



OTTAWA MAINTENANCE PROJECT
Alstom Canada

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Mr. James Messel
General Manager
Rideau Transit Maintenance General Partnership
805 Belfast Road
Ottawa, ON K1G 0Z4

Ottawa, May 14, 2020

Letter No.: ALSMNT-RTM-0275
In reply to: RTM-ALS-LET-0080
Action: RTM
Letter Ref.: ALSMNT-RTM-0253, ALSMNT-RTM-0256, ALSMNT-RTM-0260
Subcontract: Second Amended and Restated Maintenance Subcontract dated September 16, 2019
("Subcontract");

Subject: May 2020 Shutdowns – Rough Estimate

Dear Mr. Messel,

This letter is further to our letters ALSMNT-RTM-0253, ALSMNT-RTM-0256 and ALSMNT-RTM-0260 concerning the Shutdown periods, for which Alstom has not received a formal reply.

As stated in our above referenced letters, RTM did not provide formal or reasonable notice to Alstom of the May 2020 shutdowns, which resulted from a decision between RTM and the City, out of Alstom's control.

Alstom therefore cannot be liable or responsible for any consequences, including but not limited to deductions, reduction of kilometers, as well as impact to Alstom's obligations as a result of modifications to the System due to work done by other parties.

Alstom also did not receive any formalisation of the reduction of the fleet or change to scheduled kilometers, which is subject to a Variation. As such, Alstom will invoice and claim for performance as per the non-shutdown fleet, based on thirteen (13) Multiple Units. This will be reflected in the Performance Monthly Report, Performance Adjustment Report and the invoices of May 2020.

As mentioned in ALSMNT-RTM-0256, Alstom is assessing costs and expenses relating to the Shutdowns. Please note that as of today's date the rough estimation due to lost kilometers is \$73,341.00, as indicated in the table below:



<u>Date</u>	<u>PCC lost km RTM</u>
02.05.2020	10,489.00
03.05 .2020	7,916.00
09.05.2020	10,489.00
10.05.2020	7,916.00
11.05.2020	12,177.00
12.05.2020	12,177.00
13.05.2020	12,177.00
Total	73,341.00

This estimation does not include the resources mobilised and equipment used to support the Shutdowns that took place, or any other costs.

Based on the memo received from the City and the various articles in the press based on the RTG and the City comments, it appears that additional shutdown periods are being planned for the coming weeks and may be extended in June 2020. Alstom requests repeats the requests and reservations of rights made under letter ALSMNT-RTM-0253 and will continue to assess any extra costs and any consequential impacts until the end of such shutdown periods. We reserve our right to be compensated for any associated out of scope work, additional costs and expenses.

Given the above events, Alstom considers that RTM is committing a breach of its obligations, which breach materially adversely affects the ability of Alstom to perform its material obligations under the Subcontract. The shutdowns have not been subject to an agreed variation to the Subcontract, let alone a formal notification from RTM. Alstom is requesting that RTM transmit such a variation within ten (10) business days to cure such breach. Alstom reserves all its rights to claim any consequent impacts and costs.

Please be note that Alstom presents this letter without waiving and with express reservation of Alstom's rights and remedies as may be available under the Maintenance Subcontract Agreement, any other contract, applicable law, rules or regulations whether at law or in equity. In no event shall this letter constitute nor be deemed to be a waiver by Alstom of any of its rights or remedies with regards to the above.

Sincerely,

ALSTOM

A handwritten signature in black ink that reads "Richard France". The signature is written in a cursive style with a large, stylized initial "R".

Richard France
Project Manager

Attachment(s): None

cc:

Alex Turner, RTM
Michail Matthiopoulos, Alstom
Remy Adnot, Alstom
Naomi Sarna, Alstom