contractor did not provide the Other Existing Advances LOC-Extension by the date that was 45 days prior to January 1, 2016 or at all.
- (c) The Contractor requested in RFV No. 313 dated February 2, 2016, that the Employer grant a further temporary deferral of the repayment of the outstanding balance of the Other Existing Advances to December 31, 2016 on the condition that the Contractor provides to the Employer the Other Existing Advances Guarantees. The Contractor also requested that the Employer grant a further temporary deferral of the repayment of the outstanding balance of the Other Existing Advances to December 31, 2018 on the condition that the Contractor provides the Other Existing Advances LOC as security for the Other Existing Advances no later than 45 days prior to December 31, 2016.
- (d) Accordingly, the Employer has responded through letter IAE-UPC-2876 dated February 10, 2016, indicating to the Contractor that:
 - (i) the Employer will permit a further temporary deferral of the repayment of the outstanding balance of the Other Existing Advances to December 31, 2016 on the condition that the Contractor provides to the Employer the Other Existing Advances Guarantees no later than 15 Business Days after the date of Variation Agreement No. 161; and



- (ii) the Employer will permit a further temporary deferral of the repayment of the outstanding balance of the Other Existing Advances to December 31, 2018 on the condition that notwithstanding any other terms of the Contract the Contractor provides the Other Existing Advances LOC with a December 31, 2018 maturity date as security for the Other Existing Advances no later than 45 days prior to December 31, 2016,

but subject always to the parties agreeing a formal variation to reflect such revised arrangements.

- (e) As a condition to the Employer permitting the further temporary deferrals of repayment of the Other Existing Advances as set out in sub-paragraph (d) above, the Contractor has agreed to provide the documents listed at sub-paragraph 8(a) below to the Employer each duly executed by the parties thereto no later than 15 Business Days after the date of this Variation Agreement No. 161.
- (f) Therefore, subject to the terms of this Variation Agreement No. 161, 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. 161, 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. 161 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. 161 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. 161 or in the future concerning their respective performance under and in



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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. 161 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. For the avoidance of doubt, this Variation Agreement No. 161 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 References 20910/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. 161, 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. 161.
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. 161 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. 161 had been originally contained in the Contract.
6. This Variation Agreement No. 161 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 Contract as follows:

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

"Variation Agreement No. 161" means Variation Agreement Number 161, dated 24th of February, 2016 between the Employer and the Contractor.

"VO No. 161 Bond Issuer Confirmation" means a written confirmation (or rider, amendment or modification, as applicable), in the form set out in Appendix 1 to Variation Agreement No. 161 and otherwise acceptable to the Employer, from the issuer of the Payment Bond, consenting to the modifications to the Contract made pursuant to the terms of Variation Agreement No. 161 and confirming the continuing validity of such bond notwithstanding such modifications.

The Parties agree to delete the following definitions from Sub-Clause 1.1 [*Definitions*] of the Contract:



"Other Existing Advances Bond" means a bond in an amount up to the Other Existing Advances Outstanding Amount in the form set out at Appendix BB to Variation Agreement No. 108 with any modifications to such form proposed by the Contractor which are acceptable to the Employer, and issued by an Acceptable Bond Issuer.

"Other Existing Advances LOC - Base" means a letter of credit in an amount up to the Other Existing Advances Outstanding Amount in the form set out at Appendix EE to Variation Agreement No. 108 with any modifications to such form proposed by the Contractor which are acceptable to the Employer, and issued by an Acceptable Financial Institution.

"Other Existing Advances LOC - Extension" means an extension to the Other Existing Advances LOC Base in the form set out at Appendix FF to Variation Agreement No. 108 with any modifications to such form proposed by the Contractor which are acceptable to the Employer, and issued by an Acceptable Financial Institution.

The Parties agree to amend the following definitions in Sub-Clause 1.1 [*Definitions*] of the Contract as follows:

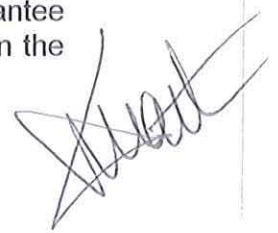
"Other Existing Advances LOC" shall be amended to read as follows:

"Other Existing Advances LOC" means a letter of credit in an amount up to the total Other Existing Advances Outstanding Amount in the form set out at Appendix 2 to Variation Agreement No. 161 with any modifications to such form proposed by the Contractor which are acceptable to the Employer, and issued by an Acceptable Financial Institution.

"Other Existing Advances Security" shall be amended to read as follows:

"Other Existing Advances Security" means the security required pursuant to Sub-Clause 14.2J [*Repayment of Other Existing Advances*] and Sub-Clause 14.1A.5 [*Further Contract Payment Amount*] to include, at the sole discretion of the Contractor, any of, or any combination of, the following; provided that, any such combination shall, when taken together, provide security in the amount of the Other Existing Advances Outstanding Amount:

- (i) the Other Existing Advances LOC; or
- (ii) all of the following:
 - 1. the Other Existing Advances Joint and Several Guarantee along with: (A) a legal opinion as to the validity, binding nature and enforceability under English law of the Other Existing Advances Joint and Several Guarantee on each of the four Shareholders of the Contractor substantially in the



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form set out in Appendix QQ to Variation Agreement No. 108 from English counsel to be approved by the Employer; (B) a legal opinion as to due authorization and other corporate opinions required by the Employer under the law of the jurisdiction of formation of each of the four aforementioned Shareholders substantially in the forms set out in Appendices LL, MM, NN and PP to Variation Agreement No. 108 from such Shareholders' local counsels; and (C) a duly certified appointment of each Shareholder's agent for service of process as required pursuant to such guarantee; and

2. the Other Existing Advances Parent Guarantee along with: (A) a legal opinion as to the validity, binding nature and enforceability under English law of the Other Existing Advances Parent Guarantee on the guarantor substantially in the form set out in Appendix QQ to Variation Agreement No. 108 from English counsel to be approved by the Employer; (B) a legal opinion as to due authorization and other corporate opinions required by the Employer under the law of the jurisdiction of formation of such guarantor substantially in the form set out in Appendix OO to Variation Agreement No. 108 from such guarantor's local counsel; and (C) a duly certified appointment of such guarantor's agent for service of process as required pursuant to such guarantee.

8. The Parties hereby agree to amend Sub-Clause 14.2J [*Repayment of Other Existing Advances*] as follows:

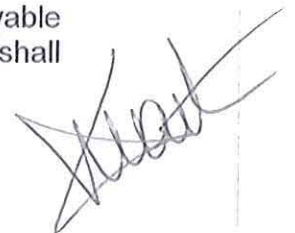
- a) Insert new sub-paragraph (bA) after sub-paragraph (b) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] as follows:

"Further temporary deferrals from January 2016 onwards

- (bA) Notwithstanding any other terms of the Contract, if no later than 15 Business Days after the date of Variation Agreement No. 161 the Contractor at its sole cost has provided to the Employer:

- (i) the VO No. 161 Bond Issuer Confirmation;
- (ii) the Other Existing Advances Joint and Several Guarantee, together with each of the other documents specified in sub-clause (ii)(1) of the definition of "Other Existing Advances Security"; and
- (iii) the Other Existing Advances Parent Guarantee, together with each of the other documents specified in sub-clause (ii)(2) of the definition of "Other Existing Advances Security",

then the Other Existing Advances shall not become due and payable in accordance with sub-paragraph (b) above and the Employer shall



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grant the Contractor a further temporary deferral of the repayment of the Other Existing Advances until December 31, 2016. Where this sub-paragraph (bA) applies, and subject to sub-paragraphs (c) and/or (f) below, the Other Existing Advances will become due and payable by the Contractor to the Employer on December 31, 2016."

b) Amend sub-paragraph (c) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] as follows:

- i. in the line immediately preceding sub-paragraph (A), delete "either" and insert "on the later of";
- ii. in sub-paragraph (A) delete "2015" and insert "2016";
- iii. delete sub-paragraphs (B) and (C) and insert:

"(B) on the Functional Completion Date, save that if at the Functional Completion Date there is one or more outstanding Fast Track Dispute(s) pursuant to Sub-Clause 20.2B [*Fast Track Expert Determination for Excusable Delay Claims*], then the repayment date will be on the later of (i) the date the last outstanding Fast Track Dispute is decided pursuant to Sub-Clause 20.2B [*Fast Track Expert Determination for Excusable Delay Claims*] or (ii) the revised Functional Completion Date as extended by the last decision, provided always that:

(1) the repayment date pursuant to this sub-paragraph (B) shall not exceed December 31, 2016 unless the Contractor has provided to the Employer the Other Existing Advances LOC in accordance with sub-paragraph (f)(i) below and if the Contractor fails to provide the Other Existing Advances LOC in accordance with sub-paragraph (f)(i) below then the repayment date pursuant to this sub-paragraph (B) shall be on December 31, 2016; and

(2) if the repayment date pursuant to this sub-paragraph (B) would otherwise exceed December 31, 2018, the repayment date shall be on December 31, 2018,

- iv. in the paragraph that commences with the words "The Employer shall calculate the aggregate amount", in the fourth line after the words "sub-paragraph (b)" insert "and/or sub-paragraph (bA)".

c) Amend sub-paragraph (e)(i) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] as follows:

- i. in the sixth line delete "under the Other Existing Advances Bond, third, ";



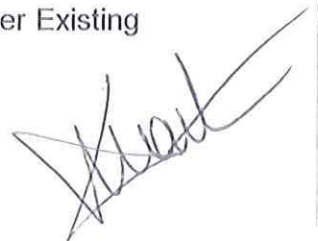
- ii. in the seventh line delete "fourth" and replace with "third".
- d) Amend sub-paragraph (e)(ii) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] by deleting the full stop at the end of this sub-paragraph and inserting ",".
- e) Amend sub-paragraph (e) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] by inserting the following as a new paragraph after the end of sub-paragraph (e)(ii):

"it being understood that the Employer may make claims under any or all of the aforementioned letter of credit and guarantees, provided that any such claims in such second instance may be made from the stated payment date under the prior security instrument in the event that full payment is not made on such stated payment date thereunder, as the case may be."
- f) Amend sub-paragraph (f) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] as follows:
 - i. in the heading, delete "January 2016" and insert "January 2017";
 - ii. in sub-paragraph (f)(i), in the first line delete "January 1, 2016" and insert "December 31, 2016";
 - iii. in sub-paragraph (f)(i) in the second line, after the words "provides to the Employer" delete the words "- Extension", and in the third line delete the words "in the form set out in Appendix FF to Variation Agreement No. 108" and replace with the words "in the form set out in Appendix 2 to Variation Agreement No. 161";
- g) Amend sub-paragraph (g) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] as follows:
 - i. in the fourth line, after the words "sub-paragraph (b)" insert ", sub-paragraph (bA)".
- h) Amend sub-paragraph (h) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] as follows:
 - i. in sub-paragraph (h)(A), delete the words "and solely with respect to repayment due on December 31, 2015 (or earlier as otherwise may occur pursuant to this Contract), if the Contractor has provided the Other Existing Advances Bond and the Other Existing Advances Guarantees, then in the first instance under the Other Existing Advances Bond and in the second instance";



- ii. in sub-paragraph (h)(B):
 - 1. in the fifth line after the words "December 31, 2015" insert "or December 31, 2016";
 - 2. in the sixth line, delete the words "the Other Existing Advances Bond and";
 - 3. in the seventh line, delete the words "the Other Existing Advances Bond and in the second instance under"; and
 - 4. in the last line, before the words "under the Advance Payment Guarantees" insert "in the second instance under".
- iii. in sub-paragraph (h)(C):
 - 1. in the fifth line after the words "December 31, 2015" insert "or December 31, 2016";
 - 2. in the sixth line, delete the words "the Other Existing Advances Bond and";
 - 3. in the seventh line, delete the words "the Other Existing Advances Bond and in the second instance under";
 - 4. in the ninth line, delete "third" and replace it with "second".
- iv. in sub-paragraph (h)(i):
 - 1. renumber sub-paragraph "(2)" as "(3)"; and
 - 2. insert new sub-paragraph "(2)" as follows:

"(2) Other Existing Advances have not been repaid in full on December 31, 2016 (pursuant to sub-paragraph (bA)); or".
- v. amend sub-paragraph (h)(iv) as follows:
 - 1. in the second line, delete "the Other Existing Advances Bond or";
 - 2. in the third line, delete "as applicable,".
- i) Amend sub-paragraph (i) of Sub-Clause 14.2J [*Repayment of Other Existing Advances*] as follows:
 - i. in the first line, delete the words "either or both of the Other Existing Advances Bond or";



- ii. in the fourth line, delete the words "each of the Other Existing Advances Bond and";
 - iii. in the fifth line, delete "as applicable,";
 - iv. in the sixth line, delete the words "each such Other Existing Advances Security" and replace with "such Other Existing Advances LOC";
 - v. in the seventh line, delete the words "each such Other Existing Advances Security" and replace with " such Other Existing Advances LOC ";
 - vi. in the ninth line, delete the word "each";
 - vii. in the second line of the second paragraph, after the words "Specified Expenditures" insert "and the Advance Payment for Lock Gates"; and
 - viii. delete the third paragraph in full and replace with:

"At all times until the Advance Payment for Lock Gates is repaid in full to the Employer in accordance with this Sub-Clause 14.2J, the Contractor shall ensure that the Advance Payment for Lock Gates remains secured by (1) the Plant and Material Security, (2) the Other Existing Advances Guarantees and (3) the Advance Payment Guarantees."
9. 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. 161.
10. 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. 161 and secure the full benefit of the rights, powers and remedies conferred upon it in this Variation Agreement No. 161.

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In Witness whereof the Parties hereto have caused this Variation Agreement No. 161 to the Contract to be executed on the 24th day of February of the year 2016 by their duly authorized representatives.

For ACP

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Jorge de la Guardia
Employer's Representative

For GUPCSA

A handwritten signature in blue ink, appearing to read 'Giuseppe Quarta', with a large 'X' mark at the beginning and a long horizontal flourish extending to the right.

Giuseppe Quarta
Contractor's Representative

Appendix 1

VO No. 161 Bond Issuer Confirmation

[Letterhead of Zurich]

_____, 2016

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. 161

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. 161, dated February 24th, 2016 ("Variation Agreement No. 161") to the Contract, executed by the Owner and the Contractor, which provides for certain modifications to the Contract so as to permit the further temporary deferral of the repayment of the Other Existing Advances.

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. 161.

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: _____

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FORM OF OTHER EXISTING ADVANCES SECURITY

IRREVOCABLE LETTER OF CREDIT

Date: Panama, _____, 20XX
XXXXXXXXXX

Letter of Credit:

Beneficiary: **Autoridad del Canal de Panama**
Altos de Balboa, Balboa
Panama, Republica de Panama
as the Employer under the Contract referred to below

Applicant: **Grupo Unidos por el Canal, S.A.**
Building 22B, Brujas Road,
Cocoli, Republica de Panama

Maximum Stated Amount: \$ _____¹ (_____ U.S. Dollars)

Expiration Date: December 31, 2018

At the request and for the account of Grupo Unidos por el Canal, S.A. (the "Applicant") the undersigned [Issuing Bank] (the "Bank") hereby establishes this clean, irrevocable Letter of Credit (this "Letter of Credit") in your favor as beneficiary ("Beneficiary") for drawing up to the maximum stated amount set forth above, effective _____, 20XX. As used in this Letter of Credit, "Dollars" and "\$" means the lawful currency of the United States of America.

This Letter of Credit is issued, presentable and payable at the Bank's office at [address] Panama, Attention: _____ and expires with the Bank's close of business on _____, 20XX. This Letter of Credit cannot be modified or revoked without your written consent.

This Letter of Credit is issued in connection with the Contract dated August 11, 2009, between you, as Employer (the "Employer") and Grupo Unidos por el Canal, S.A., as Contractor (the "Contractor"), with respect to the design and construction of the third set of locks (as amended, supplemented or otherwise modified, the "Contract"), entered into by the Employer and the Contractor pursuant to your request for proposal for design and construction of the third set of locks, number 76161.

This Letter of Credit is valid and effective immediately and, on and after the date hereof, drawings hereunder may be made by you from time to time by presentation of your demand for payment at our office specified above on or before the expiry date hereof in the form of Annex

¹ Complete with the Other Existing Advances Outstanding Amount.



LETTER OF CREDIT: # XXXXXXXXXX

I hereto (each, a "Notice of Claim"), in each case appropriately completed and purportedly signed by one of your authorized officers. We shall not be obligated to check the authenticity of such signature. Our only obligations with regards to a drawing under this Letter of Credit shall be to examine the Notice of Claim presented and to pay in accordance therewith, and we shall not be obligated to make any inquiry in connection with the presentation of such Notice of Claim. Multiple and partial draws are allowed.

Drawings hereunder may be made by you prior to the expiration hereof at any time during our business hours at the aforementioned address in Panama, on any "Business Day" (as defined below). We hereby agree to honor each such drawing within three (3) Business Days after receipt thereof, provided that the drawing conforms to the terms and conditions of this Letter of Credit. "Business Day" means a day on which we are open at the aforesaid address for the purpose of conducting commercial banking business.

If a demand for payment made by you hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, we shall give you notice promptly (but in any case no later than one (1) Business Day after presentation of such demand) that the demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefore and that we will upon your instructions hold any documents at your disposal or return the same to you. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand prior to 11:00 am Panama City time on the expiration date stated above.

All amounts paid by the Bank under the Letter of Credit shall be paid in immediately available funds, by wire transfer to the account specified by you in the Notice of Claim, free and clear of, and without deduction for, any taxes, duties, fees, liens, set-offs or other deductions of any kind and regardless of any objection of any third party.

This Letter of Credit sets forth in full the terms of our undertaking, and this undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to or to which this Letter of Credit relates, except for the Annex attached hereto. The obligation of the Bank under this Letter of Credit is the individual obligation of the Bank and is not contingent or conditioned upon reimbursement by the applicant or any other party with respect thereto, or upon the Bank's ability to obtain, perfect or realize upon any lien or security interest in any collateral, or any other reimbursement.

This Letter of Credit is subject to and governed by the laws of the Republic of Panama and the International Standby Practices ISP98 of the International Chamber of Commerce (Publication No. 590) and in the event of any conflict the laws of the Republic of Panama will control.

By: [Issuing Bank]

Name:
Title:

Name:
Title:

A handwritten signature in dark ink, appearing to be a stylized name, located in the bottom right corner of the page.

NOTICE OF CLAIM

_____, 20 ____

(Name of Issuing Bank)
(Address)

All terms used herein which are defined in the Letter of Credit No. XXXXXXXXXXXX, dated as of _____, 20XX ("Letter of Credit") issued by you have the same meanings when used herein. All capitalized terms used in this Notice of Claim which are defined in the Contract shall have the meanings given them therein.

The undersigned hereby certifies and states that: [Choose Applicable Paragraph]

1. The Contractor has failed to pay in full the Other Existing Advances on the date due as set forth in Sub-Clause 14.2J of the conditions of Contract. Accordingly, the undersigned hereby makes demand for payment in the total outstanding amount of the Letter of Credit, which is \$ _____ (the "Demand Amount").

[or]

2. The Contractor has failed to pay in full the Other Existing Advances prior to a termination under Clause 15, Clause 16 or Clause 19 (as the case may be) of the conditions of Contract. Accordingly, the undersigned hereby makes demand for payment in the total outstanding amount of the Letter of Credit, which is \$ _____ (the "Demand Amount").

[or]

3. The Contractor has failed to pay in full the Other Existing Advances as stated in Sub-Clause 14.2J of the conditions of Contract 45 days prior to the specified expiry date of the Letter of Credit, and the Contractor has failed to extend the validity of Letter of Credit in accordance with sub-paragraph (i) of Sub-Clause 14.2J of the conditions of Contract. Accordingly, the undersigned hereby makes demand for payment in the total outstanding amount of the Letter of Credit, which is \$ _____ (the "Demand Amount").

[or]

4. The Employer is entitled to terminate the Contractor's right to complete the Contract under Sub-Clause 15.2 of the conditions of Contract. Accordingly, the undersigned hereby makes demand for payment in the total outstanding amount of the Letter of Credit, which is \$ _____ (the "Demand Amount").

[or]



LETTER OF CREDIT: # XXXXXXXXXX

5. The Contractor has failed to provide the Replacement Performance Security by the date required by Sub-Clause 4.2F of the Conditions of Contract. Accordingly, the undersigned hereby makes demand for payment in the total outstanding amount of the Letter of Credit, which is \$ _____ (the "Demand Amount").

[or]

6. The Contractor has failed to pay in full the Other Existing Advances Milestone Deductions on the Other Existing Advances Milestone Deduction Payment Date as set forth in Sub-Clause 14.2J of the conditions of Contract. Accordingly, the undersigned hereby makes demand for payment of such amount, which is \$ _____ (the "Demand Amount").

The Beneficiary is making a drawing under the Letter of Credit in the amount of the Demand Amount stated above. You are hereby directed to make payment of the requested drawing to Autoridad del Canal de Panama; [Account Details].

AUTORIDAD DEL CANAL DE PANAMA

By:
Name:
Title:

A handwritten signature in dark ink, appearing to be a stylized name, located in the bottom right corner of the page.