

Undertaking 132

Re: GT-DD-NLH-001, Attachment; awarding two contracts

Undertake to provide documentation on advice regarding two contracts from the Finance and Tax group.

The advice is solicitor/client privileged and confidential, as it is professional advice given and received by internal and external lawyers and tax experts. Advice was sought to confirm tax requirements associated with splitting the contract into three parts (two procurement contracts and a consolidation agreement tying them together), and to confirm that there was no associated cost or tax exposure to Hydro. The contract parts are listed as follows:

- Consolidation Agreement;
- Procurement for Combustion Turbine Generator and Auxiliary Equipment; and
- Engineering On-site Procurement and Construction Services.

The resulting advice is reflected in the contractual arrangements, which can be referenced in the following Contract sections.

1. Consolidation Agreement – Article 16;
2. Procurement for CTG and Aux Equipment – Clause GC 39; and
3. Engineering On-site Procurement and Construction Service – Clause GC 39.