

PANAMA CANAL AUTHORITY	VARIATION	PAGE 1 OF 11
1. REQUEST FOR PROPOSAL No.: RFP-76161	2. CONTRACT No.: CMC-221427	3. DATE: July 26, 2012
		4. VARIATION No.: 042

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]
	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 attached Variation Agreement

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) Bernardo Gonzalez 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: 26/07/2012	15. PANAMA CANAL AUTHORITY  (Employer's Representative/Contracting Officer's signature)	16. DATE: 26/07/2012

This Variation Agreement Number 042, is dated as of the 26th day of July 2012 and made.

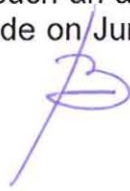
Between: Autoridad del Canal de Panama, Building 740, Corozal Panama, Republic of Panama (hereinafter called the "**Employer**") on the one part,

and

Grupo Unidos por el Canal, S.A., of Building 22B, Brujas Road, Cocoli, 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 or may be varied, amended, modified or supplemented, the "**Contract**").
- (b) The Contractor:
 - (i) requested through Request for Variation No. 0126 (RFV 126), dated June 16, 2012, that the Employer make an advance payment equal to a current estimate of the amount that may become due in respect of future predicted increases in the price of Reinforcing Steel pursuant to Sub-Clause 13.8 of the Conditions of Contract; and
 - (ii) by letter dated June 19, 2012 (Reference GUPC-IAE-1284), informed the Employer of very serious financial problems which it contends that it is facing as a consequence of the global financial and liquidity crisis and therein requested financial assistance from the Employer, including that the Employer advance sums to the Contractor earlier than would otherwise have become due under the Contract in respect of the future predicted increases in the prices of Reinforcing Steel.
- (c) Accordingly, the Employer has responded through letters IAE-UPC-1115 and IAE-UPC-1117 of June 20 and 21, 2012, respectively indicating to the Contractor certain terms under which such an advance payment could be made, and which payment has now been made on June 25, 2012 subject to the terms hereinafter agreed.



July 26, 2012

Design and Construction of the Third Set of Locks

- (d) In reliance on the Contractor's representations and assertions regarding its financial condition and cash flow difficulties, which the Parties agree that the Employer is not able to independently verify, the Employer considers that unless it grants the Contractor's request for the advance payment provided in this Variation Agreement No.042, there could be serious risk to the completion of the Project and therefore the Employer's agreement to the terms hereof is in the best interests of the Project.
- (e) Therefore, subject to the terms of this Variation Agreement No. 042, and based upon the representations and statements made by the Contractor concerning its financial position and ability to obtain funding, in order to assist the cash flow of the Contractor and for no other reason, the Parties have agreed to a variation to the Contract as hereinafter stated, but not further or otherwise.
- (f) It is agreed in making this variation to the requirements of the Contract that this Variation Agreement No. 042 is 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.

THE PARTIES HEREBY AGREE AS FOLLOWS:

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

1. In this Variation Agreement No. 042, 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. Notwithstanding and without prejudice to the merits of any claims that either may have against the other relating to the Contract (as to which both Parties' positions are fully reserved) the Contractor acknowledges and agrees that the Employer is not responsible for the Contractor's financial position and its need to request financial assistance. The Contractor agrees and acknowledges that it shall not make any claims against the Employer arising out of or in connection with this Variation No. 042 or in any way argue or use the fact or the terms of this Variation Agreement No. 042 in a prejudicial way against the Employer or in support of any claims or future actions. The Contractor further agrees and acknowledges that the Employer's agreement to this Variation Agreement No. 042 and the accommodation to the Contractor provided herein is not and shall not be deemed to be an agreement to grant or otherwise provide any similar or other financial accommodation as may be requested by the Contractor on or before the date hereof or in the future.
3. The Parties agree that the Contractor shall have no claims for additional time or money or any other relief or entitlement of any kind as a consequence of this Variation Agreement No. 042 or arising out of it or in any way in connection with it.



4. Further, the Contractor's obligations to complete the Works and comply with the Contract remain in all respects unaffected and nothing within this Variation Agreement No.042 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.042 had been originally contained in the Contract. Any ambiguity or uncertainty in the meaning and effect of this Variation Agreement No.042 shall be resolved in favour of the Employer.
5. This Variation Agreement No. 042 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.
6. The Parties agree to add the following Definitions from the Conditions of Contract:

"Advanced Reinforcement Adjustment Amount means the sum of US\$ 19,631,505.14 million which has been certified in Interim Payment Certificate 30 and paid by the Employer to the Contractor in accordance with and subject to the terms of this Variation Agreement No. 042 on account of anticipated increases in the price of Reinforcing Steel that would in due course, if such anticipated increases were realized, have become payable pursuant to Sub-Clause 13.8.1 to 13.8.6 [*Adjustments for Changes in Prices for Specified Materials*], such sum being subject to repayment and/or reconciliation up or down as set out in Variation Agreement No. 042 to ultimately reflect the actual increase or decrease in the price of Reinforcing Steel calculated in accordance with Sub-Clause 13.8.

"Advanced Reinforcement Adjustment Amount Security" has the meaning provided in Sub-Clause 13.8.16.

"Advanced Reinforcement Adjustment Amount Security Bond" means any bond intended to provide, or, once issued, providing, the Advanced Reinforcement Adjustment Amount Security.

"Acceptable Local Bond Issuer" means any insurance company:

(a) legally established in the Republic of Panama and authorized by the Insurance Superintendency of the Republic of Panama to subscribe surety business;

(b) which, as of the date of issuance of any Advanced Reinforcement Adjustment Amount Security Bond, and assuming the issuance thereof, will not have issued outstanding bonds which, in the aggregate, exceed ten percent (10%) of



(1) in the case of a Panamanian company issuer, its "Technical Adjusted Net Worth" as published by the Insurance Superintendency of the Republic of Panama in the quarterly report for the period in which the proposed date of issuance of such Advanced Reinforcement Adjustment Amount Security Bond would occur (or, if no such report has yet been so published for the relevant period in which such date of issuance would occur, for the last such period in which such a report was so published); or

(2) in the case of an issuer which is a branch of a foreign (non-Panamanian) company, its "Net Worth" as shown in its most recent audited financial statements; and

(c) which, provides, together with any such Advanced Reinforcement Adjustment Amount Security Bond, a certificate of a responsible officer thereof certifying its compliance with the terms of the foregoing sub-clauses (a) and (b)(1) or (2), as the case may be, and attaching supporting documentation demonstrating its compliance with such terms;

provided that, in the event that any such insurance company cannot comply or demonstrate its compliance with the terms of the foregoing sub-clause (b) (1) or (2), as the case may be, then such issuer may provide the proposed Advanced Reinforcement Adjustment Amount Security Bond, together with its evidence of the satisfaction of sub-clause (a), above, and binding reinsurance arrangements relating thereto which satisfy the following requirements:

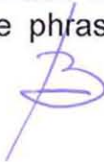
(x) such reinsurance arrangements are in form and substance acceptable to the Employer in its absolute discretion;

(y) any such proposed reinsurer has a rating equivalent or exceeding that set forth in sub-clause (ii) of the definition of Acceptable Bond Issuer Rating, and the appropriate regulatory authorization (or exemption from such authorization) in the relevant jurisdiction(s) applicable thereto; and

(z) any such proposed reinsurer provides on the date of issuance of such proposed reinsurance, a certificate of a responsible officer thereof certifying its compliance with the terms of the foregoing sub-clauses (x) and (y), and attaching supporting documentation demonstrating its compliance with such terms.

7. The Parties agree to amend the following Definitions as follows:

"1.1.6.3 **Acceptable Bond Issuer**" shall be amended to (a) insert the term "(i)" following the phrase "means," in the first line thereof, (b) to



replace the "." at the end of sub-clause (c) with the phrase "; and", and (c) to insert the following new final clause thereof:

(ii) with respect to the issuer of any Advanced Reinforcement Adjustment Amount Security Bond, an Acceptable Local Bond Issuer.

"1.1.6.4 Acceptable Bond Issuer Rating" shall be amended to insert (a) the term "(i)" following the phrase "means," in the first line thereof, and (b) the following new final clause thereof:

and (ii) with respect to the issuer of any Advanced Reinforcement Adjustment Amount Security Bond, the requirements of sub-clause (b) of, and, if applicable, Sub-Clause (y) of the provision to, the definition of Acceptable Local Bond Issuer.

"1.1.6.11 Contractor Security Instrument" shall be amended to read as follows:

"Contractor Security Instrument" means each of the Performance Bond, the Payment Bond, each Contractor Security LOC and any Advanced Reinforcement Adjustment Amount Security.

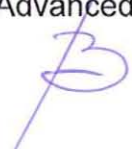
8. The Parties agree to add the following Sub-Clauses:

"13.8.7 The Advanced Reinforcement Adjustment Amount has been certified and paid by the Employer strictly subject to provision by the Contractor of the following confirmations in writing of the acceptance without any reservation, detriment or prejudice to the Employer of this Variation Agreement No. 042, by:

(i) the Guarantors under and as defined in the Joint and Several Guarantee; and

(ii) the Guarantor under and as defined in the Parent Company Guarantee for the Joint and Several Guarantee.

13.8.8. To account for the Advanced Reinforcement Adjustment Amount, each Adjustment Amount Due This Period in respect of Reinforcing Steel determined in accordance with Sub-Clauses 13.8.1 to 13.8.6 subsequent to this Variation Agreement No. 042, will be applied against the Advanced Reinforcement Adjustment Amount which, for information purposes only, is shown on an edited version of the current Price Adjustment Timetable only going up to June 2012 attached at Appendix 2 hereto, to reflect the actual payment by the Employer of the Advanced Reinforcement Adjustment Amount in



June 2012. Accordingly, following each Adjustment Date, the Employer's Representative shall, in accordance with Sub-Clause 13.8.3, determine the Adjustment Price for Reinforcing Steel and issue the updated Price Adjustment Timetable. However, solely in respect of Reinforcing Steel, the Adjustment Amount Due This Period shall not be payable but shall be set against the Advanced Reinforcement Adjustment Amount.

- 13.8.9 In respect of Reinforcing Steel, there shall be no further Adjustment Amount Due This Period to be paid to the Contractor unless and until such time (if any) as the total Adjustment Amount Due This Period in respect of Reinforcing Steel following each Adjustment Date subsequent to this Variation Agreement No. 042 exceeds the Advanced Reinforcement Adjustment Amount. Accordingly, if the total of the Adjustment Amounts Due This Period in respect of Reinforcing Steel, subsequent to this Variation Agreement No.042, exceed the Advanced Reinforcement Adjustment Amount, the difference shall be added to the Contract Price and included within the Contractor's next Statement and Interim Payment Certificate. In such circumstances, any further adjustments for Reinforcing Steel shall be governed by Sub-Clause 13.8 in the usual way.
- 13.8.10 In the event that, following the final Adjustment Date and the calculation of the final Adjustment Amount Due This Period for Reinforcing Steel, the Advanced Reinforcement Adjustment Amount exceeds the total of the Adjustment Amounts Due This Period in respect of each Adjustment Date following this Variation Agreement No. 042 for Reinforcing Steel, the balance shall be due to the Employer and will be repaid by deduction from the next Interim Certificate thereafter, or otherwise recoverable as a debt.
- 13.8.11 The Parties acknowledge that, subject to the deduction of financing charges as provided in Sub-Clause 13.8.14, the overall adjustment to the Contract Price in respect of Reinforcing Steel, finally determined following the final Adjustment Date shall be the same as would have been the case if this Variation Agreement No. 042 had not been made. Subject to Sub-Clause 13.8.14, nothing contained in this Variation Agreement No. 042 is intended to or does vary the amount the Contractor shall be entitled to in respect of increases in the price of Reinforcing Steel by the application of existing Sub-Clauses 13.8.1 to 13.8.6.
- 13.8.12 The whole of the balance of the Advanced Reinforcement Adjustment Amount not yet accounted for pursuant to this Variation Agreement No. 042 and Sub-Clause 13.8 shall immediately



become due and payable by the Contractor to the Employer and the Employer shall be entitled to make a claim for the entire unaccounted amount under the Advanced Reinforcement Adjustment Amount Security, if:

- (a) the Advanced Reinforcement Adjustment Amount has not been fully accounted for prior to the issue of the Taking-Over Certificate for the Works or prior to a termination under Clause 15 [Termination by Employer], Clause 16 [Suspension and Termination by Contractor] or Clause 19 [Force Majeure] (as the case may be);
- (b) the Advanced Reinforcement Adjustment Amount has not fully accounted for 45 days prior to the expiry date of the Advanced Reinforcement Adjustment Amount Security and the Contractor fails to extend the validity of the Advanced Reinforcement Adjustment Amount Security in accordance with Sub-Clause 13.8.17; and/or
- (c) the Employer is entitled to terminate the Contractor's right to complete the Contract under Sub-Clause 15.2 [Termination by Employer], irrespective of whether notice of termination has been given.

13.8.13 The Parties also agree that should the Contractor's right to complete the Contract be terminated for any reason prior to the final Adjustment Date in accordance with Sub-Clause 13.8, and/or prior to the Advanced Reinforcement Adjustment Amount being fully accounted for as aforesaid, the sum due to the Contractor in respect of adjustments for Reinforcement Steel shall be such sum as the Contractor would have been entitled to at the date of any such termination had this Variation Agreement No. 042 not been made. In the event that such sum would be less than the Advanced Reinforcement Adjustment Amount, the balance shall become immediately due and payable to the Employer together with any accrued financing charges calculated in accordance with Sub-Clause 13.8.14.

13.8.14 The Parties have also agreed that since the Employer has agreed by this Variation No. 042 to pay the Advanced Reinforcement Adjustment Amount in advance of when such sums would have otherwise have become due under Sub-Clause 13.8, the Employer shall be paid certain financing costs of doing so. Such financing costs shall be calculated following each Adjustment Date by applying the rate for delayed payment calculated in accordance



with the second paragraph of Sub-Clause 14.8 [*Delayed Payment*] to the Advanced Reinforcement Adjustment Amount up to the first Adjustment Date following this Variation Agreement No. 042 and thereafter by applying the rate for delayed payment calculated in accordance with the second paragraph of Sub-Clause 14.8 [*Delayed Payment*] to the remaining balance of the Advanced Reinforcement Adjustment Amount following deduction of each Adjustment Amount Due This Period in respect of Reinforcing Steel. To demonstrate the intent of this, and for information purposes only, a notional calculation is attached at Appendix 1 to this Variation Agreement No. 042 to show how financing charges could be so calculated and applied.

13.8.15 Financing charges calculated in accordance with Sub-Clause 13.8.14 will be deducted from each of the Contractor's Interim Payment Certificates issued immediately after each Adjustment Date and the calculation of the Adjustment Amount Due this Period.

13.8.16 By no later than August 21, 2012, the Contractor shall obtain, at his own cost, and furnish to the Employer, as security for the Advanced Reinforcement Adjustment Amount, one of the following:

- (a) an irrevocable stand by letter of credit or an acceptable unconditional bank guarantee issued by an Acceptable Financial Institution; or
- (b) a bond issued by an Acceptable Bond Issuer; or
- (c) a bond issued by an Acceptable Local Bond Issuer

in each case in a form and amount equivalent to the Advanced Reinforcement Amount and in a form satisfactory to the Employer in its absolute discretion (the "**Advanced Reinforcement Adjustment Amount Security**").

13.8.17 The Contractor shall ensure that the Advanced Reinforcement Adjustment Amount Security shall remain valid and enforceable and in full force and effect until the Advanced Reinforcement Adjustment Amount has been fully accounted for pursuant to Sub-Clauses 13.8.8 and 13.8.9, provided that the Advanced Reinforcement Adjustment Amount Security may (if applicable) be issued for recurring periods of not less than one year during such period and provided further, that its amount may be progressively reduced by the amount accounted for in respect of the Advanced Reinforcement Adjustment Amount as aforesaid. If the Advanced



Reinforcement Adjustment Amount has not been fully accounted for by the date 45 days prior to the specified expiry date of the Advanced Reinforcement Adjustment Amount Security, the Contractor shall, not later than 30 days prior to the specified expiry date of the Advanced Reinforcement Adjustment Amount Security, extend the validity of the Advanced Reinforcement Adjustment Amount Security for a period of not less than one year (or such lesser period as the Contractor in good faith believes, as agreed in writing with the Employer's Representative, will maintain the Advanced Reinforcement Adjustment Amount Security in effect until the Advanced Reinforcement Adjustment Amount has been fully accounted for).

13.8.18 The Employer shall be entitled to make a claim under the Advanced Reinforcement Amount Security, if:

- (a) the Contractor fails to pay the Employer an amount due, as either agreed by the Contractor or determined under Sub-Clause 2.5 [*Employer's Claims*] or Clause 20 [*Claims, Disputes and Arbitration*] within 42 days of its agreement or determination;
- (b) the Contractor fails to remedy a default within the time stated in the Employer's notice requiring the default to be remedied; and/or
- (c) the Employer is entitled to terminate the Contractor's right to complete the Contract under Sub-Clause 15.2 [*Termination by Employer*] irrespective of whether notice of termination has been given.

13.8.19 For the avoidance of doubt, the terms of Sub-Clause 4.2D shall apply to any Advanced Reinforcement Adjustment Amount Security, but it is expressly agreed that the terms of Sub-Clause 4.2E shall not so apply thereto.

13.8.20 Notwithstanding any other term of this Contract, should the Contractor fail to provide by August 21, 2012 any of:

- (i) the Advanced Reinforcement Amount Security;
- (ii) the confirmations required by Sub-Clause 13.8.7;

the Employer may at its absolute discretion deduct from the next Interim Payment Certificate or any subsequent Interim Payment



July 26, 2012

Design and Construction of the Third Set of Locks

Certificate the full amount of the unaccounted balance of the Advance Reinforcement Adjustment Amount.

In Witness whereof the parties hereto have caused this Variation Agreement No. 042 to the Contract to be executed on the 26th day of July 2012 by their duly authorized representatives.

For ACP

For GUPCSA



Jorge de la Guardia

Employer's Representative



Bernardo González

Contractor's Representative

APPENDIX 1

Example See Sub-Clause 13.8.14

A	B	C	D	E	F	G	H	I	J
Number of Calendar Days After Commencement Date	Adjustment Dates	Number of Calendar Days After Advanced Reinforcement Adjustment	Advanced Reinforcement Adjustment Amount	Previous Advanced Reinforcement Adjustment Amount Balance	Adjustment Amount Due This Period (Example)	Advanced Reinforcement Adjustment Amount Balance	Adjustment Amount Due This Period Payable (Example)	Effective Rate (i=SubClause 14.8) (i/360xC)	Financing Cost (Ix E)
	06/25/2012		19,631,505.14	19,631,505.14	0.00	19,631,505.14			
1066	26-Jul-12	31	0.00	19,631,505.14	5,925,000.00	13,706,505.14	0.00	0.194%	(38,045.86)
1158	26-Oct-12	123	0.00	13,706,505.14	4,888,000.00	8,818,505.14	0.00	0.769%	(105,375.61)
1250	26-Jan-13	215	0.00	8,818,505.14	4,276,000.00	4,542,505.14	0.00	1.344%	(118,503.07)
1340	26-Apr-13	305	0.00	4,542,505.14	2,848,000.00	1,694,505.14	0.00	1.906%	(86,593.78)
1431	26-Jul-13	396	0.00	1,694,505.14	1,647,000.00	47,505.14	0.00	2.475%	(41,939.00)
1523	26-Oct-13	488	0.00	47,505.14	729,000.00	0.00	681,494.86	3.050%	(1,448.91)
1615	26-Jan-14	580	0.00	0.00	238,000.00	0.00	238,000.00	3.625%	0.00
			\$ 19,631,505.14		\$ 20,551,000.00		\$ 919,494.86		\$ (391,906.23)

\$ 20,551,000.00

APPENDIX 2

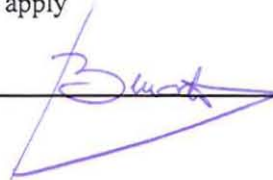
Price Adjustment Timetable

Reinforcing Steel

Maximum Adjustment Quantity: 279,000 Metric Tonnes

Number of Calendar Days After Commencement Date	Adjustment Dates	Adjustment Quantity (Metric Tonne)	Adjustment Price	Reference Price	Price Difference	Adjustment Amount Due This Period
62	26-Oct-09	0	560.8221	\$575.00	(\$14.1779)	\$0.00
154	26-Jan-10	0	517.3427	\$575.00	(\$57.6573)	\$0.00
244	26-Apr-10	0	609.5679	\$575.00	\$34.5679	\$0.00
335	26-Jul-10	0	662.3551	\$575.00	\$87.3551	\$0.00
427	26-Oct-10	0	645.942	\$575.00	\$70.9420	\$0.00
519	26-Jan-11	0	687.5858	\$575.00	\$112.5858	\$0.00
609	26-Apr-11	12,737	825.2518	\$575.00	\$250.2518	\$3,187,457.18
700	26-Jul-11	34,340	799.0397	\$575.00	\$224.0397	\$7,693,523.30
792	26-Oct-11	33,033	809.7502	\$575.00	\$234.7502	\$7,754,503.36
884	26-Jan-12	36,577	807.9777	\$575.00	\$232.9777	\$8,521,625.33
975	26-Apr-12	42,272	810.6759	\$575.00	\$235.6759	\$9,962,491.64
1030	20-Jun-12	120,041	738.5400	\$575.00	\$163.5400	\$19,631,505.14
Total		279,000				

Note: 1.) Also refer to Sub-Clause 1.1.5 [Works and Goods] and Sub-Clause 13.8 [Adjustments for Changes in prices for Specified Materials];
 2.) Reference amount calculated upon outstanding quantities (120,041 Metric tonnes) as of 20 June, 2012;
 3.) Platts indice as of day 20 June, 2012.
 4.) Please refer to Variation Agreement Number 042, and in particular Sub-Clause 13.8.8. This entry for June 2012 is for information purposes only and reflects payment by the Employer of the Advanced Reinforcement Adjustment Amount. As provided in Variation Agreement Number 042, the Price Adjustment Timetable will continue to be updated following each Adjustment Date and the Advance Reinforcement Adjustment Amount shown here is subject to adjustment in accordance with the terms of Variation Agreement Number 042. Note that this document only covers the period up to June 2012 – for the avoidance of any doubt the original Adjustment Dates shall continue to apply



APPENDIX 2

Price Adjustment Timetable

Reinforcing Steel

Maximum Adjustment Quantity: 279,000 Metric Tonnes

Number of Calendar Days After Commencement Date	Adjustment Dates	Adjustment Quantity (Metric Tonne)	Adjustment Price	Reference Price	Price Difference	Adjustment Amount Due This Period
62	26-Oct-09	0		\$575.00		
154	26-Jan-10	0		\$575.00		
244	26-Apr-10	0		\$575.00		
335	26-Jul-10	0		\$575.00		
427	26-Oct-10	0		\$575.00		
519	26-Jan-11	0		\$575.00		
609	26-Apr-11	12,737		\$575.00		
700	26-Jul-11	34,340		\$575.00		
792	26-Oct-11	33,033		\$575.00		
884	26-Jan-12	36,577		\$575.00		
975	26-Apr-12	42,272		\$575.00		
1025	15-Jun-12	120,041		\$575.00		
Total		279,000				



APPENDIX 3

PANAMA CANAL EXPANSION - THIRD SET OF LOCKS PROJECT

CONFIRMATION OF PARENT COMPANY GUARANTEE

THIS CONFIRMATION OF PARENT COMPANY GUARANTEE (this "Confirmation") is dated as of July ____, 2012. Capitalized terms used herein have the respective meanings provided in the Parent Guarantee (as defined below).

BACKGROUND:

(A) The undersigned is the Guarantor under the Parent Company Guarantee in respect of the Joint and Several Guarantee Obligations of a Member, dated May 31, 2010 (the "Parent Guarantee"), relating to the Third Set of Locks Project, made in favor of the Autoridad del Canal de Panamá, as Employer under the Contract.

(B) The Contractor and the Employer have entered into a Variation Agreement Number No. 42, dated as of ____, 2012 ("Variation").

(C) In connection with the Variation, the Employer has requested, and the Guarantor has agreed to provide, this Confirmation of the obligations of the Guarantor under the Parent Guarantee.

CONFIRMATION:

The Guarantor hereby (i) acknowledges receipt of a copy of the Variation; (ii) agrees that all references in the Parent Company Guarantee to the Contract shall be deemed to mean the Contract as varied by the Variation (as the Contract may be further amended, modified or supplemented from time to time); (iii) confirms, affirms and ratifies the Parent Guarantee and its obligations and agreements thereunder in all respects; (iv) acknowledges that the Employer has relied on this Confirmation in agreeing to the Variation; and (v) represents and warrants that this Confirmation has been duly authorized by all necessary organizational action on its part and constitutes its legal, valid and binding obligation.

This Confirmation shall be governed by and construed in accordance with the laws of the Republic of Panama. Any disputes arising out of, under or in connection with this Confirmation shall be resolved as provided in Section 9.2 of the Parent Guarantee.



IN WITNESS WHEREOF the Guarantor has caused this Confirmation to be executed the day and year provided above by their duly authorized representatives.

SIGNED by:

Name:
Position:
Address:
Date:

for and on behalf of **JAN DE NUL GROUP (SOFIDRA S.A.)**, as Guarantor in the presence of

Witness:
Name:
Address:
Date:

ACCEPTED BY THE EMPLOYER as of the day and year provided above.

SIGNED by:

Name:
Position:
Address:
Date:

for and on behalf of the **EMPLOYER**
in the presence of

Witness:
Name:
Address:
Date:



APPENDIX 3

PANAMA CANAL EXPANSION - THIRD SET OF LOCKS PROJECT

CONFIRMATION OF JOINT AND SEVERAL GUARANTEE AGREEMENT

THIS CONFIRMATION OF JOINT AND SEVERAL GUARANTEE AGREEMENT (this "Confirmation") is dated as of July ____, 2012. Capitalized terms used herein have the respective meanings provided in the Joint and Several Guarantee (as defined below)

BACKGROUND:

(A) The undersigned are the Guarantors under the Joint and Several Guarantee agreement, dated May 31, 2010 (the "Joint and Several Guarantee"), relating to the Third Set of Locks Project, made in favor of the Autoridad del Canal de Panamá, as Employer under the Contract.

(B) The Contractor and the Employer have entered into a Variation Agreement Number No. 42, dated as of ____, 2012 ("Variation").

(C) In connection with the Variation, the Employer has requested, and the Guarantors have agreed to provide, this Confirmation of the obligations of the Guarantors under the Joint and Several Guarantee.

CONFIRMATION:

Each of the undersigned Guarantors hereby (i) acknowledges receipt of a copy of the Variation; (ii) agrees that all references in the Joint and Several Guarantee to the Contract shall be deemed to mean the Contract as varied by the Variation (as the Contract may be further amended, modified or supplemented from time to time); (iii) confirms, affirms and ratifies the Joint and Several Guarantee and its obligations and agreements thereunder in all respects; (iv) acknowledges that the Employer has relied on this Confirmation in agreeing to the Variation; and (v) represents and warrants that this Confirmation has been duly authorized by all necessary organizational action on its part and constitutes its legal, valid and binding obligation.

This Confirmation shall be governed by and construed in accordance with the laws of the Republic of Panama. Any disputes arising out of, under or in connection with this Confirmation shall be resolved as provided in Section 9.2 of the Joint and Several Guarantee.



IN WITNESS WHEREOF the Guarantors have caused this Confirmation to be executed the day and year provided above by their duly authorized representatives.

SIGNED for and on behalf of the Guarantors:

SIGNED by:

Name:
Position:
Address:
Date:

for and on behalf of the Guarantors and for and
on behalf of **SACYR VALLEHERMOSO, S.A.**,
as Guarantor in the presence of

Witness:
Name:
Address:
Date:

SIGNED by:

Name:
Position:
Address:
Date:

for and on behalf of the Guarantors and for and
on behalf of **JAN DE NUL N.V.**, as Guarantor
in the presence of

Witness:
Name:
Address:
Date:

SIGNED by:

Name:
Position:
Address:
Date:

for and on behalf of the Guarantors and for and
on behalf of **IMPREGILO S.p.A.**, as Guarantor
in the presence of

Witness:
Name:
Address:
Date:

SIGNED by:

Name:
Position:
Address:
Date:

for and on behalf of the Guarantors and for and
on behalf of **CONSTRUCTORA URBANA,
S.A.**, as Guarantor in the presence of

Witness:
Name:
Address:
Date:



ACCEPTED BY THE EMPLOYER as of the day and year provided above.

SIGNED by:

Name:

Position:

Address:

Date:

for and on behalf of the **EMPLOYER** in the presence of

Witness:

Name:

Address:

Date:

