

PANAMA CANAL AUTHORITY	VARIATION	PAGE 1 OF 17
1. REQUEST FOR PROPOSAL No.:	2. CONTRACT No.:	3. DATE:
RFP-76161	CMC-221427	December 20, 2013
		4. VARIATION No.:
		085

5. ISSUED BY:

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

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

9. VARIATION:

The contract referred to in item No. 2 is hereby varied as set forth in item 10, entitled "DESCRIPTION OF VARIATION".

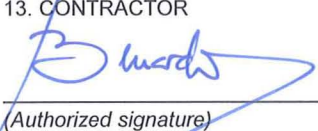

YES. NO. The contractor shall send a copy, duly signed, of this Variation to the Employer's Representative/Contracting Officer.

	9 A. THIS VARIATION IS EXECUTED ON THE BASIS OF: <i>(Specify the legal authority)</i> . 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: <i>(Specify the legal authority)</i> Volume III, Conditions of Contract, Sub-Clause 1.16 [Entire Agreement], 4 th Paragraph
	9 D. OTHER. <i>(Specify manner and the legal authority)</i> .
	9 E. ACCOUNT NUMBER <i>(If required)</i> :

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 <i>(Type or print)</i>	12. NAME AND TITLE OF THE EMPLOYER'S REPRESENTATIVE/CONTRACTING OFFICER <i>(Type or print)</i>
Bernardo Gonzalez Contractor's Representative	Cheryl P. George, Employer's Representative Delegee
13. CONTRACTOR	14. DATE:
 <i>(Authorized signature)</i>	20/12/2013
15. PANAMA CANAL AUTHORITY	16. DATE:
 <i>(Employer's Representative/Contracting Officer's signature)</i>	01/12/2013

This Variation Agreement Number 085, is dated as of the 20th day of December, 2013 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 organised under the laws of the Republic of Panama, registered under microjacket number 682266, document number 1683284 of the Mercantile Section of the Public Registry Office of the Republic of Panama (hereinafter called the "**Contractor**" and together with the Employer, the "**Parties**") on the other part.

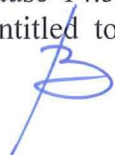
Whereas:

- (a) The Employer and the Contractor are party to Contract CMC-221427 for the Design and Construction of the Third Set of Locks, dated August 11, 2009 (as the same has been or may be varied, amended, supplemented or otherwise modified (the "**Contract**")).
- (b) The Contractor, by letter dated November 9, 2012 (Reference GUPC-IAE-1545), informed the Employer of very serious financial problems which it contends that it is facing, that the situation was now "extremely critical" and therein requested financial support in the short to medium term from the Employer, which issues are considered in the subsequent correspondence of the Employer, including the Employer's letters IAE-UPC-1303 of November 7, 2012, IAE-UPC-1313 of November 20, 2012, IAE-UPC-1359 of December 24, 2012, IAE-GUPC-1374 of January 9, 2013, IAE-GUPC-1441 of February 25, 2013, IAE-UPC-1587 of June 13, 2013, IAE-UPC-1595 of July 2, 2013, IAE-UPC-1651 of August 15, 2013, IAE-UPC-1704 of September 25, 2013, IAE-UPC-1748 of October 28, 2013, IAE-UPC-1760 of October 30, 2013, IAE-UPC-1787 of November 22, 2013, IAE-UPC-1794 of December 3, 2013, IAE-UPC-1795 of December 3, 2013, IAE-UPC-1811 of December 13, 2013 and the Contractor's letters GUPC-IAE-1284 of June 19, 2012, GUPC-IAE-1545 of November 9, 2012, GUPC-IAE-1567 of November 26, 2012, GUPC-IAE-1617 of December 21, 2012, GUPC-IAE-1623 of December 28, 2012, GUPC-IAE-1716 of February 8, 2013, GUPC-IAE-1973 of June 13, 2013, GUPC-IAE-2099 of August 19, 2013, GUPC-IAE-2086 of August 22, 2013, GUPC-IAE-2210 of October 16, 2013, GUPC-IAE-2248 of November 8, 2013, GUPC-IAE-2252 of November 12, 2013.
- (c) Pursuant to Variation Agreement No. 059 dated February 14, 2013, the Employer granted temporary deferrals of the repayment of the Advance Payment for Mobilisation, the Advance Payment for Plant and the Advance Payment for Key



Suppliers subject to the terms set out therein. Variation Agreement No. 059 required the Contractor to provide the Further APM Security Amendment and the APP Security Amendments to the Employer no later than June 30, 2013, failing which repayments of the Advance Payment for Mobilisation and Advance Payment for Plant would recommence by way of equal instalment deductions from the Payment Certificate issued in July 2013 and would continue up to and including the Payment Certificate issued in December 2013 (in respect of the Advance Payment for Mobilisation) and up to and including the Payment Certificate issued in February 2014 (in respect of the Advance Payment for Plant).

- (d) Pursuant to Variation Agreement No. 065 dated June 24, 2013, the Employer granted further temporary deferrals of the repayment of the Advance Payment for Mobilisation, the Advance Payment for Plant and the Advance Payment for Key Suppliers subject to the terms set out therein. Variation Agreement No. 065 extended the date by which the Contractor was to provide the Further APM Security Amendment and the APP Security Amendments to the Employer to no later than November 30, 2013, failing which repayments of the Advance Payment for Mobilisation and Advance Payment for Plant would recommence by way of equal instalment deductions from the Payment Certificate of November issued in December 2013 and would continue up to and including the Payment Certificate of December 2013 issued in January 2014 (in respect of the Advance Payment for Mobilisation) and up to and including the Payment Certificate of February 2014 issued in March 2014 (in respect of the Advance Payment for Plant).
- (e) The Contractor has requested through RFV No 229, dated November 28, 2013 that the Employer agree to a further extension to the date by which the Contractor is to provide the Further APM Security Amendment and the APP Security Amendments to no later than December 31, 2013. As a result the Contractor has also requested that should the Contractor fail to provide the Further APM Security Amendment and the APP Security Amendments by December 31, 2013, that repayments of the Advance Payment for Mobilisation and the Advance Payment for Plant should recommence from the Payment Certificate of December 2013 issued in January 2014 and continue up to and including the Payment Certificate of January 2014 issued in February 2014 (in respect of the Advance Payment for Mobilisation) and up to and including the Payment Certificate of March 2014 issued in April 2014 (in respect of the Advance Payment for Plant).
- (f) The Employer has confirmed that the Contractor has failed to provide the Further APM Security Amendment and the APP Security Amendments by November 30, 2013 as required pursuant to sub-paragraph (z) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*] and sub-paragraph (t) of Sub-Clause 14.2B [*Advance Payment for Plant*] of the Contract.
- (g) Further, pursuant to Sub-Clause 14.5.1.7 [*Plant and Materials Intended for the Works*], the Contractor is entitled to be paid progress payments in respect of



Electrical Systems Materials, as set out in Appendix 1 of Variation Agreement No. 077 dated August 22, 2013, and the Contractor is obliged to provide the information set out in Clause 9 of Variation Agreement No. 077 to the Employer within the time period set out therein as amended by Variation Agreement No. 083 dated October 30, 2013.

- (h) The Contractor has requested in the letter GUPC-IAE-2297 of December 12, 2013 that in respect of Interim Payment Certificate No.59 dated August 23, 2013 the period within which the Contractor is obliged to provide to the Employer the information set out in Clause 9 of Variation Agreement No. 077 as amended by Variation Agreement No. 083 is further extended to 135 days after Interim Payment Certificate No.59 dated August 23, 2013 has been paid to the Contractor.
- (i) 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 and in consideration of the Contractor's compliance with the terms of Variation Agreement No. 085, the Employer considers that unless it agrees to:
 - (i) a further extension to the date by which the Contractor is to provide the Further APM Security Amendment and the APP Security Amendments; and
 - (ii) an extension of the time period within which the Contractor is obliged to provide to the Employer the information set out in Clause 9 of Variation Agreement No. 077 as amended by Variation Agreement No. 083;

in addition to the various other measures already agreed such as but not limited to those provided for in Variation Agreements Nos. 042, 043, 045, 047, 048, 049, 051, 052, 055, 056, 058, 059, 060, 063, 065, 066, 067, 069, 070, 071, 073, 075, 077, 080, 081, 082 and 083 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.

- (j) Accordingly, the Employer has responded through letters IAE-GUPC-1827, dated December 20, 2013, indicating to the Contractor that the Employer will permit:
 - (i) the request made pursuant to RFV No. 229 as described in sub-paragraph (e) above in respect of a further extension to the date by which the Contractor is to provide the Further APM Security Amendment and the APP Security Amendments; and
 - (ii) the request made in the letter GUPC-IAE-2297 of December 12, 2013 in respect of Interim Payment Certificate No.59 dated August 23, 2013 as described in sub-paragraph (h) above in respect of a further extension of the period within which the Contractor is obliged to provide to the Employer



the information set out in Clause 9 of Variation Agreement No. 077 as amended by Variation Agreement No. 083;

subject to certain conditions and subject to the parties agreeing a formal variation to reflect such revised arrangements.

- (k) As a condition to the Employer permitting the requests as referred to in subparagraph (j) above the Contractor has agreed to provide the VO No. **085** Bond Issuer Confirmation in the form set out in Appendix 1 to this Variation Agreement No. **085**.
- (l) Therefore, subject to the terms of this Variation Agreement No. **085**, 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.

THE PARTIES HEREBY AGREE AS FOLLOWS:

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

1. In this Variation Agreement No. **085**, 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. **085** 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. 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. **085** or in any way argue or use the fact or the terms of this Variation Agreement No. **085** 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. **085** 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. All of the Contractor's existing and ongoing obligations as to the progress of the Works remain unaffected.



4. 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. **085** or arising out of it or in any way in connection with it.
5. 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. **085** 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. **085** had been originally contained in the Contract. Any ambiguity or uncertainty in the meaning and effect of this Variation Agreement No. **085** shall be resolved in favour of the Employer.
6. This Variation Agreement No. **085** 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 agree to amend Sub-Clause 1.1 [*Definitions*] of the Contract as follows:

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

"Variation Agreement No. 085" means Variation Agreement Number **085**, dated 20th of December, 2013 between the Employer and the Contractor.

"VO No. 085 Bond Issuer Confirmation" has the meaning set out in paragraph **13** of Variation Agreement No. **085**.

Further APM Security Amendment and the APP Security Amendments

8. Subject to the prior satisfaction by the Contractor of the conditions set out at paragraphs 9 and 13 of this Variation Agreement No. **085**, failing which the amendments set out in this paragraph 8 shall be of no effect and void, the Parties agree to amend Sub-Clause 14.2 [*General Provisions*], Sub-Clause 14.2A [*Advance Payment for Mobilisation*] and Sub-Clause 14.2B [*Advance Payment for Plant*] of the Contract as follows:
 - (a) In Sub-Clause 14.2(d) in line two after "Mobilisation]" insert "(save for sub-paragraph (dd) of Sub-Clause 14.2A)" and in line two after "Plant]" insert "(save for sub-paragraph (x) of Sub-Clause 14.2B)";



- (b) In sub-paragraph (z) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*], in the second line delete "November 30, 2013" and replace with "December 31, 2013";
- (c) Delete sub-paragraph (dd) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*] and replace with the following:

"Without prejudice to the Contractor's obligations and the Employer's rights pursuant to the third paragraph and the final paragraph of Sub-Clause 14.2A [*Advance Payment for Mobilisation*], if the Further APM Security Amendment and the APP Security Amendments are not delivered to the Employer by **December 31, 2013**, repayment of the Advance Payment for Mobilisation, including the Deferred Repayments and Late Repayment shall be made by way of the deduction of the full amount of the Advance Payment for Mobilisation, including the Deferred Repayments and Late Repayment, from the Payment Certificate of December 2013 issued in January 2014. The Parties acknowledge and agree that in such circumstances the Advance Payment for Mobilisation, including the Deferred Repayments and Late Repayment, will be repaid in accordance with the terms of this Sub-Clause 14.2A [*Advance Payment for Mobilisation*] so that the same are repaid in full by the Contractor by the Payment Certificate of December 2013 issued in January 2014. Deductions of the Advance Payment for Mobilisation in Payment Certificates, including the Deferred Repayments and Late Repayment, will be made by way of the deduction of the full amount of the Advance Payment for Mobilisation, including the Deferred Repayments and Late Repayment (and for the avoidance of doubt not as set out in the first sub-paragraphs (aa), (bb) and (cc) above), so that the entire Advance Payment for Mobilisation, including the Deferred Repayments and Late Repayment, is fully repaid by the Payment Certificate of December 2013 issued in January 2014. Where the Employer is unable to deduct any amount of the Advance Payment for Mobilisation (and/or any financing costs in relation thereto) as a result of there being insufficient sums due to the Contractor or otherwise, the Employer may:

- (i) deduct from any subsequent Payment Certificate the amount that was due to be deducted in any previous Payment Certificate in addition to the amount due to be deducted in such subsequent Payment Certificate; and/or
- (ii) require payment of an amount equivalent to the amount which was due to be deducted in any Payment Certificate (or where the Employer is able to make a part deduction, of an amount equivalent to the part which the Employer is not able to deduct) from the Contractor, in which case the Contractor shall within 2 Business Days of a written request from the Employer make payment of such amount to the Employer and/or the



Employer may recover such amount as a debt due from the Contractor to the Employer. Payment of any amount due from the Contractor to the Employer pursuant to this sub-paragraph (dd) shall be made by electronic transfer of funds to the bank account nominated by the Employer.

For the avoidance of any doubt, Sub-Clause 2.5 [*Employer's Claims*] and Sub-Clause 3.5 [*Determinations*] shall not apply to any deduction and/or any payment from the Contractor to the Employer pursuant to this sub-paragraph (dd).";

- (d) In sub-paragraph (t) of Sub-Clause 14.2B [*Advance Payment for Plant*], in the second line delete "November 30, 2013" and replace with "**December 31, 2013**"; and
- (e) In sub-paragraph (x) of Sub-Clause 14.2B [*Advance Payment for Plant*], in the fourth line delete "November 30, 2013" and replace with "**December 31, 2013**", in lines 6 and 7 delete "November 2013 issued in December 2013" and replace with "**December 2013 issued in January 2014**" and at the end of the sub-paragraph insert the following:

"Where the Employer is unable to deduct any amount of the Advance Payment for Plant (and/or any financing costs in relation thereto) as a result of there being insufficient sums due to the Contractor or otherwise,

- (i) deduct from any subsequent Payment Certificate the amount that was due to be deducted in any previous Payment Certificate in addition to the amount due to be deducted in such subsequent Payment Certificate; and/or
- (ii) require payment of an amount equivalent to the amount which was due to be deducted in any Payment Certificate (or where the Employer is able to make a part deduction, of an amount equivalent to the part which the Employer is not able to deduct) from the Contractor, in which case the Contractor shall within 2 Business Days of a written request from the Employer make payment of such amount to the Employer and/or the Employer may recover such amount as a debt due from the Contractor to the Employer. Payment of any amount due from the Contractor to the Employer pursuant to this sub-paragraph (x) shall be made by electronic transfer of funds to the bank account nominated by the Employer.

For the avoidance of any doubt, Sub-Clause 2.5 [*Employer's Claims*] and Sub-Clause 3.5 [*Determinations*] shall not apply to any deduction and/or any payment from the Contractor to the Employer pursuant to this sub-paragraph (x).";



9. The Parties agree that the amendment of the Contract in accordance with paragraph 8 of this Variation Agreement No. **085** is subject to the Contractor providing to the Employer:
- (a) VO No. 070 Bond Issuer Confirmation and VO No. 081 Bond Issuer Confirmation in the form set out in Appendix 2 to this Variation Agreement No. 085;
 - (b) VO 081 Plant and Material Security Modification in the form set out in Appendix 3 to this Variation Agreement No. 085; and
 - (c) written evidence (to the satisfaction of the Employer) of its endeavours to procure the delivery of the Further APM Security Amendment and the APP Security Amendments
- on or before December 30, 2013, failing which the amendments set out in such paragraph 8 shall be of no effect and void.
10. The Contractor hereby covenants and agrees to provide the Employer with copies of all material correspondence sent after the date of execution of this Variation Agreement No. **085** and which relates to the procurement of the delivery of the Further APM Security Amendment and the APP Security Amendments until such date as the last of such Further APM Security Amendment or APP Security Amendments are delivered to the Employer, as the case may be.

Electrical Systems Materials

11. Subject to the prior satisfaction by the Contractor of the condition set out at paragraph 13 of this Variation Agreement No. **085**, failing which the amendments set out in this paragraph 11 shall be of no effect and void, the Parties hereby agree to amend Variation Agreement No. 077, as amended by Variation Agreement No. 083, as follows:
- (a) In Clause 9, in the third line delete "75" and replace with "135", in the fifth line after "paid to the Contractor" insert "save in respect of Interim Payment Certificate No.59 dated August 23, 2013 where the Employer shall perform such audit 135 days after Interim Payment Certificate No.59 dated August 23, 2013 has been paid to the Contractor"; and
 - (b) In Clause 10, in the second line delete "75" and replace with "135" in the fourth line after "paid to the Contractor" insert "save in respect of Interim Payment Certificate No.59 dated August 23, 2013 where such period shall be 135 days after the payment of Interim Payment Certificate No.59 dated August 23, 2013 to the Contractor".



12. Nothing in this Variation Agreement No. **085** is intended to or does give the Contractor any greater entitlement in respect of payment for Electrical Systems Materials than was included within the original Contract Price and thus nothing in this Variation Agreement No. **085** is intended to or does increase the Contract Price or the sum due to the Contractor in respect of Electrical Systems Materials.

VO No. 085 Bond Issuer Confirmation

13. The Parties agree that the amendment of the Contract and the Employer's agreement to the Contractor's requests as set out in and in accordance with paragraphs 8 and 11, of this Variation Agreement No. **085** is subject to the Contractor delivering to the Employer on or before December 30, 2013 written confirmation (or rider, amendment or modification, as applicable), in the form set out in Appendix 1 to Variation Agreement No. **085** and otherwise acceptable to the Employer, from each of (i) the issuer of the Performance Bond, (ii) the issuer of the Payment Bond and (iii) the issuer of the Plant and Material Security, in each case consenting to the relevant advance payment or payment modification, as applicable, of such Variation Agreement and as to the continuing validity of such bonds notwithstanding the modifications to the Contract (A) set forth in Variation Agreement No. 070 and Variation Agreement No. 081, and (B) regarding the modifications to the Contract related to (1) the extension of the date for the provision of the Further APM Security Amendment and the APP Security Amendments, and (2) the period for provision of documentary proof of payment to suppliers of Electrical Systems Materials made pursuant to the terms of Variation Agreement No. **085** (the "**VO No. 085 Bond Issuer Confirmation**") failing which the amendments set out in such paragraphs 8, and 11 shall be of no effect and void.

Other provisions

14. In the event that the pre-conditions set out in this Variation Agreement No. **085** are not satisfied and the extension to the date by which the Contractor is to provide the Further APM Security Amendment and the APP Security Amendments as referred to in paragraph 8 above is therefore not granted, then if by such time the Employer has already made payment in respect of the Payment Certificate of November 2013 issued in December 2013 then for the avoidance of doubt the Employer shall be entitled to deduct in the Payment Certificate of December 2013 issued in January 2014 the amount of the Advance Payment for Mobilisation and Advance Payment for Plant which the Employer was entitled to deduct in the Payment Certificate of November 2013 issued in December 2013 pursuant to sub-paragraph (dd) of Sub-Clause 14.2A [Advance Payment for Mobilisation] and sub-paragraph (x) of Sub-Clause 14.2B [*Advance Payment for Plant*].
15. The Parties agree to delete sub-paragraph (a) of the final paragraph of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*] and replace with the following:



- "(a) the Advance Payment for Key Suppliers has not been repaid in full prior to July 2014 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);"
16. 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. **085**.
17. The Contractor hereby expressly agrees that nothing in this Variation Agreement No. **085**, including the amendments provided in paragraph 8 and 11, of this Variation Agreement No. **085** (should such amendments become effective in accordance with the terms set forth herein), shall have any effect on the Employer's rights under the Contract in respect of the Advance Payment for Mobilisation Security or the Advance Payment for Plant Security, or the terms and conditions of any such Contractor Security LOC.
18. The Contractor 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) as the Employer shall from time to time require to give full effect to this Variation Agreement No. **085** and secure to the Employer the full benefit of the rights, powers and remedies conferred upon it in this Variation Agreement No. **085**.

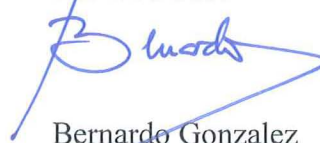
In Witness whereof the Parties hereto have caused this Variation Agreement No. **085** to be executed on the 20th day of December of the year 2013 by their duly authorized representatives.

For ACP



Cheryl P. George
Employer's Representative Delegee

For GUPCSA



Bernardo Gonzalez
Contractor's Representative

Appendix 1

[Letterhead of Zurich]

_____, 2013

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. 085

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 #7616 between you, as owner and Employer thereunder (the "Owner") and Grupo Unidos por el Canal, S.A., as contractor (the "Contractor"); (ii) the performance bond, Bond no. 08960193, dated August 7, 2009, in an amount of USD 400,000,000.00, issued in the Owner's favor in respect of the Contract (as amended, supplemented or otherwise modified from time to time, the "Performance Bond"); (iii) the payment bond, Bond no. 08960194, dated August 7, 2009, in an amount of USD 50,000,000.00, issued in the Owner's favor in respect of the Contract (as amended, supplemented or otherwise modified from time to time, the "Payment Bond"); and (iv) the advance payment bond in respect of Plant and Material Security, Bond no. 09098907, dated December 20, 2012, in an amount of USD 150,000,000.00, issued in the Owner's favor in respect of the Contract (as amended, supplemented or otherwise modified from time to time, the "P&M Bond" and, together with the Performance Bond and the Payment Bond, the "Bonds"). 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. 085, dated _____ ("Variation Agreement No. 085") to the Contract, executed by the Owner and the Contractor, which provides for certain modifications to the Contract related (1) the extension of the date for the provision of the Further APM Security Amendment and the



APP Security Amendments and (2) the period for provision of documentary proof of payment to suppliers of Electrical Systems Materials.

The undersigned, as Surety under and as defined in the Bonds, hereby consents to the aforementioned modifications to the Contract and confirms to you, as Owner and beneficiary under the Bonds, the continued validity of the Bonds in the respective amounts originally stated therein, notwithstanding the modifications set forth in Variation Agreement No. 085.

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

ZURICH AMERICAN INSURANCE
COMPANY, as Surety under the Bonds

By: _____
Name:
Title:

ACCEPTED:

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

By: _____
Name:
Title:



Appendix 2

[Letterhead of Zurich]

_____, 2013

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 certain amendments to the Contract (as defined below)

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 #7616 between you, as owner and Employer thereunder (the "Owner") and Grupo Unidos por el Canal, S.A., as contractor (the "Contractor"); (ii) the performance bond, Bond no. 08960193, dated August 7, 2009, in an amount of USD 400,000,000.00, issued in the Owner's favor in respect of the Contract (as amended, supplemented or otherwise modified from time to time, the "Performance Bond"); (iii) the payment bond, Bond no. 08960194, dated August 7, 2009, in an amount of USD 50,000,000.00, issued in the Owner's favor in respect of the Contract (as amended, supplemented or otherwise modified from time to time, the "Payment Bond"); and (iv) the advance payment bond in respect of Plant and Material Security, Bond no. 09098907, dated December 20, 2012, in an amount of USD 150,000,000.00, issued in the Owner's favor in respect of the Contract (as amended, supplemented or otherwise modified from time to time, the "P&M Bond" and, together with the Performance Bond and the Payment Bond, the "Bonds"). Unless otherwise specified, capitalized terms used herein have the respective meanings specified in the Contract.

We have been provided with a copy of (i) Variation Agreement No. 070, dated June 28, 2013 to the Contract, which provides for certain amendments to the Contract relating to the making of the Advance Payment for Lock Gates (as defined therein) by the Owner to the Contractor ("VO 070 Amendments"); and (ii) Variation Agreement No. 081, dated October 25, 2013 to the Contract, which provides amendments to the Contract relating to certain revised payment arrangements for Plant and Materials (as defined therein) by the Owner to the Contractor ("VO 081 Amendments", and together with the VO 070 Amendments, the "VO Amendments").

The undersigned, as Surety under and as defined in the Bonds, hereby consents to the advance payments and payment modifications contained, as the case may be, in the aforementioned VO



Amendments and confirms to you, as Owner and beneficiary under the Bonds, the continued validity of the Bonds in the respective amounts originally stated therein, notwithstanding the granting of the VO Amendments.

The undersigned, as Surety under and as defined in the Bonds, reconfirms its prior consents to the advance payments made by the Owner to the Contractor for Mobilisation (\$300,000,000.00); Plant (\$300,000,000.00); Key Suppliers (\$68,279,504.67); Specified Suppliers (\$147,415,983.94); Lock Gates (\$19,131,685.60); and Advanced Reinforcement Adjustment Amount (\$19,631,505.14).

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

ZURICH AMERICAN INSURANCE COMPANY,
as Surety under the Bonds

By: _____
Name:
Title:

ACCEPTED:

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

By: _____
Name:
Title:



Appendix 3

This RIDER to be attached to and form a part of

Bond no. PAY09098907

WHEREAS, on or about the 11th day of August, 2009, **Grupo Unidos por el Canal S.A.**, as Contractor, entered into a written agreement with the Panama Canal Authority, as Obligee (Employer), for the **Design and Construction of the Third Set of Locks of the Panama Canal – Contract No. CMC221427**, herein referred to as the Contract; and

WHEREAS, the Contractor, as Principal, and Zurich American Insurance Company, as Surety, have executed an Advance Payment Bond in favor of Employer as required by the Contract and Surety has issued Rider to such Advance Payment Bond (Bond no. PAY09098907), dated September 16, 2013;

WHEREAS, Surety has been provided with a copy of Variation Agreement No. 081, dated October 25, 2013, executed by the Obligee and the Contractor, to the Contract (the “Variation Agreement No. 081”);

and

WHEREAS, Obligee has requested that the Advance Payment Bond be amended to reference Variation Agreement No. 081 to the Contract.

NOW, THEREFORE, the undersigned hereby agree as follows: The Advance Payment Bond is hereby amended as follows:

Paragraph 9 is added to the Advance Payment Bond to read as follows: The Bond shall also guarantee and secure, and the Maximum Amount of the Bond shall be available to guarantee and secure, the repayment of (a) the advance payments made by the Obligee in respect of the Plant and Materials described in Sub-Clauses 14.5.3(d)(1) and 14.5.3(d)(2) of the Contract; and (b) the Advance Payment for Lock Gates in accordance with Sub-Clause 14.2(H) of the Contract.

All other terms and conditions of the Advance Payment Bond are unchanged and shall remain in full force and effect.

SIGNED, sealed and dated this ____ day of December, 2013.

WITNESS

OR

ATTEST:

Panama Canal Authority



December , 2013

Design and Construction of the Third Set of Locks

Employer

By: _____ (SEAL)

WITNESS OR ATTEST:

Grupo Unidos por el Canal S.A.
Contractor

/s/

By: _____ (SEAL)

Zurich American Insurance Company
Surety

By: /s/ Vincent T. Moy
Vincent T. Moy, Attorney-in-Fact

