

PANAMA CANAL AUTHORITY	VARIATION	PAGE 1 OF 13
1. REQUEST FOR PROPOSAL No.: RFP-76161	2. CONTRACT No.: CMC-221427	3. DATE: February 3, 2014
		4. VARIATION No.: 087

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:

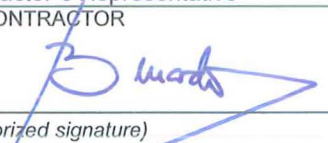
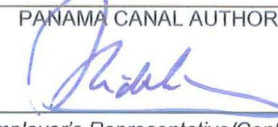
- ☒ The contract referred to in item No. 2 is hereby varied as set forth in item 10, entitled "DESCRIPTION OF VARIATION".
☒ YES. ☐ NO. The contractor shall send a copy, duly signed, of this Variation to the Employer's Representative/Contracting Officer

	9 A. THIS VARIATION IS EXECUTED ON THE BASIS OF: <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> Bernardo Gonzalez Contractor's Representative	12. NAME AND TITLE OF THE EMPLOYER'S REPRESENTATIVE/CONTRACTING OFFICER <i>(Type or print)</i> Jorge de la Guardia, Employer's Representative
13. CONTRACTOR  (Authorized signature)	14. DATE: 3/02/2014
	15. PANAMA CANAL AUTHORITY  (Employer's Representative/Contracting Officer's signature)
	16. DATE: 3/10/2014

This Variation Agreement Number 087, is dated as of the 3rd day of February, 2014 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, IAE-UPC-1840 of January 3, 2014, IAE-UPC-1842 of January 3, 2014, IAE-UPC-1844 of January 7, 2014, IAE-UPC-1849 of January 10, 2014, IAE-UPC-1854 of January 13, 2014, IAE-UPC-1863 of January 20, 2014, IAE-UPC-1864 of January 20, 2014, IAE-UPC-1865 of January 20, 2014, IAE-UPC-1870 of January 23, 2014, IAE-UPC-1871 of January 23, 2014, IAE-UPC-1883 of January 28, 2014 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-1755 of February 27, 2013, GUPC-IAE-1973 of June 13, 2013, GUPC-IAE-2099 of August 19, 2013, GUPC-



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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, GUPC-IAE-2272 of November 25, 2013, GUPC-IAE-2328 of December 27, 2013, GUPC-IAE-2331 of December 30, 2013, GUPC-IAE-2344 of January 10, 2014, GUPC-IAE-2345 of January 10, 2014, GUPC-IAE-2353 of January 15, 2014, GUPC-IAE-2354 of January 15, 2014, GUPC-IAE-2357 of January 15, 2014, GUPC-IAE-2358 of January 15, 2014, GUPC-IAE-2366 of January 20, 2014, GUPC-IAE-2368 of January 20, 2014.

- (c) Pursuant to Sub-Clause 14.2A [*Advance Payment for Mobilisation*], Sub-Clause 14.2B [*Advance Payment for Plant*] and Sub-Clause 14.2C [*Advance Payment for Key Suppliers*] as amended by the terms of Variation Agreement No. 065 dated June 24, 2013, the Employer granted a temporary deferral of the repayment of the Advance Payment for Mobilisation, the Advance Payment for Plant and the Advance Payment for Key Suppliers conditional on the Contractor achieving certain Production Targets (as set out in the Production Target Table appended to Variation Agreement No. 65 dated June 24, 2013) in respect of the relevant calendar month, failing which the Employer could cancel such temporary deferral for the relevant month and deduct the Advance Payment for Mobilisation, the Advance Payment for Plant and the Advance Payment for Key Suppliers for such month at the rates of deduction set out in the Contract.
- (d) The Contractor informed the Employer in the letter GUPC-IAE 2281 of November 28, 2013, that the Contractor would fail to achieve the November 2013 Production Targets for Gates as required pursuant to sub-paragraph (v) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*], sub-paragraph (p) of Sub-Clause 14.2B [*Advance Payment for Plant*] and sub-paragraph (l) of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*] and requested that the Employer grant a waiver of the requirement for the Contractor to achieve such November 2013 Production Targets for Gates.
- (e) The Employer has confirmed that the Contractor has failed to achieve the November 2013 Production Targets for Gates as required pursuant to sub-paragraph (v) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*], sub-paragraph (p) of Sub-Clause 14.2B [*Advance Payment for Plant*] and sub-paragraph (l) of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*].
- (f) Further, the Contractor informed the Employer in the letter GUPC-IAE-2266 of November 19, 2013 that the Contractor would fail to achieve the Concrete Placement Milestones by the relevant Milestone Date as required pursuant to Sub-Clause 8.7.1 [*Deduction*] and requested that the Employer waive its right to deduct payments in respect of the failure to achieve such Concrete Placement Milestones by the relevant Milestone Date. The Employer has confirmed that the Contractor has failed to achieve such Concrete Placement Milestones by the relevant Milestone Date.



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(g) 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. 087, the Employer considers that unless it agrees to a waiver, subject to the conditions set out herein, of its rights to make deductions of:

(i) the Advance Payment for Mobilisation, the Advance Payment for Plant and the Advance Payment for Key Suppliers in the Payment Certificate of December 2013 issued in January 2014 as a result of the Contractor's failure to achieve the November 2013 Production Targets for Gates; and

(ii) the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones in the Payment Certificate of December 2013 issued in January 2014 as a result of the Contractor's failure to achieve the Concrete Placement Milestones by the relevant Milestone Date,

(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, 083, 085, 086 and 088) 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.

(h) Accordingly, the Employer, without prejudice to its right to make a deduction for such failures in any subsequent Payment Certificate, herein agrees to waive its rights to make a deduction of the Advance Payment for Mobilisation, the Advance Payment for Plant, the Advance Payment for Key Suppliers and the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones in the Payment Certificate of December 2013 issued in January 2014 as a result of the Contractor's failure to achieve the November 2013 Production Targets for Gates and the Concrete Placement Milestones by the relevant Milestone Date subject to certain conditions and subject to the parties agreeing a formal variation to reflect such revised arrangements.

(i) As a condition to the Employer agreeing to the waivers referred to in subparagraph (h) above, the Contractor has agreed to provide the VO No. 087 Bond Issuer Confirmation in the form set out in Appendix 1 to this Variation Agreement No. 087.

(j) Therefore, subject to the terms of this Variation Agreement No. 087, 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. 087, 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. 087 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. 087 or in any way argue or use the fact or the terms of this Variation Agreement No. 087 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. 087 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. 087 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. 087 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. 087 had been originally contained in the Contract. Any ambiguity or uncertainty in the meaning and effect of this Variation Agreement No. 087 shall be resolved in favour of the Employer.



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6. This Variation Agreement No. 087 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):

"Concrete Placement Milestones" means for the purposes of Variation Agreement Number 087, the Milestones in respect of the placement of all concrete for the Atlantic Locks and Water Saving Basins and Pacific Locks and Water Saving Basins pursuant to sub-paragraph (b)(v) and (b)(vi) respectively of Sub-Clause 8.3 [*Programme*].

"November 2013 Production Targets for Gates" means for the purposes of Variation Agreement Number 087, the Production Target for November 2013 in respect of Gates as set out in the Production Target Table appended to Variation Agreement No. 65 dated June 24, 2013.

"Variation Agreement No. 087" means Variation Agreement Number 087, dated 3rd of February, 2014 between the Employer and the Contractor.

"VO No. 087 Bond Issuer Confirmation" has the meaning set out in paragraph 16 of Variation Agreement No. 087.

Advance Payment for Mobilisation

8. The Contractor acknowledges and agrees that:
- (a) it has failed to achieve the November 2013 Production Targets for Gates pursuant to sub-paragraph (v) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*];
 - (b) as a result of such failure referred to in (a) above, the Employer is entitled to:
 - (i) cancel the deferral of the repayment of the Advance Payment for Mobilisation for the month of December 2013; and
 - (ii) require the Contractor to make repayment of the Advance Payment for Mobilisation in accordance with the provisions of sub-paragraph (bb) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*] (which for the avoidance of doubt commences with the words "Subject to sub-paragraphs (y) and (z) above, if the Employer cancels...") and as such the Employer is entitled to deduct the Advance Payment for Mobilisation




in the Payment Certificate of December 2013 issued in January 2014 at the rate of deduction stated in the first sub-paragraphs (b) and (c) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*].

9. Subject to the prior satisfaction by the Contractor of the condition set out at paragraph 16 of this Variation Agreement No. 087, the Employer waives its right to make a deduction of the Advance Payment for Mobilisation in the Payment Certificate of December 2013 to be issued in January 2014 as referred to in paragraph 8 above. Notwithstanding the waiver set out in this paragraph 9, the Employer shall be entitled to deduct in any subsequent Payment Certificate the amount of the Advance Payment for Mobilisation which the Employer would have been able to deduct in the Payment Certificate of December 2013 issued in January 2014 pursuant to sub-paragraph (bb) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*] had the Employer not given the waiver set out in this paragraph 9 of this Variation Agreement No. 087. This deduction may be made notwithstanding the further temporary deferral provided for in sub-paragraph (ee)(i) of Sub-Clause 14.2A [*Advance Payment for Mobilisation*] and sub-paragraph (ee)(i) shall be read and construed accordingly. For the avoidance of doubt Sub-Clause 14.2(d) shall apply in relation to any deductions envisaged by this Variation Agreement No. 087.

Advance Payment for Plant

10. The Contractor acknowledges and agrees that:
- (a) it has failed to achieve the November 2013 Production Targets for Gates pursuant to sub-paragraph (p) of Sub-Clause 14.2B [*Advance Payment for Plant*];
 - (b) as a result of such failure referred to in (a) above, the Employer is entitled to:
 - (i) cancel the deferral of the repayment of the Advance Payment for Plant for the month of December 2013; and
 - (ii) require the Contractor to make repayment of the Advance Payment for Plant in accordance with the provisions of sub-paragraph (v) of Sub-Clause 14.2B [*Advance Payment for Plant*] (which for the avoidance of doubt commences with the words "Subject to sub-paragraphs (s) and (t) above, if the Employer cancels...") and as such the Employer is entitled to deduct the Advance Payment for Plant in the Payment Certificate of December 2013 to be issued in January 2014 at the rate of deduction stated in the second sub-paragraph (b) of Sub-Clause 14.2B [*Advance Payment for Plant*].
11. Subject to the prior satisfaction by the Contractor of the condition set out at paragraph 16 of this Variation Agreement No. 087, the Employer waives its right to make a deduction of the Advance Payment for Plant in the Payment Certificate of December 2013 issued in January 2014 as referred to in paragraph 10 above.



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Notwithstanding the waiver set out in this paragraph 11 of this Variation Agreement No. 087, the Employer shall be entitled to deduct in any subsequent Payment Certificate the amount of the Advance Payment for Plant which the Employer would have been able to deduct in the Payment Certificate of December 2013 issued in January 2014 pursuant to sub-paragraph (v) of Sub-Clause 14.2B [*Advance Payment for Plant*] had the Employer not given the waiver set out in this paragraph 11 of this Variation Agreement No. 087. This deduction may be made notwithstanding the further temporary deferral provided for in sub-paragraph (y)(i) of Sub-Clause 14.2B [*Advance Payment for Plant*] and sub-paragraph (y)(i) shall be read and construed accordingly. For the avoidance of doubt Sub-Clause 14.2(d) shall apply in relation to any deductions envisaged by this Variation Agreement No. 087.

Advance Payment for Key Suppliers

12. The Contractor acknowledges and agrees that:

- (a) it has failed to achieve the November 2013 Production Targets for Gates pursuant to sub-paragraph (l) of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*];
- (b) as a result of such failure referred to in (a) above, the Employer is entitled to:
 - (i) cancel the deferral of the repayment of the Advance Payment for Key Suppliers for the month of December 2013; and
 - (ii) require the Contractor to make repayment of the Advance Payment for Key Suppliers in accordance with the provisions of sub-paragraph (q) of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*] (which for the avoidance of doubt commences with the words "Subject to sub-paragraph (o) above, if the Employer cancels...") and as such the Employer is entitled to deduct the Advance Payment for Key Suppliers in the Payment Certificate of December 2013 issued in January 2014 at the rate of deduction stated in the eighth paragraph of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*].

13. Subject to the prior satisfaction by the Contractor of the condition set out at paragraph 16 of this Variation Agreement No. 087, the Employer waives its right to make a deduction of the Advance Payment for Key Suppliers in the Payment Certificate of December 2013 issued in January 2014 as referred to in paragraph 12 above. Notwithstanding the waiver set out in this paragraph 13 of this Variation Agreement No. 087, the Employer shall be entitled to deduct in any subsequent Payment Certificate the amount of the Advance Payment for Key Suppliers which the Employer would have been able to deduct in the Payment Certificate of December 2013 issued in January 2014 pursuant to sub-paragraph (q) of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*] had the Employer not given the waiver set out in this paragraph 13 of this Variation Agreement No. 087. This



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deduction may be made in addition to the amount of the Advance Payment for Key Suppliers which the Employer is entitled to deduct pursuant to sub-paragraph (s) of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*]. Where any deduction is made pursuant to this paragraph 13 of this Variation Agreement No. 087, the Employer shall recalculate the equal instalment deductions by which the Contractor will repay the Advance Payment for Key Suppliers in accordance with sub-paragraph (s) of Sub-Clause 14.2C to take into account any such deduction. Sub-paragraph (s) shall be read and construed accordingly. For the avoidance of doubt Sub-Clause 14.2(d) shall apply in relation to any deductions envisaged by this Variation Agreement No. 087.

Concrete Placement Milestones

14. The Contractor acknowledges and agrees that:

- (a) it has failed to achieve the Concrete Placement Milestones by the relevant Milestone Date as required pursuant to Sub-Clause 8.7.1 [*Deduction*]; and
- (b) as a result of such failure referred to in (a) above, the Employer is entitled to deduct the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones in the Payment Certificate of December 2013 issued in January 2014 in accordance with Sub-Clause 8.7.2 [*Deduction*].

15. Subject to the prior satisfaction by the Contractor of the condition set out at paragraph 16 of this Variation Agreement No. 087, the Employer waives its right to make a deduction of the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones in the Payment Certificate of December 2013 issued in January 2014 only as referred to in paragraph 14 above. Notwithstanding the waiver set out in this paragraph 15 of this Variation Agreement No. 087, the Employer shall be entitled to deduct in any subsequent Payment Certificate the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones which the Employer would have been able to deduct in [the Payment Certificate of December 2013 issued in January 2014 pursuant to Sub-Clause 8.7.2 [*Deductions*] had the Employer not given the waiver set out in this paragraph 15 of this Variation Agreement No. 087.

VO No. 087 Bond Issuer Confirmation

16. 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 9, 11, 13 and 15 of this Variation Agreement No. 087 is subject to the Contractor delivering to the Employer on or before **February 5, 2014** written confirmation (or rider, amendment or modification, as applicable), in the form set out in Appendix 1 to Variation Agreement No. 087 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 terms of this Variation Agreement No. 087 and the waivers of the



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Employer's rights to cancel the deferral of repayment of, and to make a deduction in the Payment Certificate of December 2013 issued in January 2014 for, each of the Advance Payment for Mobilisation, the Advance Payment for Plant and the Advance Payment for Key Suppliers and the Employer's right to deduct the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones made pursuant to the terms of this Variation Agreement No. 087 in respect of the Payment Certificate of December 2013 issued in January 2014 (the **"VO No. 087 Bond Issuer Confirmation"**) failing which the amendments set out in such paragraphs 9, 11, 13 and 15 shall be of no effect and void.

Other provisions

17. In the event that the condition set out in paragraph 16 of this Variation Agreement No. 087 is not satisfied and the waivers in respect of the Employer's right to cancel the deferral of repayment of, and make a deduction in the Payment Certificate of December 2013 issued in January 2014 for, the Advance Payment for Mobilisation, Advance Payment for Plant, Advance Payment for Key Suppliers and the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones in the Payment Certificate of December 2013 issued in January 2014 as referred to in paragraphs 9, 11, 13 and 15 above are therefore not granted, then if by such time the Employer has already issued the Payment Certificate of December 2013 issued in January 2014 then, for the avoidance of doubt, the Employer shall be entitled to deduct in any subsequent Payment Certificate the amount of the Advance Payment for Mobilisation, Advance Payment for Plant, Advance Payment for Key Suppliers and the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones which the Employer was entitled to deduct in the Payment Certificate of December 2013 issued in January 2014 pursuant to sub-paragraph (bb) of Sub-Clause 14.2A [Advance Payment for Mobilisation], sub-paragraph (v) of Sub-Clause 14.2B [*Advance Payment for Plant*], sub-paragraph (q) of Sub-Clause 14.2C [*Advance Payment for Key Suppliers*] and Sub-Clause 8.7.2 [*Deductions, Delay Damages and Bonus for Early Completion*].
18. 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. 087.
19. The Contractor hereby expressly agrees that nothing in this Variation Agreement No. 087, including the amendments provided in paragraphs 9, 11, 13 and 15 of this Variation Agreement No. 087 (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.



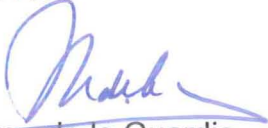
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20. The Contractor shall from time to time (at its own cost) do, perform, sign, execute and deliver all such acts, deeds, documents and things (or procure the doing, performance, signing, execution or delivery of them) as the Employer shall from time to time require to give full effect to this Variation Agreement No. 087 and secure to the Employer the full benefit of the rights, powers and remedies conferred upon it in this Variation Agreement No. 087.

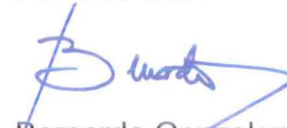
In Witness whereof the Parties hereto have caused this Variation Agreement No. 087 to be executed on the 3rd day of February of the year 2014 by their duly authorized representatives.

For ACP



Jorge de la Guardia
Employer's Representative

For GUPCSA



Bernardo Gonzalez
Contractor's Representative

Appendix 1

[Letterhead of Zurich]

_____, 2013

Autoridad del Canal de Panama
Edificio 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 Variation Agreement No. 087, dated February 3, 2014 ("Variation Agreement No. 087") to the Contract, executed by the Owner and the Contractor, which provides for certain waivers of the Owner's right to cancel the deferral of repayment of, and the right to make a deduction in the Payment Certificate of December 2013 issued in January 2014 for, each of the Advance Payment for Mobilisation, the Advance Payment for Plant and the Advance Payment for Key Suppliers and the Owner's right to deduct the amount specified in the Appendix to Tender in respect of the Concrete Placement Milestones in the Payment Certificate of December 2013 issued in January 2014 ("VO 087 Amendment").

The undersigned, as Surety under and as defined in the Bonds, hereby consents to the delivery and payment modifications contained, as the case may be, in the aforementioned VO 087 Amendment and confirms to you, as Owner and beneficiary under the Bonds, the continued



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validity of the Bonds in the respective amounts originally stated therein, notwithstanding the granting of the VO 087 Amendment.

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:

