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| PANAMA CANAL AUTHORITY | VARIATION | PAGE 1 OF 8 |
| 1. REQUEST FOR PROPOSAL No.: RFP-76161 | 2. CONTRACT No.: CMC-221427 | 3. DATE: September 10, 2012 |
| | | 4. VARIATION No.: 048 |

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] |
| | 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.

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| 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: 10/09/2012 |
| | 15. PANAMA CANAL AUTHORITY  (Employer's Representative/Contracting Officer's signature) |
| | 16. DATE: 10/11/2012 |

This Variation Agreement Number 048, is dated as of 10th day of September 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, 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 Contract 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 RFV No. 0131, dated July 20, 2012, that the Employer agree to make seventy percent (70%) of the payments for Plant and Materials intended for the Works when the Plant and Materials are fabricated ready for shipping to the Site instead of the fifty percent (50%) as stipulated in Sub-Clause 14.5 [Plant and Materials Intended for the Works] of the Contract and 30% to be certified upon "Delivered to the Site" status, and proposed certain provisions for payment of the 70% by way of progress payments and made certain proposals regarding payment for valves and bulkheads; 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 in general terms and without specific conditions rescheduling the payment on Plant and Materials.
- (c) 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 agrees to revise the payment profile in relation to the Plant and Materials intended for the Works pursuant to Sub-Clause 14.5 (in conjunction with various other measures such as but not limited to Variation Agreements No. 042, No. 043, No. 045, No. 047 and No. 049, 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.



- (d) Accordingly, the Employer has responded through letter IAE-GUPC-1194 dated August 13, 2012 indicating to the Contractor that the Employer was willing to consider a revised payment profile (albeit not precisely in the terms requested in RFV 0131 which, for the avoidance of any doubt, is not part of this agreed Variation Agreement No. 048) but subject to the Parties agreeing a formal variation to reflect such revised arrangements.
- (e) Further, the Parties have also agreed as part of this Variation Agreement No. 048 to specify precisely how the progress payments in relation to items 2.3.3.1.11.4 and 2.3.3.2.11.4 from the Schedule of Project Elements and Prices shall be paid, including having regard to the existing understanding as set out in the Employer's letter IAE-UPC-1079 dated May 17, 2012.
- (f) Therefore, subject to the terms of this Variation Agreement No. 048, 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.
- (g) It is agreed in making this variation to the requirements of the Contract that this Variation Agreement No. 048 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. 048, 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 herein. The Parties agree that the Definitions specified as being "from the Conditions of Contract" in Clause 6 of Variation Agreement No. 042, dated as of the 26th day of July 2012 between the Parties, shall instead be deemed to have been added to the Contract (in proper alphabetical order but without any number) by virtue of such Variation Agreement No. 042.
2. Notwithstanding and without prejudice to the merits of any claims that either Party 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 Agreement No. 048 or in any way argue or use the fact or the terms of this Variation Agreement No. 048 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. 048 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. 048 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. 048 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 shall have effect as though the provisions contained in this Variation Agreement No. 048 had been originally contained in the Contract. Any ambiguity or uncertainty in the meaning and effect of this Variation Agreement No. 048 shall be resolved in favour of the Employer.
5. This Variation Agreement No. 048 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 amend Sub-Clause 1.1[Definitions] of the Contract as follows:

6.1 The Parties agree to add the following Definitions to the Contract (which shall be added in proper alphabetical order but without any number):

"Variation Agreement No. 048" means Variation Agreement Number 048, dated as of the 10th day of September 2012 between the Employer and the Contractor."

6.2 The Parties agree to amend the following Definitions as follows:

"1.1.6.4 Acceptable Bond Issuer Rating" shall be amended to amend the final clause thereof to read as follows:

and (ii) with respect to the issuer of any Advanced Reinforcement Adjustment Amount Security Bond, Advance Payment for Key Suppliers Security or any Plant and Material Security, 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, any Advanced Reinforcement Adjustment Amount Security, any Advance Payment for Key Suppliers Security, and any Plant and Material Security.



“1.1.6.13 Contractor Security LOC” shall be amended to read as follows:

“Contractor Security LOC” means each of the Defects Notification Period Security (if applicable), the Advance Payment for Mobilisation Security, the Advance Payment for Plant Security, the Fixed Retention Security (if any) and the Escalating Retention Security (if any).

“1.1.6.33 Plant and Material Security” shall be amended to read as follows:

“Plant and Material Security” means the security or securities required pursuant to Sub-Clause 14.5 [*Plant and Material intended for the Works*] which shall be provided in the form of a bond issued by an Acceptable Bond Issuer or an Acceptable Local Bond Issuer [and in accordance with the terms of Clause 6 of Variation Agreement No. 042], in any such case in a form satisfactory to the Employer in its absolute discretion; provided that, sub-clauses (c) and (z) of the definition of Acceptable Local Bond Issuer shall be inapplicable if the Employer, in its absolute discretion, can independently and satisfactorily determine the matters otherwise to be addressed by such sub-clauses (c) and/or (z), as the case may be.”

7. The Parties agree to delete the current text of Sub-Clause 14.5 [Plant and Materials Intended for the Works] of the Contract and replace it in its entirety with the following, which shall be added to the Contract as Sub-Clause 14.5.1:

“14.5.1 Interim Payment Certificates shall include, under sub-paragraph (a) of Sub-Clause 14.3.3 [Application for Interim Payment Certificates], in respect of Plant and Materials listed in the Appendix to Tender:

(a) an amount equal to seventy percent (70%) of the contract value of such Plant and Materials which have been manufactured and are ready for shipping to the Site;

(b) an amount equal to thirty percent (30%) of the contract value for such Plant and Materials which have been delivered to the Site for incorporation in the Permanent Works; provided that this Sub-Clause 14.5.1 shall be construed in accordance with the following terms:

(1) In relation to the 70% element of the payment as now provided for in Sub-Clause 14.5.1 (a) (save in relation to items 2.3.3.1.9.1, 2.3.3.2.9.1, 2.3.3.1.10.1 and 2.3.3.2.10.1 of the Schedule of Project Elements and Prices as to which sub-clause (2) below shall apply), such sums shall (subject to Sub-Clause 14.5.3) become due and payable as follows [as more particularly explained and clarified in Appendix 1 to Variation Agreement No. 048 Procedure to Effect Progress Payments for Gates]:

(A) The first 40% value for fabrication of each gate based on the

progress of the individual blocks by weight when fabricated and welded to each other.

(B) The next 18% value based on completion of painting, shafts, watertight hatches, cabling, and all other internal systems of the gate, all of which shall be validated by the Employer's Representative, which will only become due for certification in respect of completed lock gates to the satisfaction of the Employer and as per Contract requirements.

(C) The final 12% will be made upon issuance of the factory acceptance test in respect of each gate including all associated Quality Assurance documentation in conformance with Section 01 40 00 [Quality Requirements] of the Employer's Requirements.

(D) No partial progress payments pertaining to the items for which payment is specified in the foregoing sub-clauses (B) and (C) shall be made.

(2) For the avoidance of doubt, items 2.3.3.1.9.1, 2.3.3.2.9.1, 2.3.3.1.10.1 and 2.3.3.2.10.1 of the Schedule of Project Elements and Prices shall be paid strictly in accordance with the terms of this Sub-Clause 14.5.1 (that is, 70% when such items have been manufactured and are ready for shipping to the Site (subject to Sub-Clause 14.5.3) and 30% upon delivery to Site for incorporation into the Permanent Works) and are not the subject of the interim payment procedures set out in sub-clauses (1)(A), (B) and (C) above.

(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 more particularly explained and clarified in Appendix 2 to Variation Agreement No. 048]:

(A) 25% 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) 19.2% of items 2.3.3.1.11.4 and 2.3.3.2.11.4 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.

(4) The Parties agree that in relation to valves work items 2.3.3.1.9.2, 2.3.3.2.9.2, 2.3.3.1.10.2, and 2.3.3.2.10.2 of the Schedule of Project Elements and Prices such items will be paid as follows [as more particularly explained and clarified in Appendix 3 to Variation Agreement No. 048]:



(A) 20% for overhead and profit but this percentage applies solely in relation to the fabrication, delivery, installation, and testing of lock valve and water saving basins valve and bulkhead works;

(B) 16.4% of items 2.3.3.1.9.2, 2.3.3.2.9.2, 2.3.3.1.10.2 and 2.3.3.2.10.2 upon passing successfully each corresponding testing in accordance with Sub-Clause 9 [Tests on Completion] of the Contract and Section 01 8123 and;

(C) the remaining percentage will apply to installation, other lock valve, water saving basins valve and bulkhead work.

(5) For the avoidance of doubt, the Parties reconfirm that payments to be made for the Items listed in sub-clause (1), above are subject to the terms stated in Paragraph H.3 [Additional Price Breakdown for Lock Gates, Lock Valves, and WSB Valves] of the Preamble of the Price Proposal and Price Adjustment Timetable, Volume V, Part 9 of the Contract, which states, among other things, the following:

“..... Where stated, amounts shall be entered for (a) only the price to furnish and deliver the items, with all necessary components to make a complete unit;”

8. By no later than September 30, 2012, the Contractor shall obtain, at his own cost, and furnish to the Employer, the Plant and Material Security, and the date set forth in Sub-Clause 14.5.3 of the Contract for delivery of the Plant and Material Security shall be deemed modified to instead provide for the delivery thereof no later than September 30, 2012. For the avoidance of doubt, the terms of Sub-Clause 4.2D shall apply to the Plant and Material Security, but it is expressly agreed that the terms of Sub-Clause 4.2E shall not so apply thereto. Notwithstanding any other term of this Variation Agreement No. 048 or the Contract, should the Contractor fail to provide by September 30, 2012 the Plant and Material Security, the Employer may at its absolute discretion deduct from the next Interim Payment Certificate or any subsequent Interim Payment Certificate the full amount of any amount previously paid to the Contractor pursuant to the terms of Sub-Clause 14.5.1 (as modified by the terms of this Variation Agreement No. 048).
9. The Parties agree to (a) delete Sub-Clause 4.2D(c)(ii)(B)(1) of the Contract and insert the phrase “Intentionally Omitted” in place thereof; and (b) delete the form included at Annex J Volume 1, Part 3 of the RFP, and insert a form entitled “Intentionally Omitted” in place thereof.
10. The Parties agree that items listed in the Appendix to Tender for the purposes of Sub-Clause 14.5 Plants and Materials intended for the Works, in respect of Pacific Locks, shall be deleted and replaced by:

Item 2.3.3.2.9.1 Lock Valves - Contractor's Price Proposal



Item 2.3.3.2.10.1 WSB Valves - Contractor's Price Proposal

Item 2.3.3.2.11.1 Lockhead 1 Gates - Contractor's Price Proposal

Item 2.3.3.2.11.2 Lockhead 2 & 3 Gates - Contractor's Price Proposal

Item 2.3.3.2.11.3 Lockhead 4 Gates - Contractor's Price Proposal

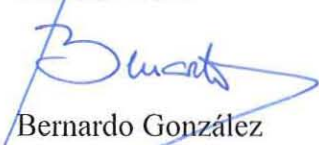
In Witness whereof the Parties hereto have caused this Variation Agreement No. 048 to the Contract to be executed on the 10th day of the year 2012 by their duly authorized representatives.

For ACP



Jorge de la Guardia
Employer's Representative

For GUPCSA



Bernardo González
Contractor's Representative

APPENDIX 1 TO VARIATION AGREEMENT NO. 048

PROCEDURE TO EFFECT PROGRESS PAYMENTS FOR GATES

A. BACKGROUND

1. Sub Clause 14.5 of the Conditions of Contract has been varied by the agreement of the Parties (Variation Agreement No 048). This is Appendix 1 as mentioned in new Sub Clause 14.5.1 (b) (1) [paragraph [7] of the Variation Agreement No 048.
2. The purpose of this Procedure is to establish the required steps to properly validate the progress of Gate fabrication so as to effect progress payments in accordance with Variation Agreement No 048 and Sub-Clause 14.3 [Application for Interim Payment Certificates].
3. The breakdown is as explained below:

B. BASIS FOR VALIDATION OF PERIODIC PAYMENTS TO BE INCLUDED IN INTERIM PAYMENT CERTIFICATES

1. As specified in the Locks Contract, a complete gate comprises the following components: the gate itself (main gate hereinafter), embeds, seals, guides, rails, wagons, mechanical and hydraulic systems.
2. The total price for fabrication and delivery of gates is \$152,033,849.00 for the Atlantic Locks and \$156,699,089.00 for the Pacific Locks. From these total amounts, 68.31% of the value has been assigned specifically for "main gate". The remaining 31.69% is reserved for all other components outside the main gate, as listed in B.1 above.
3. To validate the progress of the "main gate" for the purposes of interim payments, the following criteria will be used:
 - The main gates are divided by blocks. Gates type "A" and "F", have 16 blocks; gates type "B", "C", "D" and "E" have 20 blocks.
 - The value of completed blocks will include all steel, materials, labor, and welding. Payment for the blocks will be made as the blocks are assembled and joined to comprise part of a Gate.
 - The total payment for "main gate" fabrication and delivery will be recognized in a 70%-30% basis. The 70% will be partially progressed in a 40%-18%-12% basis.

First Step of Main Gate Progress Payment: 40%

- The Contractor may make application in the next application for payment pursuant to Sub-Clause 14.3 after the first two gate blocks are properly welded to each other. Validation of the individual blocks will be effective only when they are welded to the other individual blocks as part of a whole Gate unit.
- For each individual block the Contractor must submit the corresponding assembly quality documentation and the welds between blocks must be properly tested and demonstrated to be in compliance with the Contract. The value for each block will be an average percentage by weight, as per table attached in RFV-0131.

- Only the blocks assembled prior to the cutoff date will be considered for certification and payment.
- The progress payment for each block is subject to the submission of relevant Quality Documentation to validate compliance with contract requirements. All required quality documentation should be uploaded in PCM prior to the relevant application for payment.

Second Step of Main Gate Progress Payment: 18%

- The Contractor may make application in the next application for payment pursuant to Sub-Clause 14.3 after all components associated with the main gate are completely installed in the "main gate" and painting is complete.
- Some of these components are shafts, watertight hatches, manholes; also included are protective coating system for all gates, anti-slip coating on walkways, epoxy coating to roadway surfaces, ladders, gratings, cable trays, etc.
- Only one 18% payment will become due per Gate and only when all systems for such Gate are completed. The Contractor must submit all quality documentation properly validated by the Contractor's on site Quality Assurance Team.

Third Step of Main Gate Progress Payment: 12%


- The Contractor may make application in the next application for payment pursuant to Sub-Clause 14.3 when the gate is ready for shipment and all quality documentation (Factory Acceptance Tests) is ready and has been uploaded in PCM.

Fourth Step of Main Gate Progress Payment: 30%

- The Contractor may make application in the next application for payment pursuant to Sub-Clause 14.3 when each Gate has been delivered to the Site, is properly stored on the Site, is protected against loss, damage or deterioration, and is in accordance with the Contract.
- The gate must be properly inspected to ensure that no damage occurred during transportation to the Site. If the gate requires any rectification to comply with the Contract Requirements, Sub-Clause 14.6 (a) and/or (b) of the Conditions of Contract will be applicable.
- It is intended that the Atlantic Gates, will be validated when they arrive at the Atlantic Site. The Pacific Gates, will be recognized 15% upon arrival at the Atlantic site and the other 15% when arrives to the Pacific site.

To validate the progress of "all other gates components", the following criteria will be used:



- The Contractor may make application in the next application for payment pursuant to Sub-Clause 14.3 for 70% when the plant items are ready for shipment. The Contractor shall have ready all documentation related with Factory Acceptance Tests.
 - The Contractor may make application in the next application for payment pursuant to Sub-Clause 14.3 for 30% when the components have been delivered to the Site, are properly stored on the Site and are protected against loss, damage or deterioration and are in accordance with the Contract.
 - The gate components must be properly inspected to ensure that no damage occurred during transportation to the Site. If the gate components require any rectification to comply with the contract requirement, Sub-Clause 14.6 (a) and/or (b) of the Conditions of contract will be applicable.
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APPENDIX 2 TO VARIATION NO.48 DATED SEPTEMBER 10, 2012

This Appendix 2 sets forth the criteria for progress payments described in new Sub Clause 14.5.1 (b) (3), in accordance with Variation No. 48 dated [] September, 2012

The payment percentages breakdown indicated herein for Item 2.3.3.1.11.4 also applies for Item 2.3.3.2.11.4

Note: PROJECT CONTROL ACP/GUPC - AUGUST 23, 2012 MEETING

| | | | | | | | | |
|----------------------------|------------------------------------|---|---------------|---|-------------|----|-------------|--------------|
| Gate Direct | 2.3.3.1.11.1 | Lockhead 1 Gates - Provide and Deliver all complete Lockhead 1 gates to Site. (Price for 2 gates) | | | | \$ | 28,039,203 | |
| | 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) | | | | | 84,965,343 | |
| | 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" | | (A) | | | | 152,033,849 | |
| Include OH&Profit item (A) | 2.3.3.1.11.4 | Price for "All other Gate and Recess closure work - Including Installation, testing, overhead and profit". | (B) | | | | 118,935,142 | |
| | (B.1) | "Overhead and Profit" on Fabricate and Delivery | 25% | x | 152,033,849 | = | 38,008,462 | 32.0% |
| | (B.2 = B - B.1) | Remaining amount for Installation, Testing and its "Overhead and Profit" | | | | | 80,926,680 | 45.6% |
| | (B.3) | "Overhead and Profit" on Recess Closure, Installation and Testing | 80,926,680 | / | 1.25 | | 16,185,336 | 13.6% |
| | (B.4) | Remaining amount for Recess Closure, Installation and Testing | | | | | 64,741,344 | |
| | (B.5) | "Recess Closure" | | | | | 7,000,000 | 5.9% |
| | (B.6) | "Dry and Wet Testing" Section 01-81-19 | 15% | x | 152,033,849 | = | 22,805,077 | 19.2% |
| | (B.7) | Remaining amount for Installation | | | | | 34,936,266 | 29.4% |
| | 2.3.1.11 | Total Price for Fabricate, Deliver, Installation, Testing, Overhead and Profit". | (C = A + B) | | | | 270,968,991 | TENDER PRICE |
| | | Direct Cost for Fabricate, Deliver, Installation, Testing (Do not include Ovh. & Profit). | (D = A + B.4) | | | | 216,775,193 | |

| Breakdown Item 2.3.3.1.11.4 | | \$ | % | | | |
|--|--|----------------|--------|---------------------|-------|--|
| (B.7) | Installation | 34,936,266 | 29.4% | Equiv. Direct Costs | 25.0% | |
| (B.6) | Testing | 22,805,077 | 19.2% | | | |
| (B.5) | Recess Closure | 7,000,000 | 5.9% | | | |
| (B.1 + B.3) | Overhead & Profit (Equiv. 25% of Direct Costs) | 54,193,798 | 45.6% | | | |
| Total Installation, Tests, Recess Closure, Overhead & Profit | | \$ 118,935,142 | 100.0% | | | |
| (A + B.4) | Total Direct Cost | 216,775,193 | 100.0% | | | |
| (B.1 + B.3) | Total Overhead and Profit | 54,193,798 | 25.0% | | | |
| (A + B) | Total Price | \$ 270,968,991 | 125.0% | | | |

END OF DOCUMENT

APPENDIX 3 TO VARIATION NO. 048 DATED SEPTEMBER 10, 2012

This Appendix 3 sets forth the criteria for progress payments described in new Sub Clause 14.5.1(b)(4), in accordance with Variation No. 48 dated September 10, 2012

The payment percentages breakdown indicated herein for item 2.3.3.1.9.2 also applies for items 2.3.3.2.9.2, 2.3.3.1.10.2 and 2.3.3.2.10.2

PROJECT CONTROL ACP/GUPC - AUGUST 28, 2012 MEETING

| | | | | | | | |
|-----------------|---|---------------|--------------------------------|------------|------------------------------|------------|--------------|
| 2.3.3.1.9.1 | Lock Valves - Provide and deliver all complete Lock Valves to the Site | | | | | 49,467,422 | |
| | Price for "Fabricate and Delivery" | (A) | | | | 49,467,422 | |
| 2.3.3.1.9.2 | All other Lock Valves and Bulkhead work - Including Installation, testing, overhead and profit. | (B) | | | | 24,151,234 | |
| (B.1) | "Overhead and Profit" on Fabricate and Delivery | | (Overhead & Profit) | | (Fabricate and Delivery) | | |
| | | 20% | x | 49,467,422 | = | 9,893,484 | 41.0% |
| (B.2 = B - B.1) | Remaining amount for Installation, Testing and its "Overhead and Profit" | | | | | 14,257,750 | 50.8% |
| (B.3) | "Overhead and Profit" on Installation and Testing | | (Instal, Test, Ov'h. & Profit) | | (Overgrossed Ov'h. & Profit) | | OVH & Profit |
| | | 14,257,750 | / | 1.20 | | 2,376,292 | 9.8% |
| (B.4) | Remaining amount for Installation and Testing | | | | | 11,881,458 | |
| (B.5) | "Other Lock Valves and Bulkhead Works" | | | | | 0 | 0.0% |
| (B.6) | "Dry and Wet Testing" Section 01-81-23 | | (Test Factor) | | (Fabricate and Delivery) | | |
| | | 8% | x | 49,467,422 | = | 3,957,394 | 16.4% |
| (B.7) | Remaining amount for Installation | | | | | 7,924,064 | 32.8% |
| 2.3.1.11 | Total Price for Fabricate, Deliver, Installation, Testing, Overhead and Profit". | (C = A + B) | | | | 73,618,656 | |
| | Direct Cost for Fabricate, Deliver, Installation, Testing (Do not include Ov'h. & Profit). | (D = A + B.4) | | | | 61,348,880 | |

| Breakdown Atlantic Lock Valves | | \$ | % | | | |
|--|---|------------|--------|---------------------|-------|--|
| (B.7) | Installation | 7,924,064 | 32.8% | Equiv. Direct Costs | 20.0% | |
| (B.6) | Test | 3,957,394 | 16.4% | | | |
| (B.5) | Other Valves and Bulkhead Works | 0 | 0.0% | | | |
| (B.1 + B.3) | Overhead & Profit (<i>Equiv. 20% of Direct Costs</i>) | 12,269,776 | 50.8% | | | |
| Total Installation, Tests, Recess Closure, Overhead & Profit | | 24,151,234 | 100.0% | | | |
| | | | | | | |
| (A + B.4) | Total Direct Cost | 61,348,880 | 100.0% | | | |
| (B.1 + B.3) | Total Overhead and Profit | 12,269,776 | 20.0% | | | |
| | | | | | | |
| (A + B) | Total Price | 73,618,656 | 120.0% | | | |

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APPENDIX 3 TO VARIATION NO. 048 DATED SEPTEMBER 10, 2012

This Appendix 3 sets forth the criteria for progress payments described in new Sub Clause 14.5.1(b)(4), in accordance with Variation No. 48 dated September 10, 2012

The payment percentages breakdown indicated herein for item 2.3.3.1.9.2 also applies for Items 2.3.3.2.9.2, 2.3.3.1.10.2 and 2.3.3.2.10.2

PROJECT CONTROL ACP/GUPC - AUGUST 28, 2012 MEETING

| | | | | | | | | |
|---------------------------------------|---|-----------------|---------------------------------|------------|-------------------------------|------------|--------|---------------------|
| 2.3.3.1.9.1 | Lock Valves - Provide and deliver all complete Lock Valves to the Site | | | | | 49,467,422 | | |
| | Price for "Fabricate and Delivery" | (A) | | | | 49,467,422 | | |
| 2.3.3.1.9.2 | All other Lock Valves and Bulkhead work - including installation, testing, overhead and profit. | (B) | | | | 24,151,234 | | |
| (B.1) | "Overhead and Profit" on Fabricate and Delivery | | (Overhead & Profit) | | (Fabricate and Delivery) | | | |
| | | 20% | x | 49,467,422 | = | 9,893,484 | 41.0% | |
| (B.2 = B - B.1) | Remaining amount for Installation, Testing and its "Overhead and Profit" | | | | | 14,257,750 | | 50.8% |
| (B.3) | "Overhead and Profit" on Installation and Testing | | (Instal, Test, Ovh. & Profit) | | (Overgrossed Ovh. & Profit) | | | OVH & Profit |
| | | 14,257,750 | / | 1.20 | | 2,376,292 | 9.8% | |
| (B.4) | Remaining amount for Installation and Testing | | | | | 11,881,458 | | |
| (B.5) | "Other Lock Valves and Bulkhead Works" | | | | | 0 | 0.0% | |
| (B.6) | "Dry and Wet Testing" Section 01-81-23 | | (Test Factor) | | (Fabricate and Delivery) | | | |
| | | 8% | x | 49,467,422 | = | 3,957,394 | 16.4% | |
| (B.7) | Remaining amount for Installation | | | | | 7,924,064 | 32.8% | |
| 2.3.1.11 | Total Price for Fabricate, Deliver, Installation, Testing, Overhead and Profit". | (C = A + B) | | | | 73,618,656 | | |
| | Direct Cost for Fabricate, Deliver, Installation, Testing (Do not include Ovh. & Profit). | (D = A + B.4) | | | | 61,348,880 | | |
| Breakdown Atlantic Lock Valves | | | | | | | | |
| (B.7) | Installation | | \$ | | % | 7,924,064 | 32.8% | |
| (B.6) | Test | | | | | 3,957,394 | 16.4% | |
| (B.5) | Other Valves and Bulkhead Works | | | | | 0 | 0.0% | |
| (B.1 + B.3) | Overhead & Profit (Equiv. 20% of Direct Costs) | | | | | 12,269,776 | 50.8% | Equiv. Direct Costs |
| | Total Installation, Tests, Recess Closure, Overhead & Profit | | | | | 24,151,234 | 100.0% | 20.0% |
| (A + B.4) | Total Direct Cost | | | | | 61,348,880 | 100.0% | |
| (B.1 + B.3) | Total Overhead and Profit | | | | | 12,269,776 | 20.0% | |
| (A + B) | Total Price | | | | | 73,618,656 | 120.0% | |

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