

AIRPORT REDEVELOPMENT PROJECT

“A BAD DEAL FOR BERMUDA”

AUGUST 1, 2016



The People's Campaign is keenly interested in the airport redevelopment project as we believe that if the project is not managed in a manner that satisfies the requirements of good governance and transparency, it will not create value for money. Failure to meet these requirements will create a burden on the Government's resources that will impede its ability to respond to the needs of vulnerable members of the population.

INTRODUCTION

The proposed redevelopment of the LF Wade International Airport by the OBA Government continues to be a source of concern in Bermuda with a growing number of people voicing their view that this deal is not in the best interest of the country. People are not convinced that this deal will bring value for money, and, as information slowly drips out from behind the veil of secrecy, it is becoming evident that despite the Minister of Finance's claim that the debt will not be carried on the Government's book, there will be significant expenses associated with this project that will become the responsibility of the people of Bermuda. Most notably, the taxpayer will be required to guarantee any shortfalls on the debt repayment for this project and will be liable for the cost of other facets of operations connected to the airport.

The Government continues to dismiss the public opposition and ignore demands for answers to basic questions relating to how the deal is structured. The Government insists that the reason for the lack of public support is due to the public's inability to understand the deal on the one hand, and the "lies" and "distortions" advanced by politically-motivated opponents on the other. These diversionary tactics are designed to avert public attention away from the fact that the Government continues to conceal vital details surrounding this proposed deal from the public. Despite the lack of public support, the Government is blindly proceeding to commit the country to a deal that privatizes a vital public asset and removes a major revenue stream from the Island's portfolio for at least the next thirty years.

From the start, this proposal has been shrouded in a process that lacks transparency - who can forget Aecon's entry into Bermuda under the "cover" of misrepresenting themselves as Canadian Commercial Corporation ("CCC")? Contrary to the Government's protestations, it is evident from inception that the process was driven by Aecon who, like the "tail wagging the dog", manufactured a process to ensure that they would be guaranteed not only the construction contract but the post-development management concessions contract as well; and this was done with the support of both CCC and the consent of the Government.

Documents have shown that Aecon, along with CCC and representatives of the Government, created a paper trail to generate the appearance of a "fair" process despite the fact that there was a no-bid process designed to ensure that Aecon would be the beneficiary. In spite of public opposition from across the spectrum, the Government has doggedly continued to ignore the people it was elected to serve as it sells off the birth-right of future generations of Bermudians.

The purpose of this report is to keep the critical, unanswered questions concerning this deal in the public domain, and to query a process that is shrouded in secrecy. It appears that every effort is being made to keep the Bermudian people in the dark until reaching a point of no return and ultimately resulting in the people resigning themselves to the inevitability of a project. This deal will not only be to the detriment of the people of this country but will also enslave future generations to a debt that will drain essential resources. This deal will see the shift of key resources out of Bermuda's control and place them squarely in the hands of a foreign company; a company whose national allegiance and principle interests lie elsewhere. People should be further alarmed by the fact that, according to Minister of Finance, even beyond the initial term of the Agreement, Aecon will continue to share for an undetermined period of time the profits from the airport.

AECON'S ROAD TO RICHES

A review of the materials obtained from CCC, the Bermuda Government and town hall meetings has led the People's Campaign to conclude that the Government has not given the public accurate information concerning the airport redevelopment project.

The evidence shows that:

1. Aecon had been the primary point of contact for the Government and had played a crucial role in negotiating the **Memorandum of Understanding** ("MOU");
2. Aecon had not been selected as the developer or contractor through any independent or transparent process;
3. CCC was used as a "*cover*" by Aecon during early meetings with the Government;
4. The Government would have been aware of Aecon's role in negotiations relating to the MOU (and in relation to the wider project) by 23rd July, 2014 at the latest, well before the 10th November, 2014 press conference, when the Minister introduced the project to the Country;
5. Aecon was keen to ensure the terms of the MOU guaranteed its role in connection with the airport redevelopment project;
6. Aecon said it had a "*back channel*" through Canadian Imperial Bank of Commerce ("CIBC"), the Bermuda Government's financial advisor which had been tasked with making sure the project was financially viable and advising in relation to financial aspects of it;
7. Moreover, Aecon was in direct discussions with CIBC about the airport redevelopment project at a time when it was said to have no direct involvement in the project;
8. The Government's external lawyer was concerned that CCC was not taking the lead in the negotiations with the Bermuda Government, and this became an issue of contention between CCC and Aecon;
9. No due diligence was carried out in relation to Aecon in advance of its involvement with the airport redevelopment project;
10. CCC only took steps to carry out due diligence in relation to Aecon in response to a request that it justify the selection of Aecon as a subcontractor;
11. CCC's legal council is on record stating that the procurement methods used are not transparency;
12. Concerns existed about how the project would ultimately be paid for given the existence of a "*funding gap*";
13. The Government will be responsible for part of the construction cost for the airport redevelopment project, which had led the Minister to "*fuzzy up*" his comments about the project not requiring the Bermuda Government to incur new debt;
14. Questions remain unanswered about whether the airport redevelopment project offered Bermuda value for money;
15. In written correspondence, the Financial Secretary for Bermuda indicated the MOU had been signed prior to being formally approved by Cabinet;
16. Aecon was asked by the airport's General Manager to provide answers to potential questions the Minister might be asked once the MOU was announced;
17. The position in relation to the Letter of Entrustment was not as straight forward as previous statements had suggested; and
18. There were legitimate grounds for concern about a sole-source contract with CCC given the history of its contracting partners being accused of foreign corruption.

MINISTER OF FINANCE: CONFLICTING STATEMENTS

The People's Campaign has scrutinized statements made publicly and in Parliament about the airport redevelopment project by the Minister of Finance.

At the time the MOU was signed, and for a good period thereafter, the Minister made statements to the effect that the contractor for the airport redevelopment project would be selected at some future stage, once its technical, financial and managerial capabilities were established. At the time the MOU was announced the Minister said:

- CCC would conduct its own due diligence into the contractor to be satisfied it had the technical, financial and managerial capability to deliver the contract; and
- CCC would, at some future time, select the contractor from a pre-selected stable of Canadian firms.

On November 14, 2014, the Minister said in Parliament, in response to a suggestion that CCC would select a Canadian contractor, it was premature to talk about contracts being entered into with a contractor. He said: *“First of all, Mr. Speaker, that particular Member has no idea what contract we are signing. He has read it in some book. We are not talking about some book, right? We are talking about an arrangement that is at the beginning of the negotiation process.”*

Later, on November 18, 2014, the Minister wrote in an editorial that appeared in the Royal Gazette: *“CCC does not carry out the job [of building the new terminal] itself but will select a Canadian Developer from its already pre-selected stable of Canadian engineering firms.”*

On November 21, 2014, the Minister went even further to tell Parliament: *“Mr. Speaker, it is important to note that no contracts have been issued for any works and that, prior to any contractors being brought on board, this Government will establish the procurement parameters with CCC, based on best practice”.*

He also stated: *“I have said in the Statement, and in all my public utterances, whether it has been on media, electronic media or in print, that the MOU before us is the start of a process. The Honourable Member’s statement implies that we have finished the deal and that we will get some verification after the deal. This is nonsense. Because I have said so repeatedly - What we have done is sounded the starting gun on a race that will take a year to get started... what we are doing is starting the procurement process. So any reference to something happening ex post facto is patently false, because we have not signed the deal yet. The concession deal has not been signed. It has not even been arranged.”* Similar statements were made by the Minister in Parliament on November 24, 2014.

MP Bob Richards: House of Assembly November 28, 2014 – Hansards

SUPPLEMENTARY

Mr. E. David Burt:

At the very end of his [answer], the Minister said that (and I quote), “It is premature to consider contracts that will be awarded for construction works under the project.” My supplementary, Mr. Speaker, is [in regard to] the Minister of Finance, in the news media and in statements has already indicated that the company that will build the airport is none other than Aecon, the same company that built the CN Tower.

How can the Minister come here to say that it is premature to consider construction contracts when the Minister already stated who will build the airport?

The emails between CCC and the Bermuda Government that were obtained by the People's Campaign through a PATI request has given cause to believe that the reality was far off the position articulated by the Minister. By way of example, the emails suggested that it should have been no surprise to anyone that Aecon would eventually assume the role of contractor because it had been the intention from the start to award them the contract. As such, and contrary to what the Minister had said, Aecon had not been selected by CCC at all, let alone via a transparent process through which CCC and the Bermuda Government could satisfy themselves of Aecon's suitability.

Appendix II sets out the facts contained in the CCC emails and form the basis of our belief that the Minister had deceived the public regarding the airport redevelopment project. Referencing the emails set out in Appendix II, the following should be noted:

- CCC did not select Aecon from its pre-selected stable of candidates. Instead, Aecon had become aware of the project and had entered into an arrangement with CCC whereby CCC would facilitate Aecon securing the role as contractor (see Document Nos. 1, 2, 3, 5, 6, 7, 48, 92 and 133). In fact, Aecon and CCC agreed that CCC would serve as a "cover" for Aecon during an initial visit to Bermuda (see Document Nos. 18 and 19).
- On August 4, 2014, 3 months prior to the MOU being signed, CCC and Aecon entered into an **Advisory Services Agreement** pursuant to which CCC agreed to participate in meetings with the Bermuda Government in relation to the project on behalf of Aecon. Aecon would pay CCC for providing this service (see Document Nos. 41 and 42; see also a copy of the Advisory Services Agreement). Essentially, formal discussions between CCC and the Bermuda Government proceeded on the basis that Aecon was CCC's "*preferred contractor*" (see Document Nos. 55). The Advisory Services Agreement was amended on 7th November 2014 (see Document Nos. 118; a copy of the amended agreement);
- Aecon itself produced the initial draft of the MOU, not CCC (see Document Nos. 4, 7, 9, 10, 23). Moreover, the Minister was aware of Aecon's role in preparing the MOU (see Document Nos. 29, 30, 31, 32, 33, 34, 35 and 36);
- Aecon committed financial resources to the airport redevelopment project long before the MOU was signed and was keen to ensure all contracts with the Bermuda Government guaranteed its long-term interests in the project (see Document Nos. 12, 13, 14, 15, 16 and 17);
- Aecon received "*back channel*" assistance in connection with pursuing its aim of securing the role of contractor for the project from the financial advisor appointed by the Bermuda Government in connection with the airport redevelopment project, namely CIBC (see Document Nos. 18, 21, 22, 24 and 25);
- Aecon agreed to indemnify CCC in connection with the work it undertook in relation to the first phase of the airport redevelopment project (Document Nos. 26, 27, and 28);
- The Minister asked Aecon to provide him with a list of questions that would likely be asked once the MOU was announced (see Document Nos. 36, 37, and 38);
- Aecon was heavily involved in assessing the technical and financial feasibility of the project (Document Nos. 68, 70 and 71); and

- Steps were taken after the fact to paper CCC's files, to demonstrate Aecon's suitability to serve as contractor (Document Nos. 86, 87 and 88).

Additionally, the Hansards from the Parliamentary debates held on the November 14, 2014 and November 21, 2014, reflect the following:

- The Minister said that one of the benefits of using CCC to develop the project was that the development would be self-sustaining. However, based on the facts set out in the emails identified as Document Nos. 60, 82, 83, 125 and Appendix I, we are justified in believing that was not the case.
- The Minister said that the project had the benefit of reducing the risk to the Bermuda Government as well as its balance sheet. However, based on the facts set out in the emails identified as Document Nos. 65, 66, 68, 74, 78, 82, 83, 125 and Appendix I, we are justified in believing that was not the case.

- The Minister said that the airport redevelopment project would not increase the Bermuda Government's debt directly nor would it create any contingent liability for the Bermuda Government. However, Document No. 125 revealed that the Minister knew that such an assertion was indefensible. Document No. 125 is an email drafted by the Minister and sent to (among others) a representative of the Department of Communication and Information in which he refers to changes

**MP Bob Richards: House of Assembly
November 28, 2014 – Hansards**

"Our gateway will be modernized from a 1940's facility to a 21st century facility, without it impacting, significantly, on the Bermuda Government balance sheet. Meaning that it will not increase debt, either directly, or will it not impact us with a contingency liability, which is what the hospital is."

he made to the press release announcing the MOU. In that document the Minister stated: *"I've fuzzied up the no new debt part in view of the funding gap"*. This email suggests the Minister was acutely aware of the risk that the project would not be self-sustaining and that there was a possibility that the country's debt burden might be adversely affected, either directly or indirectly.

Other emails referenced referred to in Appendix II highlight concerns about the existence of a funding gap, including Document Nos. 66, 68, 83 and Appendix I.

- The Minister said that future revenues from the airport would support the financial obligations arising in connection with the airport redevelopment project. However, based on the facts set out in the emails identified as Document Nos. 65, 66, 68, 74, 78, 82, 83, 125 and Appendix I, we are justified in believing that was not the case.
- The Minister said that the Bermuda Government had received the necessary entrustment from the British Government despite an opinion that it wasn't needed. However, based on the facts set out in the emails identified as Document Nos. 66, 75, 76, 83, 92, 93, 94, 95, 96, 97, 108, 137, 138, 139, 140 and 144 we are justified in believing that was not the case.

On December 12, 2014, the **Bermuda Public Services Union** submitted a number of questions to the Minister of Finance for response including:

"Will the Government be responsible for guaranteeing the private sector's revenues? Who will be liable for cost over-runs, or project deficiencies?"

The corresponding response given by the Minister of Finance was:

“The answer to this question is simply no. No one is going to guarantee the private partner’s revenues after construction – that will be part of their business risk. That is why the up-front rigorous study and analysis of future passenger traffic and revenue and expense profiles, work which is being done now, is so important. CCC guarantee construction costs only.”

However, based on the facts set out in the [Airport Development Agreement](#) between the Bermuda Government and CCC, we are justified in believing that was not the case.

COST IMPLICATIONS FOR BERMUDA: “NO FREE LUNCH”

In a press statement on December 2, 2014, MP Richards stated: *“Our intention is that the financing will rely entirely on the future revenue streams from the new airport itself,”* added Minister Richards, *“..... the project will be financially self-sustaining.”*

However, at OBA’s Information Session held at Penno’s Wharf on October 20, 2015, it was revealed that the Bermuda taxpayer will be responsible for:

- providing a guarantee of Aecon’s revenue levels,
- subsidizing electricity costs for the airport for the entire concession period,
- all costs associated with operating the airport quango,
- all costs associated with retained services including Air Traffic Controller offices, Bermuda Weather Service, Ground Electronics, and Perimeter Security estimated to equate to \$9 million per annum according to 2015/16 budget figures.
- all costs associated with the mandatory and internationally required dedicated Bermuda Airport Fire/Rescue Service (BFRS) currently estimated to be \$3 million per annum according to 2015/16 budget figures.
- a financial penalty if Bermuda opts out of the Government’s Letter of Agreement and the Memorandum of Understanding with CCC / Aecon. MP Richards estimates this penalty will approximately \$2.5 million as at time of Information Session but this will increase at Stage 2.

On January 19, 2016, the [Airport Development Agreement](#) between the Bermuda Government and the Canadian Commercial Corporation was made available revealing a list of exemptions including:

- the employer’s share of payroll tax,
- customs duties on capital items such as construction materials,
- all land taxes, and,

- any land transfers, lease and other real estate taxes, levies and stamp duty that may be associated with the airport, airport operations, construction, leased lands or otherwise with the project at any time during the term of this airport redevelopment agreement and the terms of the core project document.

Impact of high airport taxes

Robin Hayes, CEO of JetBlue told a Caribbean tourism event in Curaçao in late October 2015 that high airport taxes and charges could dissuade passengers from flying to certain destinations, and in turn be a disincentive for airlines to serve those routes.

The agreement also outlined that the Bermuda Government will pay an equivalent sum “*on an annual basis and for the term of the project agreement an amount equal to the energy consumption for the airport operations...*” According to the **Estimates of Revenue & Expenditure**, energy costs for airport operations in 2014/15 was \$2,720,000. In a press statement on April 22, 2016, MP Richards confirmed that ‘the current terminal’s BELCO bill for the last year was \$2.3 million or \$191,000 per month.’”

With the 2015/16 budget, the OBA increased the airport departure tax per passenger from \$35 to \$50 which would equate to an extra \$5.5 million in revenue.

On July 18, 2015, the Air Terminal Fees Amendment Regulations tabled in the House of Assembly were passed, resulting in travellers leaving Bermuda being charged a new airport improvement fee of \$16. In addition, the aviation security fee rose from \$4.25 to \$8.25 for travellers flying to the US, while for travellers flying to Canada and the UK the fee will rise from \$4.25 to \$7.25.

MP Bob Richards: House of Assembly November 14, 2014 – Hansards

“The other thing that I want to inform the public is that with the P3 model that they used for the hospital, the PLP Government spent \$10 million on consultants - \$10 million on consultants for that project! We do not have that kind of money. All right? This model enables us to cut a lot of that stuff out. the PLP spent \$800,000 on plans for an airport.”

On March 3, 2016, Minister of Transport Shawn Crockwell confirmed details surrounding the Government’s \$13 million budget allocation for the airport re-development project, noting that \$2.5 million had been spent in the fiscal year 2015/16 with a further \$4.3 million earmarked for 2016/17. Some expenses included:

- CIBC (financial advisory services) - \$250,000
- KPMG - \$700,000
- HNTB (design engineering) - \$1 million
- LeighFisher (management consultancy) - \$560,000
- Bennet Jones (legal services) - \$900,000
- Reimbursable expenses (ancillary costs associated with doing business including travel) - \$391,000

TRANSPARENCY PROMISED BUT NOT DELIVERED

While this Airport Development Agreement was signed on August 24, 2015, it was not listed on the House of Assembly Order Paper until Friday, December 16, 2015.

However, on Friday, December 16, 2015, the Finance Minister failed to present it in the House of Assembly for the information and review by MPs. According to Hansards, the Minister proposed to give a copy to the Opposition and to post it on the parliamentary website - www.parliament.bm - for members of the public to review.

While the 33-page agreement was finally posted on the Bermuda Parliament website on the first of week of January, the nine supporting schedules were not included.

The missing schedules are titled as:

1. **Schedule A** - Definitions and Interpretation
2. **Schedule B** - Airport Project Concept
3. **Schedule C** - Project Agreement Heads of Terms
4. **Schedule D** - Construction Contract Heads of Terms
5. **Schedule E** - Regulated Fees and Charges
6. **Schedule F** - Preliminary Development Plan & Budget
 - i. **Part A:** Preliminary Development Plan
 - ii. **Part B:** Preliminary Development Costs Budget
7. **Schedule G** - Off Ramp Events
8. **Schedule H** - Diagram of Airport Lands
9. **Schedule I** - Entrustment Letter

On February 12, 2016, MP Richards announced in the House of Assembly that all of these schedules have been redacted and, therefore, the public will not have access.

On May 27, 2016 at a **Public Accounts Committee** (“PAC”) meeting, Financial Secretary Anthony Manders refused to release full details of the Airport Redevelopment Agreement and insisted that confidentiality remained in the public interest. In response, PAC issued a summons requesting Schedule A of the ADA - definitions and interpretations - be released for private review.

On June 17, 2016, Mr. Manders again refused to release Schedule A despite being summoned to do so. PAC Chairman, David Burt, informed him that the Committee would consider possible legal action.

DELOITTE REPORT: DOCUMENTATION OF DEFICIENCIES

In March 2015, Deloitte was contracted by the Bermuda Government and the British Government to conduct an independent assessment of the procurement method used for the LF Wade International Airport redevelopment project. Deloitte was tasked with making its evaluation using HM Treasury's Green Book guidelines based on a full business case (FBC).

On May 8, 2015, Deloitte released its 200-page analysis highlighting key gaps using the FBC five-case model:

- (a) **STRATEGIC CASE** - *“Government may want to be clear that it owns its own strategy for the airport and ongoing evaluation of the strategy.”*
- (b) **ECONOMIC CASE** - *“Key, integral steps are not present in the case. These gaps make it difficult to assess that the most economically advantageous solution has been selected. This is particularly significant in satisfying Government that the optimal solution for Bermuda has been selected prior to engaging with potential suppliers.”*
- (c) **COMMERCIAL CASE** - *“The documentation we have viewed does not set out how the Government of Bermuda analyzed the costs and benefits of a sole-source procurement strategy against those of the anticipated competitive RFP process for a PPP, except at a high, conceptual level. As a result, there is no robust evidence indicating that a sole-source PPP would offer more VFM (value for money) than a competitive procurement strategy for a similar concession. There is therefore a potential gap in the evidence to support the sole-source procurement strategy opted for from June 2014, as compared to previous evidence suggesting a competed PPP procurement process could be viable.”*
- (d) **FINANCIAL CASE** - *“Many of the key studies and models were developed by the prospective supplier rather than Government.” Deloitte stated that “CCC’s affordability components fail to encapsulate all costs to be borne by the Government during and after the project.”*
- (e) **MANAGEMENT CASE** - *“One point in the management case which could add significant value to the Bermuda Government at the present time is a contingency plan should the current proposed deal with CCC fall through.”*

In addition, the Deloitte Report highlighted the following:

- (f) While both Canadian Commercial Corporation (CCC) and the Government have repeatedly cited lack of investor interest as their justification for sole-source procurement, Deloitte noted that *“there was also early indication from various sources that while the market may have been challenging, there was private sector appetite and bankability for airport deals, and the Bermuda airport was considered a possible candidate for a PPP and private financing.”*
- (g) The Base Case is calculated on the condition that air traffic will increase 1.6 per cent per annum until 2045. Given this requisite, it is important to note that between the years of 2005 and 2015, Bermuda only recorded four years which had an increase in air arrivals of 1.6% or higher (see table on page 11).

YEAR	TOTAL AIR ARRIVALS	% YEAR-OVER-YEAR CHANGE
2005	269,568	-0.8%
2006	298,973	10.9%
2007	305,548	2.2%
2008	263,613	-13.7%
2009	235,866	-10.5%
2010	232,262	-1.5%
2011	236,038	1.6%
2012	232,063	-1.7%
2013	236,343	1.8%
2014	224,377	-5.1%
2015	219,814	-2.0%

SOURCE: Department of Statistics

- (f) The source of funds outlined that there is a “9 per cent funding gap covered by the Bermuda Government”. This appears to be a direct contradiction to MP Bob Richards’s stance that there will be no costs to the Government for this deal.
- (f) “The documentation ... does not set out how CCC selected Aecon, how their process follows best practices, or how competitive tension in the supply chain between Aecon and its competed subcontractors would benefit the Government of Bermuda”.
- (f) One of the justifications that Government made for sole-sourcing was that it was both cheaper and faster than traditional tendering practices. However, in July 2015 the British Government issued a revised letter of entrustment requiring that:

- “UK Government and the Government of Bermuda must agree on what measures are required to address the deficiencies that are identified by Deloitte in their assessment report[s]”.
- “The Government of Bermuda must publish a written and evidence-based assurance that the required measures have been taken before the contract can be concluded.”

**MP Bob Richards: House of Assembly
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“The procurement process with the CCC model cuts the procurement time down by at least a year. That is the important thing. We can get shovels in the ground and people working quicker this way.....”

“.....We have milestones that we have to meet, and if everything goes as planned, next December we will be starting to actually build this thing.”

Given the added expense and time needed to mitigate against the deficiencies noted in the Deloitte R port, it is arguable that it would have been cheaper, more expedient and resulted in better governance to have had this contract put out to tender two years ago.

COMPARISON OF SIMILAR PROJECTS

The table below summarizes comparative costs of airports that were recently constructed throughout the Caribbean. It is noteworthy that none of these jurisdictions opted to privatize as a means to build these airports.

AIRPORT	SIZE (SQ FT)	TOTAL AIR ARRIVALS	TOTAL COST	COST (PER SQ FT)
Antigua: V.C. Bird Int'l	247,570	249,316	\$98 million	\$396
Bahamas: Lynden Pindling Int'l	500,000	924,898	\$409 million	\$818
Cayman Islands: Owen Roberts Int'l *	207,000	382,816	\$70 million	\$338
St Maarten: Princess Juliana Int'l	290,000	499,920	\$117 million	\$403
Bermuda: Airport Development Project	260,000	224,246	\$255 million	\$981

* NOTE: CCC made a similar proposal for the Cayman Owen Robert International Airport in 2013 but it was vetoed by Cayman's UK Governor because it failed to follow a competitive tendering process.

FACTUAL TIMELINE OF EVENTS

APRIL 2014

- Aecon made contact with CCC to request CCC's assistance in pursuing a contract with the Bermuda Government in connection with the airport redevelopment project. Contact was thereafter made with the Minister on Aecon's behalf and a meeting was convened in Toronto in or about June 2014 to discuss the project. From the inception of the airport redevelopment project, Aecon has been the only contender for the role of the contractor. Although the Memorandum of Understanding ("MOU") was entered into between the Bermuda Government and CCC, CCC has always negotiated with the Bermuda Government on Aecon's behalf, and on the basis that Aecon would be the contractor.

JUNE 2014

- At a meeting attended by the Minister, representatives of CCC, Aecon and others, it was agreed that Aecon would prepare a MOU in connection with the airport redevelopment project, and an initial draft of the MOU was prepared in accordance with that agreement.

JUNE/JULY 2014

- A draft of the MOU was sent by Aecon to CIBC, the Bermuda Government’s financial advisor in connection with the airport redevelopment project, for “back channel” review. CIBC subsequently assisted Aecon by providing feedback on the terms of the draft MOU.
- Aaron Adderley, General Manager of the Department of Airport Operations, was in direct contact with Aecon in connection with the drafting of the MOU. On behalf of the Minister, Mr. Adderley sought to encourage Aecon to produce the MOU by Cup Match 2014. The Minister was aware of the direct communications between Mr. Adderley and Aecon and that Aecon had drafted the initial MOU.

JULY 2014

- Again, on behalf of the Minister, Mr. Adderley asked Aecon to produce a list of questions that members of the public and press might ask concerning the MOU to which Aecon agreed.

AUGUST 2014

- CCC and Aecon entered into an **Advisory Services Agreement** (“ASA”) which formalized the agreement whereby CCC would represent Aecon in collaborating and negotiating with the Bermuda Government in relation to the airport redevelopment project. The ASA covered the period from 1st August 2014 to 31st December 2014 and provided that Aecon would pay CCC for this service. Aecon was also required to indemnify CCC for any liabilities that might arise. Pursuant to the terms of the ASA, CCC billed Aecon for the services it provided under the ASA, and Aecon has reimbursed CCC in respect of the same.
- Various meetings were held in Bermuda in relation to the airport redevelopment project. In attendance were (among others) the Minister and Steve Nackan on behalf of Aecon.

SEPTEMBER 2014

- CCC’s in-house lawyer, Wendy Dempsey, wrote to Duncan Card of Bennett Jones, the legal advisors to the Bermuda Government, stating that Aecon was CCC’s chosen contractor for the airport redevelopment project. The communication also stated that CCC and Aecon would carry out an exercise to retrospectively demonstrate that Aecon was suitable for that role if that was required.
- It had become apparent that Aecon had concerns about financial aspects of the project. Aecon took steps to meet with members of the Bermuda Government, including the Minister, about those concerns.

OCTOBER 2014

- At meeting which included the Minister, Steve Nackan of Aecon and others, the existence of a funding gap was identified as was the need to identify alternative funding structures. During and

after the meeting, Aecon expressed the need for reassurance from the Bermuda Government that it would agree the terms of the MOU.

NOVEMBER 2014

- The terms of the MOU were agreed. In anticipation of announcing the airport redevelopment project and the MOU, the Minister was given a draft written statement to review. The statement provided information about the project including (among other things) its financial implications for Bermuda. The Minister amended the draft statement by “*fuzzifying up*” details relating to the financial implications of the project.
- The ASA between CCC and Aecon was amended and the timetable during which CCC was contracted to provide services to Aecon in connection with the airport redevelopment project was extended to March 31, 2015.
- The Foreign & Commonwealth Office released a Letter of Entrustment for the airport redevelopment project stipulating (among other things) that none of the financial risk of the project was to be borne by Bermuda, and moreover, that none of the cost or financial risk was to appear on the Bermuda Government’s balance sheet. The letter also required that the project meet the value for money test, that compliance with all the stipulations had to be verified by an independent accounting firm in advance of an agreement between the Bermuda Government and CCC, and that no agreement could be signed by the Bermuda Government without prior approval of the UK Government.
- November 10, 2014, a press conference was held at which the airport redevelopment project was announced and the MOU signed.

Notwithstanding that:

- i. a funding gap had been identified,
- ii. the Minister had taken steps to “*fuzzy up*” statements about the financial implications of the project,
- iii. Aecon was the sole contender for the role of contractor,
- iv. CCC was committed to ensuring Aecon became the contractor,
- v. Aecon had received “*back channel*” assistance in negotiating the MOU by Bermuda’s own financial adviser, CIBC,
- vi. the Minister was aware of Aecon’s interest and involvement in discussions relating to the airport redevelopment project to this point, and,
- vii. the restrictions imposed by November 10, 2014 Letter of Entrustment, the Minister publicly stated that:
 - o The airport redevelopment project would be self-sustaining,
 - o CCC would at some future stage select a contractor for the project from its stable of

- candidates once due diligence was completed,
- o Procurement had been transparent and adhered to international best practice,
 - o The project would ultimately be funded by future revenue streams,
 - o The financial adviser who had introduced the Bermuda Government to CCC would protect Bermuda's interests by ensuring the project was financially viable,
 - o There would be minimal risk to the Bermuda Government treasury and balance sheet, and,
 - o There was significant risk of the Bermuda Government going into debt.
- November 14, 2014, the Minister announced the airport redevelopment project and MOU in Parliament stating:
 - i. The agreement with CCC marked the start of the development process,
 - ii. The project limited exposure to the Bermuda Government's balance sheet and would not increase debt either directly or indirectly,
 - iii. The airport redevelopment project would be paid for from revenues from the new terminal,
 - iv. No contractors had yet been brought on board,
 - v. CCC would select a contractor at some future stage from its stable of engineering firms through a competitive process and after due diligence was completed,
 - vi. No new expenditure would be required by the Bermuda Government in connection with the project, and it would not lead to new debt,
 - vii. The model demanded total transparency and met international standards, and
 - viii. The Bermuda Government had received the necessary entrustment letter from the British Government.

The Minister repeated the same statements referred to in the above paragraph in Parliament on February 20, 2015 and on February 27, 2015.

- In an email dated November 13, 2014, Wendy Dempsey (an in-house lawyer with CCC) warned that there was nothing transparent in the procurement process engaged in by CCC.
- In an email dated November 14, 2014, Don Olsen of CCC informed his colleagues that Aecon had bought the airport redevelopment project to CCC, and that he had first met the Minister at a meeting arranged by Aecon.

DECEMBER 2014

- Bennett Jones advised CCC that the Bermuda Government was dissatisfied with the entrustment letter it had received from Britain, and that it was seeking to have either the letter itself or the conditions contained in it withdrawn.

FEBRUARY 20, 2015

- PAC focused on the proposed redevelopment of the Bermuda airport, questioning Accountant General, Curtis Stovell, about his reasons for giving Government permission to enter into an agreement with CCC without a competitive bidding process. Mr. Stovell said that his position as Accountant General allowed him to waive the need for Government projects required by Financial Instructions to be tendered. He said: *“Much of the justification and reasoning (for waiving the requirement) has been described in the ministerial statement,”* and added that subsequent Parliamentary statements had also included the rationales.

MAY 2015

- In a statement from CCC’s President and CEO Martin Zablocki, said: *“The Canadian Commercial Corporation (CCC), a Canadian Crown corporation, through discussions with Aecon was alerted to the exciting opportunity to redevelop the L.F. Wade International Airport.”*

“As standard procedure when opportunities are identified in this way, CCC assessed the viability of the project with the Government of Bermuda to ensure that it was a good fit for this unique contracting approach. CCC also ensured that the supplier had the ability to successfully pass its rigorous due diligence process, including an integrity compliance review by a committee within CCC and an assessment of the supplier’s technical, managerial and financial capability.”

“As a past supplier on a similar project, CCC was aware that Aecon has substantial experience and a strong track record in developing, financing and operating transportation infrastructure projects in Canada and globally. CCC stands by its decision to work with Aecon as the prime Canadian subcontractor to CCC in support of the Bermuda Government’s aim to solve the complex challenge to deliver a first tier airport.”

“CCC is committed to the highest standards of bilateral co-operation and ethical business practices with regard to the development of this project and looks forward to working together with the Government of Bermuda on a tailor-made solution to the pressing need to redevelop the LF Wade International Airport.”

- Soon after the statement was released, MP Richards vigorously denied any suggestion of impropriety with regard to the initiation of discussions for the redevelopment of LF Wade International Airport.
- On May 15, 2015, the People’s Campaign called on the Finance Minister to give a public clarification on *“inconsistencies”* and *“mistruths”* over the proposed airport terminal redevelopment at a town hall meeting last night. The group released an over 2,000 page document that was supplied by the Government of Canada containing e-mails that include communications between members of

the Canadian Commercial Corporation (CCC) and Aecon. The group called on MP Richards to address the selection of Aecon, saying that Aecon appears to have driven the process that resulted in its selection. The group raised concerns over what steps MP Richards took to ensure that proper due diligence was carried out and questioned if he was not concerned that Aecon was selected as the developer prior to CCC assessing the viability of the project.

- On May 16, 2015, a motion tabled in the House of Assembly by Shadow Minister of Finance, David Burt, to have the airport redevelopment project deal halted and made subject to a public RFP process was defeated 19-12 by Government MP's.
- On May 20, 2015, the Royal Gazette reported that a delegation from the Progressive Labour Party was taking its concerns about the One Bermuda Alliance to the British Government.
- On May 20, 2015, MP Richards announced the conclusion of an independent appraisal of the controversial airport redevelopment project.
- On May 21, 2015, the People's Campaign questioned whether the concerns about the airport redevelopment project plans had been "glossed over" by the Finance Minister. The group said that attempts by Government to provide clarity had failed to outline how the deal was put together.
- On May 23, 2015, a report from Deloitte appraising the procurement for the airport terminal redevelopment was tabled in the House of Assembly. The report cost about \$130,000, half of which was covered by the British Government.
- In late May 2015, Steve Nackan, President of Aecon Concessions, said there was nothing underhanded about the communications between Aecon, CCC, and the Bermuda Government over LF Wade International development plans.

JULY 18, 2015

- New airport fees that will cost each traveler leaving Bermuda up to \$20 more were approved by the House of Assembly. The fees come on the back of the hike in the departure tax from \$35 to \$50 that was announced by the Bermuda Government in its budget earlier this year. The new \$16 per person airport improvement fee plus an increase in the aviation security fee were tabled by MP Richards. The **Air Terminal Fees Amendment Regulations** will see the aviation security fee rise from \$4.25 to \$8.25 for travelers flying to the US, while for travelers flying to Canada and the UK the fee will rise from \$4.25 to \$7.25.

JULY 25, 2015

- The terms of the British Government's **Letter of Entrustment** concerning the controversial airport deal were unveiled by Government House. The letter stated that the Bermuda Government must agree with 10 Downing Street on deficiencies identified by Deloitte while the Government balance sheet should rack up no debt over the project.

AUGUST 22, 2015

- The Shadow Minister of Finance highlighted several shortcomings in the Bermuda Government's airport redevelopment project published in the Deloitte Report - including there being no guarantee of value for money.

AUGUST 24, 2015

- The Minister of Finance, signed interim agreements with the Canadian Commercial Corporation for the redevelopment of LF Wade International Airport

AUGUST 27, 2015

- OBA refuted claims by the PLP that it "wants to privatize the airport".

AUGUST 28, 2015

- The **Bermuda Public Services Union** released a report on public-private partnerships stating it supports "*the position that public-private partnerships are not in the best interest of Bermuda. We believe that PPPs are a more expensive way to finance infrastructure developments and are bad for both the workers and the tax payers in the long run.*" The 21-page report stated the BPSU's concerns were centered "*on the procurement process, the high level of costs and the type of financing and privatization*". The Union's opinion was that this deal will negatively impact Government's financial position, increase fees for users and disadvantage the current workforce. The report added that the BPSU remains concerned that "*an airport redevelopment estimated to cost \$250 million will end up costing taxpayers hundreds of thousands of dollars over a 30 to 35-year period.*"

OCTOBER 21, 2015

- At a public information session at Penno's Wharf, Steve Nackan said his firm had been extremely impressed by the airport's workforce and insisted the \$250 million project would provide hundreds of jobs and pledged to retain all staff from the Department of Airport Operations.
- Jason Hayward, president of the Bermuda Public Services Union, said the Union was fundamentally opposed to PPPs and asked about Aecon's investment return. Mr. Nackan replied: "*Unions around the world express the same concerns, but there is a tremendous body of evidence to support the fact that PPPs work. We are in the early stages of design, but the notion that money is leaving the country is not true, all of the money generated by the airport will be ring fenced in this project.*"

During an increasingly heated question and answer session at the end of the presentation, MP Richards confirmed that the Government had passed the point where they could pull out of the deal without incurring penalties. He said that Aecon had initially spent \$2.5 million on the project and had incurred more expenses that the Government would be liable for it was to withdraw from the arrangement.

NOVEMBER 2015

- Lawrence Scott, the Shadow Minister of Tourism Development and Transport, noted that a warning was made by Robin Hayes, the Chief Executive Officer of JetBlue that high airport charges are a major turn off for airlines and could be “*devastating*” for Bermuda. Robin Hayes told a Caribbean tourism event in Curaçao that high airport taxes and charges could dissuade passengers from flying to certain destinations, and in turn be a disincentive for airlines to serve those routes.
- On November 19, 2015, at a town hall meeting, MP Richards stated that there were no other options for the Government’s planned airport redevelopment because “*we can’t afford it any other way*”. Non-tendered agreements and resorting to P3s were a necessary resort for replacing the Island’s ageing airport terminal. MP Richards citing a \$10 million consultancy fee for the hospital redevelopment, said that the tendering of the project would have been too time-consuming and expensive.
- On November 20, 2015, Curtis Stovell, the Accountant-General, told PAC that he had not been asked to give approval for the contract to be granted to CCC.

However, Finance Minister Bob Richards later released the memorandum from 2014 in which Mr. Stovell gave permission to waive financial instruction conditions. MP Richards said: “*The Accountant General determined the applicability of procurement rules in financial instructions with regard to the proposed relationship between the CCC and Government, and, after reviewing all relevant documentation and considering all circumstances, gave his permission to proceed with the project using the Government to Government approach.*”

Mr. Stovell refused to discuss the disparity between his evidence and his 2014 memo.

He referred requests for comment to the Department of Communications and Information.

- On November 21, 2015, a memo released by the Ministry of Finance shows that the Accountant General Curtis Stovell approved the Bermuda Government to waive financial instructions on its early deals for an airport redevelopment. However, Shadow Finance Minister David Burt, who

MP Bob Richards: House of Assembly November 28, 2014 – Hansards

After considering the significant benefits associated with this method of procurement, the Ministry of Finance consulted with the Accountant General, who is responsible for financial instructions. It must be noted that in situations where multiple quotes are not obtained or practicable, it is the standard practice to request a waiver from the Accountant General. Accordingly, the Minister of Finance, or the Ministry of Finance requested a waiver from the Accountant General to obtain three quotations from the project development services to be provided to Government by CCC.

The Accountant General has determined the applicability of procurement rules in financial instructions regard to the proposed relationship between CCC and the Government and, after reviewing all relevant documentation and considering all circumstances, has given his permission to waive the requirement for three quotations for the project developmental services to be provided under the MOU with CCC, in accordance with the provisions of financial instructions.

Note that this waiver is restricted to the relationship between CCC and Government. It is premature to consider contracts that will be awarded for construction works under the project.

heads PAC, insisted that the present airport development agreement never had Mr. Stovell's permission to go ahead as a sole-sourced arrangement.

- On November 26, 2015, the Leader of the Opposition argued that the memo only shows approval was granted for the first phase of the scheme.

JANUARY 19, 2016

- The agreement between the Bermuda Government and CCC was published on the Bermuda Parliamentary website.

The Airport Development Agreement was signed during the summer of 2015 and tabled in the House of Assembly by the Finance Minister in December 2015 revealing that CCC and its subcontractor construction firm Aecon - collectively referred to as Project Co - will be exempt from the employer's share of payroll tax and customs duties on capital items like construction materials.

Government will also pay an equivalent sum "*on an annual basis and for the term of the project agreement an amount equal to the energy consumption for the airport operations...*" less airport tenants' bills.

The operating company will also get a minimum revenue guarantee which means if annual income is not up to projections over the 30-year contract, Government will make up the difference. It was noted that the financial close, including figures, was expected to be concluded by the end of November 2016. The agreement specified that a transition plan should be in place for the transfer of airport employees, to Aecon, a new airport quango for Bermuda. It added that, subject to conditions, staff should be transferred "*on terms and conditions which, taken as a whole, are no less favourable than such employees' existing employment terms and conditions*".

MP Bob Richards: House of Assembly November 28, 2014 – Hansards

SUPPLEMENTARIES

Mr. Glenn A. Blakeney: This is for, obviously, the Minister of Finance. Given his answer that the approval from the Accountant General was before November 10th, would the Minister agree that such approval had to be in writing, and would he share the letter of approval with this honourable House?

The Speaker: The Honourable Minister?

Hon. E.T. (Bob) Richards: Mr. Speaker, I do not believe that is necessary. I stated here on the floor of the House, as an Honourable Member, that that letter has been received. I do not see any reason why I need to produce any internal document as proof.

Mr. Glenn A. Blakeney: Surely, the Minister would agree that the people of this country should be privy to such a critical piece of or a critical agreement. And in line with the Government's commitment to transparency, why would he not want to share a letter of approval with this Honourable Chamber on behalf of the people of this country?

The Speaker: Thanks You. Minister?

Hon. E.T. (Bob) Richards: Mr. Speaker, when this matter, if this matter ever goes to the Public Accounts Committee, they can do what they want to do. All right? But I do not believe it is appropriate or proper to questions my veracity on the floor of the House. When I say that something is done, it is done.

FEBRUARY 3RD, 2016

- A meeting was held to seek feedback on issues to consider the Environmental and Social Impact Assessment which was being compiled by LAS Consulting and Bermuda Environmental Consulting (BEC). However, residents expressed their fury at the Government and its chosen construction firm Aecon. The PLP also challenged the deal and questioned the long-term job security of staff and the status of contracts. MP Richards, however, described the comments as “total nonsense”.

FEBRUARY 4, 2016

- An open meeting on the Island’s airport redevelopment plan featured a skeptical and often heated crowd for a second night.

FEBRUARY 5, 2016

- At an open forum meeting, a representative from Aecon stated that the redeveloped airport could sustain Bermuda for the next 100 years.

FEBRUARY 16, 2016

- OBMI was hired to work on the first phase of the airport redevelopment project. The appointment was made by Canadian contractors Aecon Construction Group. The process included a request for qualifications (RQF), request for proposals (RPF), presentation and interview stages. OBMI is to work with Scott Associates Architects, Aecon’s lead architectural firm specializing in airport design, on aesthetics, interior design and local building code compliance for the proposed new airport terminal. The office will also provide guidance on Bermudian building methods and materials and support for the permitting and planning approval processes.

FEBRUARY 24, 2016

- Aecon Concessions President, Steve Nackan, stated that the \$250 million redevelopment of Bermuda’s airport is “*not a done deal*”. He also stated, that though it would cost the island to pull out at this stage, it had the option to do so.

FEBRUARY 26, 2016

- Aecon says it is “*too early*” to determine whether it will sell its stake in the company running Bermuda’s new airport once the project has been completed. The firm spearheading Bermuda’s airport redevelopment was due to operate the last airport it built until 2041, but it pulled out of the facility 26 years early after selling its shares. The \$700 million Quito International Airport in Ecuador won awards after it was built by Aecon but, after agreeing to a 35-year concession term to first operate the capital city’s old airport from 2006, and then the new airport after it opened in 2013, Aecon completed only nine years of the term before cashing in. In December last year, it completed the previously disclosed sale of its 45.5 per cent interest in the Quito International Airport

concessionaire Quiport for \$232.6 million to two other entities, a Colombian construction company and a Brazilian transportation firm. The deal ended Aecon's involvement with Quito Airport.

MARCH 3, 2016

- Tourism Development and Transport Minister, Shawn Crockwell, provided details regarding Government's \$13 million budget allocation for the airport redevelopment project. The Minister stated that \$2.5 million had been spent in the fiscal year 2015/16 for the proposal to build a new airport terminal. A further \$4.3 million had been set aside for spending in 2016/17. He said \$250,000 would go to the Canadian Imperial Bank of Commerce for financial advisory services, while \$700,000 was due to KPMG. Architects HNTB would receive \$1 million for design engineering, and management consulting firm LeighFisher was due \$560,000, he said. Bennet Jones, the law firm, would be paid \$900,000, while \$391,000 would go into "reimbursable expenses" such as travel, which Mr. Crockwell described as an "ancillary costs associated with doing business".

MARCH 23, 2016

- OBMI was selected as the landscape architects for the proposed airport redevelopment project following a RFP process. According to a statement by Aecon Group Inc., Government's partner in the project, OBMI's Bermuda office was selected for the post after interviews with several Bermudian firms. Now OBMI, founded by Wil Onions, the architect behind Hamilton's City Hall, will work with Scott Associates, the lead architectural firm and a specialist in airport design to create the grounds around the new terminal.

MAY 18, 2016

- The OBA faced another demonstration and tough questions from its own supporters over the airport redevelopment project. More than 100 people, many chanting and waving placards, gathered outside City Hall to protest against the Bermuda Government and Aecon's \$250 million plan. The Finance Minister faced questions from OBA members after he delivered a presentation on the subject. The Minister repeated his pledge to reveal all after the deal is finalized at the end of the summer.

MAY 26, 2016

- Bermudian engineering company Brunel won a contract for structural and civil engineering at for the airport redevelopment project. The firm was appointed by Canadian company Aecon and will help with design documentation, drawings and details, advise on local conditions as well as assist with design related to transport and will also work with other global engineering teams to ensure that the new airport's construction will be in line with Bermudian culture.

MAY 27, 2016

- The Financial Secretary defended the Bermuda Government's refusal to release full details of the Airport Redevelopment Agreement to PAC. Anthony Manders maintained that confidentiality during negotiations on this project was in the public's best interest. In response, the Committee issued a summons requesting Schedule A of the ADA be released for PAC's private review.

MAY 30, 2016

- Financial details surrounding the proposed airport redevelopment deal revealed that Aecon Concessions must commit to having a stake of more than one-third in the project. MP Richards stated in the House of Assembly that Aecon would contribute a 35 per cent of the minimum required equity for the project. MP Richards also told MPs that the profit target expected for the project estimated to be 15 to 16 per cent.

ADVISORY SERVICES AGREEMENT

THIS ADVISORY SERVICES AGREEMENT (“Agreement”) made the day of August, 2014.

BETWEEN:

CANADIAN COMMERCIAL CORPORATION
50 O’Connor St.—Suite 1100
Ottawa, Ontario K1A 0S6
(hereafter called “CCC”)

AND

AECON CONSTRUCTION GROUP INC.
20 Carlson Court, Suite 800,
Toronto, Ontario M9W 7K6
(hereafter called the “Supplier”)

WHEREAS:

- A. CCC is an agency of the Government of Canada and part of its mandate is to assist in the development of trade between Canada and other nations and to assist Canadian exporters in exporting goods and services from Canada.
- B. CCC provides a variety of trade-related services to assist Canadian exporters in exporting goods and services from Canada.
- C. The Supplier wishes to engage the services of CCC, as agreed upon below.
- D. The Supplier understands that if it wishes to engage other services of CCC, such as CCC’s prime contractor role, it will be necessary to enter into another agreement with CCC.

NOW THEREFORE the Parties hereto agree with each other as follows:

- 1. CCC agrees to provide the following trade-related services (“Services”) to the Supplier:

To participate in meetings with officials of the Government of Bermuda related to the redevelopment of the L.F. Wade international Airport and the construction of a new bridge linking Hamilton Parish on the mainland and the Airport Owen Roberts International Airport through a government-to-government contracting mechanism.

- 2. The timetable for providing the Services is as follows:

Start date: August 1, 2014 Completion Date: October 1, 2014

3. In consideration of CCC providing the Services, the Supplier agrees to pay CCC the disbursements billed to the Supplier, plus GST.

The number of international trips are projected to be: One (1)

[Note: The disbursements are costs incurred by CCC in relation to providing the Services, such as travel, accommodation, per diem, translation, photocopying, which will be charged out at CCC's cost. Travel costs are determined in accordance with the CCC travel policy, which is based on the federal government travel directive. The Supplier may choose to assume any such expenses as they occur, therefore voiding the possibility of CCC invoicing to the Supplier].

4. CCC shall invoice the Supplier on a monthly basis. The Supplier shall pay CCC the invoiced amount no later than 30 days from the date of the invoice issued by CCC.
5. The Parties agree that General Conditions-Advisory Services Agreement attached hereto as Annex "A" shall form part of this Agreement.

IN WITNESS WHEREOF this Advisory Services Agreement has been executed by the duly authorized officers of the Parties.

CANADIAN COMMERCIAL CORPORATION

Per: _____

Name: Donald Olsen

Title: Director, Business Development and Sales

Date: _____

AECON CONSTRUCTION GROUP INC.

Per: _____

Name: Steve Nackan

Title: President, Aecon Concessions, a division of Aecon Construction Group Inc.

Date: _____

ANNEX "A"
GENERAL CONDITIONS
-ADVISORY SERVICES AGREEMENT

1. **Confidentiality** Each Party shall use all information regarding the other Party's business which the other Party has identified as being of a proprietary or confidential nature, solely for the purpose of this Agreement. Such information shall be kept confidential for an unlimited period of time and shall not be disclosed except for the purpose of providing the Services, unless the prior written consent to disclosure of the Party who has supplied the information is obtained or the disclosure is legally required.
2. **Termination**
 - 2.1 Either Party may terminate this Agreement by giving written notice to the other Party.
 - 2.2 In the event of termination by either party under Section 2.1, the Supplier shall pay to CCC any amounts owing, including invoiced amounts and amounts to be invoiced, as of the date of termination.
3. **Limitation of Liability/Indemnity**
 - 3.1 The liability of CCC, whether in contract, tort or otherwise, to the Supplier under this Agreement shall not exceed the amounts paid by the Supplier to CCC in respect of the CCC fees and disbursements.
 - 3.2 The Supplier shall indemnify and save harmless CCC in respect of any loss, liability, costs, claims, demands, proceedings, taxes, charges, fines, sanctions, penalties and expenses of whatsoever nature or kind, arising, suffered or incurred by CCC as a result of any action or claim that may be made by any third party against CCC arising out of or occasioned in any way by the provision of the Services to the Supplier.
4. **Governing Law** This Agreement shall be interpreted in accordance with the applicable laws in force in the province of Ontario and the federal laws of Canada.
5. **Dispute Settlement** In the event of any dispute between the Supplier and CCC under this Agreement, the Parties shall attempt to settle the matter amicably. In the event that the matter is not so settled and either Party wishes to pursue the matter further, it shall be referred to arbitration in accordance with the *Commercial Arbitration Act* (R.S.C.1985, c.17, 2nd Supp.). The arbitration decision shall be final and binding upon the Parties.
6. **No Corruption** The Supplier warrants that no bribe, gift or other inducement has been paid, promised or offered to any official or employee of CCC or Her Majesty in right of Canada for, or with a view to, the entering into this Agreement.
7. **No Partnership, etc.** The Parties hereto expressly disclaim any intention to create a partnership, joint venture or joint enterprise. It is understood, acknowledged and agreed that nothing contained in this Agreement nor any acts of either CCC or the Supplier shall constitute or be deemed to constitute CCC and the Supplier as partners, joint venturers or principal and agent in any way for any purpose. The Supplier shall not represent itself or hold itself out to be an agent of CCC. Neither Party hereto shall have any authority to act for or to

assume any obligations or responsibility on behalf of the other Party hereto without the prior written consent of the other Party.

8. **Assignment** This Agreement shall not be assigned in whole or in part by either Party without the express prior consent in writing of the other Party.
9. **Waiver** A waiver of the breach of any provision of this Agreement shall not be binding upon either Party, unless it is in writing and signed by the waiving Party and delivered to the other Party. A waiver by a Party of any provision of this Agreement shall not constitute a continuing waiver, or a waiver of one or any of the other provisions, unless such waiver shall specifically provide otherwise.
10. **Enurement** This Agreement shall enure to the benefit of and be binding upon the Supplier and CCC and their respective successors and permitted assigns.
11. **Notices** Any notice from one Party to the other shall be in writing and shall be delivered to their representatives at the addresses above.
12. **Invalid Provisions** If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but it shall be construed as if such invalid, illegal or unenforceable provision had never been contained in it.
13. **Entire Agreement** This Agreement constitutes the entire agreement between the Supplier and CCC pertaining to the Services and supersedes all previous agreements, negotiations and documents pertaining thereto.
14. **Excusable Delay** Neither Party shall be held responsible for any delay or default due to any cause beyond the reasonable control of that Party.
15. **Survival of Terms**

Sections 1, 2.2, 3, 4 and 5 of these General Conditions-Advisory Services Agreement shall survive termination of this Agreement.

APPENDIX I

Suhartono, Tikitta

From: Wendy Dempsey [wdempsey@CCC.CA]
Sent: Friday, November 07, 2014 4:08 PM
To:
Cc: Adderley, Aaron;
Subject: Bermuda- Draft Statement by the Minister

Please see the CCC comments to the press Release. We have some concerns about the statements regarding the financing and the P3 model and note our concerns in the release and would appreciate if you could rectify the references to financing and CCC's role.

I believe that you are aware of CCC's issues and I would ask for your assistance in correcting the impression left in the press statement as currently drafted.

Regards,

Wendy

Wendy M. Dempsey
Assistant General Counsel/ Avocate Générale Adjointe
Canadian Commercial Corporation/Corporation Commerciale Canadienne
50 O'Connor Street, Suite 1100, Ottawa, ON K1A 0S6
tel: (direct) fax:

From: Wendy Dempsey [mailto:wdempsey@CCC.CA]
Sent: Friday, November 07, 2014 3:01 PM
To:

89.0

Ministerial statement/Press Statement from the Minister of Finance, the Hon. Everard T. Richards JP MP

Field Code Changed

First let me introduce and acknowledge the presence of Mr. Luc Allary, Regional Director, Caribbean & Central America for Canadian Commercial Corporation and of course acknowledge my colleague the Minister of Tourism Development and Transport and new Junior Minister Vic Ball.

Today the Bermuda Government is announcing the signing of an historic agreement with the Canadian Commercial Corporation (CCC) to pave the way for the financing of the re-development of the Bermuda airport. This re-development will involve the construction of a new purpose built terminal building.

Comment [WD1]: CCC does not provide financing. CCC facilitates financing but it will not be the financing arm of the transaction. There will be private financing offered through a consortium.

The redevelopment of the Bermuda airport represents one of the most important capital projects ever undertaken on our island shores. It will play a crucial role in the renaissance of the Bermuda economy while also being one of the most costly. Its success will be paramount to all in Bermuda.

The construction phase will initially produce hundreds of much-needed jobs for Bermudians and deliver multiple layers of public benefit including, we believe, the basis for a new prosperity.

One might ask, "Why do we need a new airport?" The airport is Bermuda's principal gateway, the place where travellers to our island get their first impression. What do we want that impression to be? We want that first impression to be consistent with the brand that Bermuda presents to the world and that brand can be summed up as, "First Tier, First Class, First World." That is the brand we want to convey, whether the traveller is arriving for business or leisure. Certainly the current terminal building, with sections dating back to the 1940's, does not convey that branded message.

89a(1/5)

The new terminal will show the arriving passenger that he/she has entered a country that is indeed First Tier, First Class and First World. The new terminal will create a buzz in tourism circles and substantially enhance the airport terminal experience for the travelling public.

For Bermudians, it will not only bring jobs, but it will engender a sense of pride, reaffirming our sense of self esteem for our island's unique qualities as a tiny but first world nation.

For visitors, it will reinforce the island's status as a successful and sophisticated up-market tourism destination as well as a leading international business centre.

A key and novel component of this project, and the reason I am announcing this instead of one of my colleagues, is the financing component. The fact is this project would have probably gone ahead long ago if funding was available for it. But with Government running large annual deficits and debt soaring, a new airport terminal had been impossible; - Until now.

Having carefully considered all its options, Government has decided to avail itself of a novel procurement model offered by way of an arrangement with the Canadian Commercial Corporation. CCC is wholly owned by the Government of Canada. The CCC model is a type of public private partnership, (P3), a model that will allow Bermuda to build, use and eventually take possession of the most modern of facilities for civil aviation, without any burden on the Bermuda treasury.

Comment [WD2]: The model is not a traditional P3 model. CCC acts as a prime contractor. The financing will be provided through a private consortium and not CCC. Please remove this reference.

Some of the benefits to using the CCC approach to redevelop the Airport are as follows:

89a(2/5)

\$ This model cuts the procurement time dramatically, enabling shovels to be in the ground and jobs created much sooner than traditional methods.

\$ This model significantly reduces the cost of procurement, particularly the use of expensive consultants.

\$ The new terminal will be customized to Bermuda's needs.

\$ CCC will guarantee that the project will be delivered on time and on budget.

\$ ~~CCC will guarantee all debt arising from the project.~~

Comment [WD3]: CCC will not be guaranteeing debt and does not provide financial guarantees.

\$ There will be a Canadian infrastructure developer. CCC will conduct its own due diligence to be satisfied that the Canadian developer has the technical, financial and managerial capability to deliver on the contract;

\$ ~~The financing approach requires no initial outlay for the airport and no new debt for Bermuda;~~

Comment [WD4]: A contribution by the Government is required and has been noted to Bermuda.

The model demands total transparency, adhering to international best practices; in fact, as I have already mentioned, there will be no recourse to the balance sheet of the Bermuda government, direct or contingent.

Comment [WD5]: Bermuda will be expected to contribute to this project and this statement is not correct.

~~The financing will rely entirely on the future revenue streams from the new airport itself.~~

Comment [WD6]: Again, this is not correct as Bermuda will need to inject some funding.

We will also benefit from the uncompromising standards, world class experience and expertise of CCC. Established in 1946, CCC, a federal crown corporation, was mandated to facilitate international trade on behalf of Canadian industry, particularly within government markets.

CCC will select a Canadian Developer from its already preselected stable of Canadian ~~engineering~~ firms. This company will enter into a contract and Concession Agreement with the Bermuda Airport Authority to develop and manage the project. Title to the airport and adjacent property will remain in Government hands. This will be the core of the P3-arrangement.

89a/3/s1

~~This company will maximize local subcontracting and employment opportunities in then, through an open and transparent process, selecting contracting firms to actually carry out the work on the ground. The vast majority of these subcontracting companies will be local Bermudian firms employing local labour.~~

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Comment [WD7]: Open and transparent means that there will be a tendering process and this is not the process we have discussed to date.

The government has already chosen a world class financial adviser to formulate the financial model required to make this project financially viable and advise us on all economic aspects of this project.

We will also be engaging an independent construction firm to review the project model in all its aspects to formally verify that Bermuda is getting value for money from this arrangement.

This structure, which is tried and tested in other countries, has a number of reduction advantages:

- \$ reducing the risk and expense of procurement,
- \$ reducing the risk of budget overruns,
- \$ reducing the risk of late delivery,
- \$ reducing the risk to the Bermuda Government treasury and balance sheet,
- \$ reducing unemployment in our island and validating value for money issues.

It is a winning formula on all fronts.

We are now at the start of a long and complex process with many milestones along the way. The next important milestone will be a Go-No-Go decision, and assuming it's a Go, the final Construction Contract and a Concession Agreement and financing agreements, which will govern all aspects of the project, will be developed and concluded. At that time the final costs and design features will have been ironed out.

89a(4/s)

There are few options to create jobs by way of infrastructure projects, for a government that already has high debt levels, and is adding to it annually by running deficits. The traditional way of financing such projects would surely increase government debt. This CCC P3-model enables us to create jobs without putting your government further into debt.

There are a myriad of questions you may have about the physical aspects of the new terminal but these will have to be the subject of subsequent public announcements as we move forward with the process.

89a(5/s)

APPENDIX II

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
1	15 April 2014	<p>From: Andrew Shisko (CCC)</p> <p>To: Don Olsen (CCC) Luc Allary (CCC)</p> <p>Subject: Aecon/Bermuda</p>	<p>I received a call from Steve Nackan of Aecon yesterday. They have identified a potential opportunity for substantial airport re-development in Bermuda. Project would be similar to that in the Cayman Islands. Intent is to privatize the airport. . . Steve’s question to me was whether CCC would be able to send a senior representative to accompany Aecon on a visit to Bermuda, tentatively planned for the week of May 5. I indicated to Steve that such a project would of course be of interest to CCC, and that I would review with Pierre who would be the most suitable CCC person to accompany Aecon.</p>
2	15 April 2014	<p>From: Andrew Shisko (CCC)</p> <p>To: Steve Nackan (AECON)</p> <p>Subject: Bermuda Airport</p>	<p>Steve,</p> <p>I have conferred with Pierre Allary (our VP of BD), Don Olsen (Director, BD International Commercial Business) and Luc Allary (sic) (Director, BD, Caribbean and Central America). The conclusion was that Don is best positioned to support Aecon on this project – I know that he was also working with Aecon on the Cayman Airport project.</p> <p>...</p> <p>Good luck with this pursuit. Best regards, Andrew Shisko</p>
3	1 May 2014	<p>From: Steve Nackan (AECON)</p> <p>To: Don Olsen (CCC) Pierre Allarie</p> <p>Subject: Bermuda Airport</p>	<p>Guys – a couple of updates on this:</p> <ol style="list-style-type: none"> 1. Philippe Baril has made contact on our behalf with the airport CEO who is intrigued with the concept and keen to meet BUT I am not sure convinced on a negotiated solution. That was the meeting that was offered for next week, but the timing doesn’t work for me. 2. More interesting, contact has been made on our behalf with the Minister of Finance who was seriously intrigued with the concept and is beginning to socialize the idea within the Government of Bermuda. He said it is within his power as Minister to put aside the typical competitive procurement processes in favour of an approach that provides unique and enhanced benefits to the country. He thought the next step would be for him and a few other Government reps including the minister of transport the head of the airport to come to Toronto to meet with CCC and Aecon. <p>...</p> <p>What the Minister would like to see is some more information on the approach – basically the CCC White Paper and anything else you feel may be helpful (in advance of a face-to-face) to help the Minister advance policy arguments. Can you please send me the current version of that in electronic form.</p>

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
4	23 June 2014	From: Steve Nackan (AECON) To: Don Olsen Wendy Dempsey (CCC) Subject: Bermuda MOU (CCC)	Don, Wendy – can you please take a look at the attached and let me have your comments. Thanks.
5	23 June 2014	From: Wendy Dempsey (CCC) To: Don Olsen (CCC)	Don, Do you know what this is about? Thanks, Wendy
6	23 June 2014	From: Don Olsen (CCC) To: Wendy Dempsey (CCC) Subject: Bermuda MoU	That is the project I talked to you about 2 weeks ago when I went to Toronto to see the Minister of Finance from Bermuda he visited the AECON, and I was invited. The project is for the rehabilitation of the airport in Bermuda. Government of Bermuda through [its] Ministry of Finance is interested in working with Canada, this would also be a concession project like Quito.
7	23 June 2014	From: Wendy Dempsey (CCC) To: Tamara Parschin-Rybkin (CCC) Subject: Bermuda MOU	Tamara, I received this email today. Apparently, Don was in Toronto a few weeks back and met the MOF from Bermuda with Aecon. At the meeting an MOU was discussed and I believe Steve Nackan drafted the document attached as a result of the meeting. I've never heard of this project (an airport rehabilitation) and I don't believe you have either. Do you want to handle this or do you want me to? Wendy
8	23 June 2014	From: Tamara Parschin-Rybkin (CCC) To: Wendy Dempsey (CCC) Subject: Bermuda MOU	Please take it on. You're right – I've never heard of it. Tamara
9	23 June 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Subject: Bermuda MOU	Hi Steve, I acknowledge receipt of the draft MOU and will reply by the end of the day tomorrow. Can you confirm that Aecon drafted the MOU? What is the timeline for sending this MOU to the buyer and who is the buyer? I understand that Don and you met with the Minister of Finance of Bermuda two weeks ago in Toronto and that this draft is as a result of a discussion that was had wherein the Minister of Finance asked for a draft document. Regards, Wendy

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
10	23 June 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Subject: Bermuda MOU	Hi Wendy – I drafted this. Bermuda wants to see something by end of June and wants to sign sometime in July. Yes, this draft follows the meeting Don and I had with the Minister. Thanks for your assistance.
11	24 June 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olson (CCC) Subject: Bermuda MOU	<u>Dear Steve:</u> <u>I attach a different version of an MOU between CCC and I suspect the Ministry of Tourism and Transport. DFATD has directed CCC in recent years to ensure that MOUs are completed in a particular format and are signed in both official languages. The draft that I attach has been used before and is therefore available also in French with slight modifications. You will also note that the MOU is broader than the one that you drafted as it is to be a framework document not for one specific project. If a plan for this project is to be put forth, it can be forwarded after signature of the MOU in the form of a letter.</u> <u>I am sending this to Don at the same time and would ask you both to comment and if acceptable, Don can forward the draft to the appropriate contact in Bermuda. The French version can follow once Bermuda agrees upon the language.</u> <u>Regards,</u> <u>Wendy</u>
12	25 June 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olson (CCC) Subject: Bermuda MOU	Wendy, I would like to understand more about this approach. We would feel very uncomfortable committing any resources to this under such a loose agreement. Bermuda is also expecting something more definitive and reflective of the discussions – basically including details per my draft. They are also planning to make a very public splash about this MOU and to disclose it and if it basically says nothing about the projects, there will be problems. Maybe the answer is the letter you mention. Can that take the form an agreement – i.e. basically get back to the my draft of the MOU by way of a letter agreement?
13	25 June 2014	From: Wendy Dempsey To: Steve Nackan (AECON) Don Olson (CCC) Subject: Bermuda MOU	Steve: Another approach is that we have the generic MOU with Annexes attached that are project specific and what you drafted is shortened into an Annex with the content as you want to include. That way we satisfy both the general and the specific and maintain an MOU format without offending Foreign Affairs or Bermuda. Let me know if this approach works and I will work on a revised draft. Thanks, Wendy

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14	25 June 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olson (CCC) Subject: Bermuda MOU	<u>Ok, let's put the substantive content of my MOU into an Annex and refer to the Annex in the body of the MOU. A bit clumsy but perhaps the Annex can take the form of a draft agreement which the parties intend to sign ASAP after the execution of the main MOU. Then we can take the Annex and actually create a 2nd parallel agreement so that we can sign the MOU + Annex and then immediately sign the 2nd agreement?</u>
15	25 June 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olson (CCC) Subject: Bermuda MOU	<u>The Annex for an MOU cannot look like a draft agreement. How about we submit the vague MOU together with a separate project related agreement at the same time. We would also need a Services Agreement between CCC and Aecon before submitting such an agreement.</u>
16	25 June 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olson (CCC) Subject: Bermuda MOU	<u>Ok</u>
17	25 June 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olson (CCC) Subject: Bermuda MOU	<u>Dear Steve,</u> <u>Further to our discussions and e-mail, I attach a draft MOU that is general in nature and a Letter Agreement that is particular to the two projects, both for submission at the same time.</u> <u>Please review and provide you comments to the same.</u> <u>Regards,</u> <u>Wendy</u>
18	3 July 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Bermuda MOU	Wendy & Don, I sent this through to [REDACTED] for back channel review before sending to Bermuda. [REDACTED] is advising Bermuda. Once we have made changes, we will need to figure out where to send this formally. Question for you: A bunch of us are going down to Bermuda Sunday – Tuesday to do some site diligence. Don is not able to attend which is fine and I don't think we need CCC presence for this visit. I do however feel it is important to maintain the CCC cover for this visit i.e. we are the CCC team etc. So I would like to use the CCC logo or some variant of it when we send e.g. proposed agenda for the visit (etc). Would you be okay with that?
19	3 July 2014	From: Don Olson (CCC) To: Jason Hann (CCC) Wendy Dempsey (CCC) Subject: Bermuda MOU	Since you are acting any thought for Aecon to use the CCC logo during their visit to Bermuda?

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20	3 July 2014	From: Jason Hann (CCC) To: Wendy Dempsey (CCC) Don Olson (CCC) Subject: Bermuda MOU	If this is being done with the intent to pursue as a G2G – and that’s the only way Aecon is going to undertake the project – then I don’t see why using the CCC logo would be problematic. Wendy? But Don, remind me who I’m acting for? Or what I’m acting in?
21	3 July 2014	From: Wendy Dempsey (CCC) To: Don Olson (CCC) Jason Hann (CCC) Subject: Bermuda MOU	Sorry Don – did you know that Aecon was sending the MOU and letter agreement to [REDACTED]? What role is [REDACTED] playing
22	3 July 2014	From: Don Olson (CCC) To: Wendy Dempsey (CCC) Jason Hann (CCC) Subject: Bermuda MOU	They are the [REDACTED]. Steve just needs their comments.
23	17 July 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olson (CCC) Subject: Bermuda MOU	Wendy, please take a look at the attached. Likely will be the Deputy Minister/MoF that will sign this. So I changed the framework MOU accordingly. Also, the Letter Agreement is changed quite a bit (sorry no mark-up; too messy) because [REDACTED] I am waiting for some input from [REDACTED] but thought I’d get this off to you in the meantime as I want to get to Bermuda very soon.
24	18 July 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olson (CCC)	Light changes from the draft I sent you to address a couple comments from Bermuda’s advisors. Can you please advise if CCC is OK to release this? I will confirm where it needs to go in Bermuda. Thanks.
25	18 July 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olson (CCC) Subject: CCC Bermuda Letter Agreement	Ok. By the way I have discussed these with Bermuda as yet. We have a back channel of sorts with CIBC who is their advisor and [is] providing informal comments to ensure we hit the points they feel will be important to Bermuda.
26	18 July 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olson (CCC) Subject: Bermuda MOU	<u>Steve,</u> <u>I don’t see that the MOU says that the [REDACTED]. It is also not clear in the Letter Agreement. I have made changes to make this clear. Please see the changes attached to the Letter Agreement.</u> <u>Also, CCC will require the following indemnity from Aecon to be placed on letterhead by an officer: [REDACTED].</u>

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27	20 July 2014	From: Steve Nackan (AECON) To: Wendy Depmsey (CCC) Don Olson (CCC) Subject: Bermuda MOU	<u>Thanks Wendy. I agree with all the comments and have accepted most of the changes. Just a few suggested edits to the [REDACTED] Clean (July 20) and mark-up against your document attached.</u> <u>I'm sure the indemnity will be fine but have sent it along to our GC to confirm.</u>
28	20 July 2014	From: Steve Nackan (AECON) To: Wendy Depmsey (CCC) Don Olson (CCC) Subject: Bermuda MOU	<u>Confirming the indemnity is fine for Aecon.</u> <u>Steve</u>
29	21 July 2014	From: E.T. Richards To: Aaron Adderly (Bermuda Airport) Subject:	<u>Aaron:</u> <u>Do you think we will get something before Cup Match??</u> <u>ETR</u>
30	21 July 2014	From: Aaron Adderley (Bermuda Airport) To: Steve Nackan (AECON) Subject: FW mou	Hello Steve, Minister Richards wanted me to check in with you to see whether or not we might have the first MOU ready by next Wednesday? Aggressive I know, but let me know what might be realistic. Many thanks. aa
31	21 July 2014	From: Steve Nackan (AECON) To: Aaron Adderley (Bermuda Airport) Subject: FW mou	Hi Aaron. Yes, I believe so. I am just about there with CCC. They want to send it to someone on your side. Who would be the recipient?
32	21 July 2014	From: Aaron Adderley (Bermuda Airport) To: Steve Nackan (AECON) Subject: FW mou	Thanks Steve – you can have them forward to me.
33	23 July 2014	From: Steve Nackan (AECON) To: Aaron Adderley (Bermuda Airport) Subject: Bermuda – CCC Draft MOU & Letter Agreement	Dear Aaron, On behalf of CCC, please find attached a cover letter together with a draft framework MOU and draft Letter Agreement. The cover letter explains the rationale for the 2 documents. Anticipating that the MOU will be signed relatively soon, our team will be meeting in Friday to discuss proposed next steps and we would like to

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			<p>organize a call with you for early next week to take that forward.</p> <p>As mentioned, the focus of the work in Phase 1 [REDACTED]</p> <p>We look forward to your comments on the docs and to moving forward with this exciting opportunity.</p> <p>Best regards, Steve Nackan</p>
34	23 July 2014	<p>From: Aaron Adderley (Bermuda Airport)</p> <p>To: E.T. Richards</p> <p>Subject: Bermuda – CCC Draft MOU & Letter Agreement</p>	<p><u>Minister – please find the draft MOU attached. Let me know if you have any comments before I circle back with Steve. Thx.</u></p> <p>aa</p>
35	24 July 2014	<p>From: E.T. Richards</p> <p>To: Aaron Adderley (Bermuda Airport)</p> <p>Subject: Bermuda – CCC Draft MOU & Letter Agreement</p>	<p><u>Any thoughts?</u></p>
36	24 July 2014	<p>From: Aaron Adderley (Bermuda Airport)</p> <p>To: E.T. Richards</p> <p>Subject: Bermuda – CCC Draft MOU & Letter Agreement</p>	<p>[REDACTED]</p> <p><u>I hope that helps. What Steve and I can do is work on putting together some answers to a list of anticipated questions for you to have ahead of time.</u></p> <p>aa</p>
37	24 July 2014	<p>From: E.T. Richards</p> <p>To: Aaron Adderley (Bermuda Airport)</p> <p>Subject: Bermuda – CCC Draft MOU & Letter Agreement</p>	<p><u>I would be most grateful</u></p>
38	24 July 2014	<p>From: Aaron Adderley (Bermuda Airport)</p> <p>To: Steve Nackan (AECON)</p> <p>Subject: Bermuda – CCC Draft MOU & Letter Agreement</p>	<p><u>Hi Steve,</u></p> <p><u>I think it would be helpful if we provide the Minister with a list of anticipated questions and the answers to those questions so that he has it prior to going to the press with the announcement of the MOU signing. I attempted below to address some of his initial questions as best I could, making some assumptions, but would prefer to liaise with you to make sure we cover everything accurately. aa</u></p>

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39	24 July 2014	<p>From: Steve Nackan (AECON)</p> <p>To: John Saczowski (AECON) David Beare (unknown) Chris Chalk (Mott MacDonald) Frank Ross (unknown) Don Olsen (CCC)</p> <p>Subject: Bermuda – CCC Draft MOU & Letter Agreement</p>	<p>See exchange below. I don't see much push-back coming and looks like they will want to sign this week!!</p> <p>I offered to Aaron that we would generate a list of questions and answers based on our experience of that typically comes up around these things – usually by critics – same stuff we generated for Cayman. Let's put down our top 20 – giving equal opportunity to items that address concerns and items that show off what a great thing this is (maybe we get some of those questions planted).</p>
40	24 July 2014	<p>From: John Saczowski (AECON)</p> <p>To: Steve Nackan (AECON) David Beare (unknown) Chris Chalk (Mott MacDonald) Frank Ross (unknown) Don Olsen (CCC)</p>	<p>REDACTED]</p> <p>We didn't spend enough time with Aaron explaining things although he did get some of it. But we did have a bit of a conversation with Jackie on "structure" and who is who and roles.</p>
41	1 August 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Don Olsen (CCCCO)</p> <p>Re: ASA Bermuda Aecon</p>	<p>Don:</p> <p>Attached is an ASA as requested:</p> <p>Wendy</p> <p>The signed advisory agreement provides in relevant part that CCC and AECON have agreed (among other things) "To execute a letter agreement between CCC and the Government of Bermuda in a form to be agreed upon by [AECON] that provides for the CCC Team to complete preliminary due diligence, project scoping and to produce an airport project concept."</p>
42	4 August 2014	<p>Advisory Services Agreement</p> <p>Between: CCC</p> <p>and</p> <p>Aecon ("Supplier")</p>	<p><u>WHEREAS</u></p> <p><u>A. CCC is an agency of the Government of Canada and part of its mandate is to assist in the development of trade between Canada and other nations and to assist Canadian exporters in exporting goods and services from Canada.</u></p> <p><u>B. CCC provides a variety of trade-related services to assist Canadian exporters in exporting goods and services from Canada.</u></p> <p><u>C. The supplier wishes to engage the services of CCC, as agreed upon below.</u></p> <p><u>D. The supplier understands that if it wishes to engage other services of</u></p>

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			<p><u>CCC, such as CCC's prime contractor role, it will be necessary to enter into another agreement with CCC.</u></p> <p><u>NOW THEREFORE</u></p> <p><u>1. CCC agrees to provide the following trade-related services ("Services") to the Supplier:</u></p> <p><u>To participate in meeting with officials of the Government of Bermuda related to the redevelopment of the L.F. Wade International Airport and the construction of a new bridge linking Hamilton Parish on the mainland and the Airport Owen Roberts International Airport (sic) through a Government-to-Government contracting mechanism.</u></p> <p><u>The timetable for providing the Services is as follows:</u></p> <p><u>Start date: August 1, 2014 Completion Date: December 31, 2014</u></p> <p><u>2. In consideration of CCC providing Services, the Supplier agrees to pay CCC the disbursements billed to the Supplier, plus GST</u></p> <p><u>The number of international trips... to be Two (2)</u></p> <p><u>3. CCC shall invoice the Supplier on a monthly basis. The Supplier shall pay CCC the invoiced amount no later than 30 days from the date of the invoice issued by CCC.</u></p> <p><u>4. The Parties agree that General Conditions – Advisory Services Agreement attached hereto as Annex A shall form part of this Agreement.</u></p>
43	5 August 2014	<p>From: Steve Nackan</p> <p>To: John Saczkowski (AECON) Don Olsen (CCC)</p>	<p>Steve, Jon, Dave and Phill to meet for dinner around 8pm.</p> <p>Wednesday, August 6:</p> <p>9am @ Grotto Bay: Stephen Poon coming to Grotto Bay. SP is from local contractor Somers. Discussion re: local capacity and pricing.</p> <p>...</p> <p>5pm: Don and Steve to attend meeting with Ministers of Finance, Tourism/Transport and others</p> <p>...</p> <p>Thursday, August 7</p> <p>10am onward: Technical Workshop @ Airport: All hands. From BDA we will have Aaron, Wendel, Jackie, Andrew _ Bob (new Ops Director)</p>

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
44	11 August 2014	From: Steve Nackan (CCC) To: Don Olsen (CCC) Wendy Dempsey (CCC) Subject: Revised Letter Agreement	Don, Wendy, Per discussions with Aaron last week, a revised Letter Agreement for your review. Would like to get to Aaron by end of day tomorrow if possible. Best regards, Steve Nackan
45	13 August 2014	From: Aaron Adderly (Bermuda Airport) To: Steve Nackan (AECON) Subject: Proposed Revisions to Letter of Agreement	Hello Steve – please find attached our latest proposed revisions to the LoA. Sorry for the delay there. Best regards, aa
46	26 August 2014	From: Steve Nackan (AECON) To: Don Olsen (CCC) Subject: Lets chat later please	I am concerned that too much of a change will kill the dialogue with Bermuda. I understood that a lot of the issues are clarification and form over substance. If I can help motivate for this form of document over something that will possibly threaten the process, let me know.
46	26 August 2014	From: Steve Nackan (AECON) To: Don Olsen (CCC) Subject: Lets chat later please	I am concerned that too much of a change will kill the dialogue with Bermuda. I understood that a lot of the issues are clarification and form over substance. If I can help motivate for this form of document over something that will possibly threaten the process, let me know.
46	26 August 2014	From: Steve Nackan (AECON) To: Don Olsen (CCC) Subject: Lets chat later please	I am concerned that too much of a change will kill the dialogue with Bermuda. I understood that a lot of the issues are clarification and form over substance. If I can help motivate for this form of document over something that will possibly threaten the process, let me know.
47	27 August 2014	From: Steve Nackan (AECON) To: Don Olsen (CCC) Subject: Bermuda	Don, based [on] what I've been told, have to consider shutting down the team for now to avoid further exposure. We are spending a ton of \$\$ daily on this. Going back to Bermuda with a message that we need to change an approach we tabled is going to be highly embarrassing, will erode trust and is risky. We need to try to work with what we have and massage it to meet your concerns. I don't believe the document [REDACTED]. Alternatively, let me know who I need to talk to there to work through whatever it is so we can keep things on track. Steve

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48	11 September 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Steve Nackan (AECON) Don Olson (CCC)</p> <p>Subject: Proposed Revisions to Letter of Agreement 081314</p>	<p><u>Steve:</u></p> <p><u>We have been told that the President has approved going forward with this project as proposed by Aecon. The terms of the approval are that a Services Agreement/Domestic Contract be signed by Aecon at the same time as when CCC and Bermuda sign the letter agreement and that [REDACTED].</u></p> <p><u>Attached is the draft letter as it currently sits. If you confirm that the above conditions are acceptable to Aecon, then we can proceed with the sending of the draft by Don to Aaron Adderley.</u></p> <p><u>Please call me if you have any questions.</u></p> <p><u>Thanks,</u> <u>Wendy</u></p>
49	11 September 2014	<p>From: Steve Nackan (AECON)</p> <p>To: Wendy Dempsey (CCC) Don Olsen (CCC)</p> <p>Subject: Proposed Revisions to Letter of Agreement 081314</p>	<p><u>Thanks Wendy. These terms are fine for Aecon. Before we send it though, I want to have the team take another look at the drafting – not in terms of things that are related to your approval but really the activities and milestone dates given they (sic) delay in signing an MOU and now informed by the work we have been doing. I may also want to get some protection for costs to address what could be an extended period of at risk work.</u></p> <p><u>Best regards,</u> <u>Steve Nackan</u></p>
50	11 September 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Steve Nackan (AECON) Don Olson (CCC)</p> <p>Subject: Proposed Revisions to Letter of Agreement 081314</p>	<p><u>Absolutely. Let us know when you are happy with it.</u></p>
51	11 September 2014	<p>From: Steve Nackan (AECON)</p> <p>To: John Saczowski (AECON) David Beare (unknown) Chris Chalk (Mott MacDonald) Frank Ross (unknown) Don Olsen (CCC) Alex Greenbaum (UBS)</p> <p>Subject: CCC Bermuda Letter Agreement 3 September 2014.doc</p>	<p>A few updates to report:</p> <ol style="list-style-type: none"> 1. Chris is currently in Bermuda doing some stakeholder engagement meetings. 2. Frank and I sat with the VP of Somers Construction, one of the 3 large local construction companies (with connection to Aecon) and now have some experienced estimating resources to help with pricing. 3. I finally got the Letter Agreement through CCC counsel and management. Attached is the version they are comfortable with. I think we should all take a look at the milestones and activities to ensure we are happy with them. Obviously dates are shifting but at this stage

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			<p>we may just be re-organizing within the same overall timing. Specifically, [REDACTED]. Would like to get the Letter Agreement out to Bermuda early next week.</p> <ol style="list-style-type: none"> 4. Bermuda is still waiting for the Letter of Entrustment from the UK. It is delayed due to a change in Minister and bureaucrats in UK but through Aaron I am assured there is no worry at all about getting it nor any less commitment from Minister Richards to the project and our team. 5. Through the August 6 – 8 meeting summary I sent Aaron and a recent conversation, I am pushing the issue of [REDACTED]. 6. There are some early notions (coming from the Minister) of [REDACTED] 7. [REDACTED] 8. There was talk of Phil and Darija going down to Bermuda next week but I don't believe that is necessary; we know enough to continue exploring the terminal concepts etc. 'offshore' and by way of conference calls. Really the goal here is to focus the 2 main scenarios [REDACTED]. <p>Please send dates for meetings in Toronto in the next 2-3 weeks. Steve Nackan</p>
52	17 September 2014	<p>From: Steve Nackan (AECON)</p> <p>To: Wendy Dempsey (CCC) Don Olsen (CCC)</p> <p>Subject: Proposed Revisions to Letter of Agreement 081314</p>	<p>Wendy, just a few bits from my end:</p> <ul style="list-style-type: none"> - P4 2nd last para before Phase [REDACTED] - P5 – Phase 2 activities [REDACTED] - P8 – The para starting with [REDACTED] - P8 – LAST PARA OF Developmnet Costs section, delete words [REDACTED] <p>If you are OK, please turn, I will get the final all clear from the team and we can send to Bermuda this week. Many thanks.</p>
53	17 September 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Steve Nackan (AECON) Don Olsen (CCC)</p> <p>Subject: Proposed Revisions to Letter of Agreement 081314</p>	<p>Steve:</p> <p>Please see a revised version incorporating your suggested changes. Let us know when the draft is ready to be sent to Bermuda.</p> <p>Regards,</p> <p>Wendy</p>

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54	17 September 2014	<p>From: Duncan Card (Bennett Jones)</p> <p>To: Don Olsen (CCC) Aaron Adderley (Bermuda Airport)</p> <p>Subject: RE: Introduction</p>	<p>Hi Don,</p> <p>I look forward to working with you.</p> <p>...</p> <p>Don, as you now, the structure of the proposed Airport revitalization and management transaction calls for the Government of Bermuda (Government) to enter into project agreements directly between the CCC (as the Prime Contractor) and the Government of Bermuda. To begin that process, the CCC proposed both a draft non-binding MOU and a draft Letter of Agreement between the parties, which the Government has considered, revised (black lined) and returned to your attention for comment a little over a month ago (I believe via an email from Aaron Adderley to Steve Nackan at Aecon on August 13th, 2014). We appreciate that the CCC proposed those documents so that due diligence and other discussions between the parties could proceed under the auspices of those arrangements, once they were agreed to. Unfortunately, those documents have not yet been agreed to and we have not had a reply from CCC concerning those proposed revisions. Unfortunately, during the time when those material documents have remained unsettled, a significant amount of due diligence has proceeded and a material amount of information has now been provided by the Government to CCC and its proposed subcontractor (Aecon Concessions), [REDACTED]</p> <p>As a purely administrative matter at my end Don, with regard to any and all information that has been provided to CCC, through its subcontractor representative Aecon, thus far in the process, I wish to take this opportunity to confirm that all such information is strictly confidential and exclusively proprietary information of the Government, [REDACTED]</p> <p>Therefore Don, in order to move the MOU and Letter of Agreement process forward as quickly as we can, it would be very helpful to us if we could receive any comments that you have concerning the revised MOU and Letter of Agreement that we provided to CCC/Aecon so that we can move the process along.</p> <p>Thank you, Don.</p> <p>Best regards, Duncan Duncan C. Card, BA, LLB, LL.M, ICDD Co-Chair, Privatization, Outsourcing and Procurement Practices</p>
55	18 September 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Steve Nackan (AECON) Don Olsen (CCC)</p>	<p><u>Steve:</u></p> <p><u>Attached is a redrafted Letter Agreement that includes the following changes:</u></p> <p>1) <u>para 2 to [REDACTED]</u></p>

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		Subject: Letter Agreement Response	<p>2) Page 3 before the title Phase 1 at the last sentence [REDACTED] 3) Page 6, Phase 3 bullet dealing with [REDACTED]</p> <p><u>My email to Duncan Card is as follows:</u></p> <p><u>Dear Duncan:</u></p> <p><u>Thank you for the conversation of earlier today. I look forward to working with you on this project.</u></p> <p><u>We discussed a number of items during the call and I would like to address some of those items. Firstly, it is definitely our intent, and that of our supplier Aecon Construction, to ensure CCC is part of the process and to this end, we would like to be copied on emails and attend meetings involving the project. Secondly, we understand and fully appreciate the need for the project to show value for money and we and our supplier will be prepared to provide the appropriate vfm justification as the project proceeds.</u></p> <p><u>With respect to selection by CCC of its supplier and the justification for a directed Government-to-Government contract, CCC will produce documentation by the end of next week for your review supporting the selection of CCC and its subcontractor, Aecon Construction, and confirming its due diligence and approval process.</u></p> <p><u>In the meantime, we would like to revert back to the Letter Agreement and submit to you our response to the version sent by Aaron Adderley on August 13, 2014, that was prepared prior to our conversation. I have spoken to Aecon and has confirmed that it has been working for 2.5 months on the basis of verbal assurances that The Government of Bermuda is committed to moving forward with this project and that the Government had the authorization to sign the Letter Agreement. [REDACTED]</u></p> <p><u>Of concern to CCC is the fact that there is some question as to [REDACTED]</u></p> <p><u>With respect to the meeting in Toronto, I would agree that this meeting should be postponed until such time as we can ensure that the terms of the Letter Agreement can be adhered to by both parties and that there is proper authority to sign the document.</u></p> <p><u>I look forward to your reply and would be happy to answer any further questions. I also attach a copy of the MOU from July 18 for your additional comments.</u></p>

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56	18 September 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Letter Agreement Response	Thanks Wendy. The changes to the letter are fine. Regarding the cover note, my proposed revision is below. As mentioned in our call, I am a bit unsettled about this intervention and new dynamic as it is not consistent with the messaging I am getting from Bermuda and my direct dealings with them. For instance, [REDACTED]
57	18 September 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: Letter Agreement Response	Steve, I will send the email as revised leaving the discussion regarding the meeting to you and Aaron but this conflicts with the first paragraph statement that CCC will be involved in all processes. I don't think this meeting is settled as of yet. Aaron needs to discuss this with Duncan Card. Wendy
58	18 September 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Letter Agreement Response	You must and will of course be involved in all processes. But practically I need to be the one to coordinate this. Until the Minister tells me I have to consult with Duncan about what I can meet him, I will continue as normal.
59	18 September 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: Letter Agreement Response	Agreed
60	19 September 2014	From: Steven Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Bermuda Airport Redevelopment – Letter of Agreement	I am trying to find a date that works for me, you, the Minister, Aaron, [REDACTED]. It is nearly impossible to manage. The initial reason for this meeting is to urgently table the threshold financial issue, which is that we cannot deliver a project of the necessary scale without a measure of Government support, and to take the Minister through the issue and very basic financial scenarios and the underlying technical drivers. [REDACTED] And if that meeting becomes difficult to arrange because we are trying to cover everything and get everybody there and needing to present papers what have you, it will never happen. I need to de-clutter this thing very quickly. Steve Nackan

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61	23 September 2014	From: Duncan Card (Bennett Jones) To: Jennifer Villabroza (AECON) Subject: SharePoint Data Inventory	Hi Jennifer, I am the external attorney representing the Government of Bermuda on the proposed International Airport Revitalization transaction with the Canadian Commercial Corporation, for which Aecon is the proposed lead contractor. As you may know, Bermuda is considering [REDACTED] Thank you very much for your assistance, Jennifer. Regards, Duncan
62	24 September 2014	From: Wendy Dempsey (CCC) To: Susannah Fortier (CCC) Don Olsen (CCC) Subject: My chat with Aaron	Susannah: In support of the Bermuda Airport, we are being asked by Bermuda to justify the selection of Aecon. The White Paper has been forwarded but it is not sufficient. We need to also indicate the due diligence that we complete on the companies and I was wondering what you have that would support the CCC due diligence process. I am looking to have a package put together by the end of the week and a speedy reply would be appreciated. Thanks, Wendy
63	25 September 2014	From: Laurie Mahon (CIBC) To: E.T. Richards Aaron Adderly, (Airport Ops, Bermuda) Anthony Manders (Financial Secretary, Bermuda) Subject: CCC LOA	<u>I cannot do 6, 7 or 9. Next week, I would prefer to arrive Thursday night and meet Friday, so I can leave Saturday. Any other day is really tough. Can you make that work?</u>
64	25 September 2014	From: Aaron Adderley (Airport Ops, Bermuda) To: Steve Nackan (AECON) Subject: CCC/AECON Meeting	<u>Steve – per below, we’re looking at the week of Oct 27th as the soonest all of us can get to Toronto and next Friday Oct 3rs as the only date we could meet in Bermuda. Please let me know what will work on your end.</u> <u>aa</u>

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65	26 September 2014	From: Aaron Adderley (Airport Ops, Bermuda) To: Steve Nackan (AECON) Subject: CCC/AECON Meeting	<u>Steve – while we wait to confirm meeting dates, to help me in my preparation, can you send me a summary of the factors and variables that went into establishing the preliminary CapEx affordability number that you and the team have come up with? As we seek to talk about ways in which we can affect that number, it would be good for us to better understand the mechanics behind your initial observations. I know we talked about it, but a small written summary would be helpful. Thx.</u> <u>aa</u>
66	30 September 2014	From: Duncan Card (Bennett Jones) To: Wendy Dempsey (CCC) Subject: Revised MOU and LOA	Good Morning Wendy, Attached, for your distribution internally and revise, are Bermuda’s proposed revisions to both the draft MOU and draft LOA. I would be pleased to discuss those proposed revisions with you at any time. <u>As you will [see], although the Entrustment Letter is still outstanding we remain optimistic that it will be resolved before the execution and deliver (sic) of the MOU and LOA. However, if that is not the case, Bermuda reserves the right to propose that we include the issuance of a non-conflicting Entrustment Letter as a fundamental condition precedent that will allow the parties to execute and deliver those documents on a non-binding basis until that condition precedent is met.</u> I understand that the parties are still in the process of arranging a meeting in Toronto or Bermuda in the near future to discuss some of Aecon’s very preliminary financial concerns, and perhaps that would be a good time for us to also meet to review and settle (if possible) the MOU and LOA? Even if the parties have outstanding financial issues that would mitigate against signing the MOU and LOA, we feel it would be expeditious to attempt to settle those documents in parallel to the resolution of the financial issues. <u>There is one aspect of our LOA revisions that I will follow up with you by separate email later this morning. The difficulties we have concern the proposed [REDACTED] I am happy to discuss those revisions with you once you have the benefit of our thoughts around those former provisions.</u> Thank you Wendy, Best regards, Duncan
67	30 September 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (Aecon) Don Olsen (CCC) Subject: Revised MOU and LOA	<u>Don and Steve:</u> <u>This just in from Bermuda.</u> <u>Regards,</u> <u>Wendy</u>

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68	30 September 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Revised MOU and LOA	Thanks Wendy. Will review and get in touch to discuss. Then we can set a time to talk with Duncan together. I have set a meeting on October 7 with the Minister in Bermuda to chat mainly about the financial concerns Duncan mentions. Don can't make it. Best regards, Steve Nackan
69	30 September 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: Revised MOU and LOA	Steve, The fact that CCC will not be at this meeting plays right into the complaint of Duncan Card that agreements are taking place without CCC being involved. Perhaps Luc Allary could attend in Don's place. Regards, Wendy
70	30 September 2014	From: Steve Nackan To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Revised MOU and LOA	<u>If CCC wants to be there, Luc is of course welcome if he can make it.</u> <u>I am not sure I understand Duncan's complaint. There are no agreements other than the MOU and LOA which are happening through you. Separately, there is a lot of direct dialogue with the airport management team, Aaron, the Minister etc which is being conducted by me and the rest of the team. It is not practical for CCC to be involved in all that. Maybe he doesn't understand the set-up fully, i.e. how it works with Aecon leading the development and CCC being the future Prime Contractor etc. etc. The initial MOU/LOA overlay is possibly a little confusing.</u>
71	30 September 2014	From: Wendy Dempsey (CCC) To: Don Olsen (CCC) Subject: Revised MOU and LOA	<u>Don – if there are meeting with Ministers, then should not CCC be there? I agree that we should not go to all technical meetings but the high level meetings that Steve is flying to, should we not at least be there if this is under the CCC umbrella? I am stepping into your deal here and if you want me to back off, I will.</u>
72	1 October 2014	From: Wendy Dempsey (CCC) To: Don Olsen (CCC) Kim Douglas (CCC) Sue Elgar (CCC) Subject: Aecon - Bermuda	<u>Don:</u> <u>FYI – Aecon has not paid for [REDACTED] in outstanding CCC fees. Kim and Sue have been told by Aecon that CCC is at the bottom of the list. The ASA was never signed by Aecon and in any event, the termination date was today. We will need a new ASA and I suggest that the costs for Luc's travel need to be reimbursed.</u>
73	1 October 2014	From: Wendy Dempsey (CCC) To: Don Olsen (CCC) Kim Douglas (CCC) Sue Elgar (CCC) Subject: Aecon - Bermuda	<u>I found the ASA as scanned – you are [good] to go. End date is December 31, 2014.</u> <u>Wendy</u>

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74	2 October 2014	<p>From: Steve Nackan (Aecon)</p> <p>To: Aaron Adderley (Airport Ops, Bermuda)</p> <p>Subject: CCC/AECON Meeting</p>	<p>Dear Aaron,</p> <p>In response to your question about capex and affordability, we have prepared the attached note. Please feel free to call with any questions. Look forward to seeing you next week.</p> <p>Best regards, Steve Nackan</p>
75	2 October 2014	<p>From: Wendy Dempsey</p> <p>To: Steve Nackan</p> <p>Subject: Revised MOU and LOA</p>	<p>Steve: Please take a last look at the drafts. I also attach the cover email that I intend to send. Let me know if you have any comments.</p> <p>“Dear Duncan</p> <p>Thank you for your redrafts of both the MOU and the LOA. We have reviewed and accepted your changes where agreed upon and have made revisions where appropriate.</p> <p>With respect to [REDACTED]</p> <p>I have hopefully added clarity to [REDACTED] conflicting with the termination provisions.</p> <p>We understand that the Entrustment Letter remains as a condition precedent to the execution of the MOU and LOA.</p> <p>We believe the commercial terms have been simplified in the LOA and address your client’s concerns.</p> <p>Both myself and Don Olsen will be in West Africa next week and are unable to travel to Bermuda. In place of Don – Luc Allary, Regional Director, Caribbean and Central America, will attend the meetings. As a lawyer from CCC will not be present, we would ask that there be no further agreement regarding the wording of the MOU or LOA.</p> <p>The MOU is considered an International Instrument and the Government of Canada (DFTAD Treaty Section) has directed that these documents be in both French and English. We have removed the reference to the validity of other languages being paramount and we would ask for your client’s indulgence in this requirement. CCC will of course accept the costs of translation and we send the document, upon confirmation of the final version, to professional translators.</p> <p>I am happy to review the documents with you by telephone but I regret that I will be away from the office all of next week.</p> <p>Regads, Wendy”</p>

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76	2 October 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Duncan Card (Bennet Jones) Aaron Adderley (Airport Ops, Bermuda) Gregory Howard (AG's Chambers, Bermuda) Anthony Manders (Financial Secretary, Bermuda) Don Olsen (CCC) Luc Allary (CCC)</p> <p>Subject: Revised MOU and LOA</p>	<p><u>Dear Duncan</u></p> <p><u>Thank you for your redrafts of both the MOU and the LOA. We have reviewed and accepted your changes where agreed upon and have made revisions where appropriate.</u></p> <p><u>I have hopefully added clarity to [REDACTED] conflicting with the termination provisions.</u></p> <p><u>We understand that the Entrustment Letter remains as a condition precedent to the execution of the MOU and LOA.</u></p> <p><u>We believe the commercial terms have been simplified in the LOA and address your client's concerns.</u></p> <p><u>Both myself and Don Olsen will be in West Africa next week and are unable to travel to Bermuda. In place of Don – Luc Allary, Regional Director, Caribbean and Central America, will attend the meetings. As a lawyer from CCC will not be present, we would ask that there be no further agreement regarding the wording of the MOU or LOA.</u></p> <p><u>The MOU is considered an International Instrument and the Government of Canada (DFTAD Treaty Section) has directed that these documents be in both French and English. We have removed the reference to the validity of other languages being paramount and we would ask for your client's indulgence in this requirement. CCC will of course accept the costs of translation and we send the document, upon confirmation of the final version, to professional translators.</u></p> <p><u>I am happy to review the documents with you by telephone but I regret that I will be away from the office all of next week.</u></p> <p><u>Regads,</u> <u>Wendy</u></p>
77	3 October 2014	<p>From: Steve Nackan (AECON)</p> <p>To: Aaron Adderley (Airport Ops, Bermuda)</p> <p>Subject: CCC/AECON Meeting</p>	<p><u>Aaron, can you confirm meeting time and location? Also, who will be attending from your side? From our side it is myself, Chris Chalk and Luc Allary (from CCC; Don can't make it). How long will we have and what is it that people want to get through?</u></p> <p><u>Best regards,</u></p> <p><u>Steve Nackan</u></p>

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78	3 October 2014	From: Aaron Adderley (Airport Ops, Bermuda) To: Steve Nackan (AECON) Subject: CCC/AECON Meeting	Hi Steve – the Minister has now asked that we meet at his office in Hamilton at 3pm. A little later than I wanted but unfortunately, the Minister has a Cabinet meeting that entire day nearly. It will be myself, Laurie Mahon, Anthony Manders, Duncan Card and the Minister. Whatever we don't get through that afternoon we can hopefully cover the next morning. As far as our objectives are concerned, it was first and foremost to address your concerns. Additionally, and I suspect much of this falls in line with what you were looking to feel a bit more comfortable about, is reviewing the findings your financial assessment model generated; getting collaborative acceptance on a CapEx affordability figure; and discussing perhaps our terminal requirements and how that hopefully fits into that figure. I'll circle with Laurie to see perhaps what else we may want to cover. aa
79	3 October 2014	From: Steve Nackan (AECON) To: Aaron Adderley (Airport Ops, Bermuda) Subject: CCC/AECON Meeting	OK. Unfortunately I leave on the 10am flight on Wed. No Air Canada that day. So we can keep going over dinner etc.
80	3 October 2014	From: Aaron Adderley (Airport Ops, Bermuda) To: Steve Nackan (AECON) Subject: CCC/AECON Meeting	Over dinner then!
81	5 October 2014	From: Steve Nackan (AECON) To: Chris Chalk (Mott Macdonald) Luc Allary (CCC)	Chris, Luc, hereby an introduction. It will be the 3 of us on this trip. Some details on the meeting on Tuesday. We will meet in Hamilton at the Minister's office at 3pm. I land at noon. Unless things change, let's meet for lunch and a chat at the hotel pool around 12:30 and then we can depart from the hotel around 2:30. We will meet the Minister and entourage at 3. The focus will be the attached paper. We can then continue afterwards with Aaron and company. Chris, it will be an opportunity to get into the details on terminal etc. If we have time, we may want to pull something high level together in terms of powerpoint.

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82	7 October 2014	<p>From: Luc Allary (CCC)</p> <p>To: Wendy Dempsey (CCC) Don Olsen (CCC)</p> <p>Subject: Can you update us on the meeting?</p>	<p><u>I think it was a productive meeting attended by [REDACTED].</u></p> <p><u>Only Steve and Chris attended from our side.</u></p> <p><u>It looks like they expected all along that there were be [REDACTED] wasn't a major surprise nor was the reaction negative. That was quickly noted and put aside.</u></p> <p><u>A lot of time was spent on presenting and analyzing some of the passenger data that had been collected so far by [REDACTED]</u></p> <p><u>Not much was said about where the money for the gap would come from other than all options would have to be looked at and clearly the gap would require alternative financing structuring.</u></p> <p><u>A couple of potential game changers for tourism were mentioned including a new gaming legislation and the potential awarding of the 2017 America's Cup this fall. Bermuda appears be the front runner. Steve and Chris still think that in any case, their tourism estimates are aggressive.</u></p> <p><u>They still expect to obtain the "Letter of Entrustment" soon from British authorities to enable them to sign the MOU and LOA. The delay is not entirely due to some extent to a change the FCO Minister and the Senior Bureaucrat responsible for the OT.</u></p> <p><u>They would like to announce the MOU in November. There still are a lot of questions to be answered so the requirement for a Technical review meeting is now imperative. Should take place in the next couple of weeks but not sure if it would be in Canada or Bermuda. After which there would be a more comprehensive financial review meeting.</u></p> <p><u>Not much was said about the MOU or LOA but it appears there will still be difficulty in accepting their desired language towards our selection process for Aecon.</u></p> <p><u>...</u></p> <p><u>Clearly Aecon needs and it mentioned it on several occasions, during and in the aftermath, to be re-assured with some form of engagement soon albeit MOU, LOA or NDA.</u></p> <p><u>We can further discuss tomorrow or Thursday.</u></p> <p><u>Luc</u></p>

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83	8 October 2014	<p>From : Steve Nackan (AECON)</p> <p>To: Chris Chalk (Mott Macdonald) Luc Allary (CCC) Don Olsen (CCC) Wendy Dempsey (CCC) David Beare (Unknown) Darija Scott (Unknown) Phil Vigor (Unknown) John Saczkowski (Unknown) Frank Ross (Unknown)</p> <p>Subject: Bermuda Update – October 8, 2014</p>	<p>Below is summary of the meetings yesterday. Once I have received inputs, my plan is to adapt this into a summary to Aaron as I have done with prior visits to maintain the necessary paper trail given the absence so far of a signed MOU/LOA and the need to capture what I think is very good progress.</p> <p>General Tone: Overall extremely positive; lots of emphasis on continued commitment to this deal with us. And I was asked several times about our comfort level [REDACTED] On the whole, forward momentum maintained.</p> <p>Letter of Entrustment: I believe they have their hands full on this one. [REDACTED]</p> <p>Timing: [REDACTED] We had a discussion about what could feasibly be put in place by then – MOU, the LOA, and agreed ‘Project Concept’ or all 3 – subject of course to the LoE. The door that is open here is an important one: If we can get the basic technical parameters agreed by then, I think we would be in a very comfortable position. The action item is to get the technical workshop arranged ASAP (in BDA or Toronto) and to produce a document that lays out the Project Concept and attach it to the MOU or LOA. I’m not sure if that can work but even if it is a stand-alone document, it would be a very good step.</p> <p>MOU/LOA: The MOU is basically done. There are 3 outstanding LOA issues: [REDACTED]</p> <p>Traffic Forecast: Chris presented the preliminary findings and there is general consensus on the primary drivers and required focus areas. The forecast [REDACTED]</p> <p>Technical: Chris presented the early thinking on terminal options and we discussed various approaches to optimize existing facilities, liberate developable land etc. [REDACTED]</p> <p>Financial Issues: They fully acknowledge they will need to find a solution to a significant portion of the costs. [REDACTED]</p> <p>Economic Impact Assessment: Being revised from being geared towards the original [REDACTED]</p> <p>Note on Aeronautical Services: I have their [REDACTED]</p> <p>Gaming/America’s Cup: Legislation being tabled in November. This could be a game changer for hotel development – and the project – as available beds is our key driver for tourism recovery and growth. They see being awarded the Americas Cup even (competing against San Diego) as a game changer for them too. I am not sure it will generate much in the way of new [REDACTED]</p>

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84	13 October 2014	<p>From: Duncan Card (Bennett Jones)</p> <p>To: ET Richards Anthony Manders (Financial Secretary, Bermuda) Aaron Adderley (Airport Ops, Bermuda) Greg Howard (AG's Chambers, Bermuda) Jacqueline Horsefield (Unknown) Paul Blundy (Unknown)</p> <p>Subject: Revised MOU and LOA – October 10th</p>	<p><u>Dear Wendy,</u></p> <p><u>I trust you had both a productive, and safe, trip to West Africa this week.</u></p> <p><u>Attached is both of our “works-in-progress” – the MOU and the LOA.</u></p> <p><u>I think we are now in agreement over the MOU Wendy. As your CCC and AECON representative will advise you, [REDACTED] has now been removed from the MOU and LOA.</u></p> <p><u>There are a few outstanding issues concerning the LOA that we may need to have addressed by our respective CEOs (in my case, the Minister of Finance). For example, procurement governance perspective [REDACTED]</u></p> <p><u>Since the MOU appears to be finalized (subject to a possible Entrustment Letter condition precedent as to its effectiveness), what are the CCC's thoughts related to Bermuda and the CCC announcing the signing of that document before the LOA is settled.</u></p> <p><u>We look forward to your response Wendy.</u></p> <p><u>Thanks again,</u> <u>Duncan</u></p>
84	15 October 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Steve Nackan (AECON)</p> <p>Subject: Revised MOU and LOA – October 10th</p>	<p><u>Steve:</u></p> <p><u>I am just attaching the revised LOA with my comments attached. Let me know when you have a minute to discuss. There was no movement on the last draft and we seem to be bogging down.</u></p> <p><u>I have asked Duncan to reconsider the MOU as he failed to accept many of the suggested changes.</u></p> <p><u>Regards,</u> <u>Wendy</u></p>
86	15 October 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Steve Nackan (AECON)</p> <p>Subject: Revised MOU and LOA – October 10th</p>	<p>Steve,</p> <p>Effective today, CCC is requiring its suppliers to complete a due diligence questionnaire as per the attached. I am sending the questionnaire in Word format so that you can work with more easily. I would suggest that the package that you put together in response could be forwarded to Bermuda (with exceptions as need be) to support the selection of Aecon.</p> <p>We can discuss this on Friday.</p> <p>Regards, Wendy</p>

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87	15 October 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Subject: Revised MOU and LOA – October 10th	Ok, let's talk then. I am working on a "capabilities" document that can serve as part of the paper trail on your selection of Aecon. A draft is attached. When we talk we can discuss how we want to approach this issue to make them comfortable without putting in stuff that is not workable. I also want to talk about a couple of things that we will want to go back with for our own comfort – in particular: [REDACTED]
88	17 October 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Subject: Government to Government Vendor Contractor Questionnaire	<u>Steve:</u> <u>I attach a sample Questionnaire for guidance on completion of a due diligence package that could be sent to Bermuda. I am not suggesting that each question needs to be responded to but merely that the ones that can help support the choice of Aecon as the corporate entities and financial statements and safety policies and ethical practices policy etc would be helpful.</u> <u>Wendy</u>
89	27 October 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Subject: Revised MOU and LOA – October 10th	If they have an issue with sole sourcing, they should stop us right now before we spend any more \$\$.
90	27 October 2014	Letter From: Jennifer Scarizzi (CCC) To: Steve Nackan (AECON)	<u>Dear Mr. Nackan,</u> <u>I accordance with the Advisory Services Agreement between Aecon Construction Group Inc and CCC dated August 5th, 2014, you will find attached CCC's invoices #9018246 and 9018247.</u> <u>Note that all travel charges are audited by CCC's Finance Department against Treasury Board of Canada's Travel Directive. As well, all GST and/or HST are dealt with in accordance with Revenue Canada requirements. Also, please note all hand written amounts which are highlighted in green represent values net of GST and/or HST.</u> <u>Please contact Mr. Don Olsen at (613) 995-0946 or the undersigned if you require any additional information.</u> <u>Respectfully yours,</u> <u>Jennifer Acarizzi</u> <u>Contract Administration</u>

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
91	30 October 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Steve Nackan (AECON)</p> <p>Subject: Meeting in Bermuda</p>	<p><u>Steve,</u></p> <p><u>Are you in Bermuda and what is the status of the technical meeting? I am trying to contact Duncan and would like to have this information before calling.</u></p> <p><u>Thanks,</u> <u>Wendy</u></p>
92	30 October 2014	<p>From: Steve Nackan (AECON)</p> <p>To: Wendy Dempsey (CCC)</p> <p>Subject: Meeting in Bermuda</p>	<p>Technical team met for a workshop Monday and Tuesday. Meeting was very thorough and productive and we have a strong consensus on what the project scope will be. Long way to go but we will need comfort in terms of a signed MOU <u>AND</u> LOA and no risk of UK pulling the plug to go to next step.</p>
93	30 October 2014	<p>From Wendy Dempsey (CCC)</p> <p>To: Tamara Parschin-Rybkin (CCC, General Counsel & Corport Secretary) Don Olsen (CCC)</p> <p>Subject: Aecon – Bermuda Airport Rehabilitation</p>	<p>Tamara,</p> <p>As you are aware, I have been dealing with Duncan Card, a lawyer from Bennett Jones that is currently located in Bermuda and who is acting for the Government of Bermuda in providing for this project:</p> <p>Bermuda is in a unique constitutional position with the UK in that it is required to obtain a form of consent for Government-to-Government agreements from the Foreign Office in London. There is a Permanent Secretary appointed for Bermuda and the Permanent Secretary issues what is called a Letter of Entrustment to Bermuda that contains conditions to be attached to this project. The types of agreements that are usually sent for review by the PS are treaties and co-operation agreement and “public law” agreements that impact policy.</p> <p>The lawyer indicates that he thinks it would be most helpful if CCC’s president could make a call to the PS in London and could explain that the CCC transactions, while Government-to-Government, are essentially commercial transactions that do not deal with public law issues. There would be a list of speaking points compiled and the question is would Marty be able to make such a call as early as next week?</p> <p>I spoke to Steve Nackan – who called me right after the call – but Marty would be much stronger in knowing our business. I understand that Marty is having a call with Steve tomorrow and I wanted Marty to have a heads up that Steve will probably bring up this subject.</p> <p>In any event, can you mention this to Marty and let me know if he is available and willing to make a call to support this project? I am sending this to Don at the same time so he can inform Pierre.</p> <p>Thanks, Wendy</p>

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
94	30 October 2014	<p>From: Tamara Parschin-Rybkin (CCC, General Counsel)</p> <p>To: Wendy Dempsey (CCC) Don Olsen (CCC)</p> <p>Subject: Aecon – Bermuda Airport Rehabilitation</p>	<p>Wendy: HIGHLY unlike that the Deputy Minister of Department of Foreign Affairs Trade and Development would be prepared to call the PS of Bermuda in the UK on behalf of a project that is not being undertaken by the Department.</p> <p>Also, as far as I know, Marty is out of office/country for the next week. He's off to China with the Minister next week, and considering the time difference and his activities, he will have no/limited time to deal with this issue. But he was in Toronto meeting with Aecon yesterday, I believe, so he may be prepared to do something on their behalf. I would suggest a letter followed by a call might be more appropriate – cold calls rarely work well.</p> <p>Tamara</p>
95	30 October 2014	<p>From: Tamara Parschin-Rybkin (CCC, General Counsel)</p> <p>To: Wendy Dempsey (CCC) Don Olsen (CCC)</p> <p>Subject: Aecon – Bermuda Airport Rehabilitation</p>	<p>Hi Marty,</p> <p>Tamara asked that I send this email directly regarding a potential airport project in Bermuda for Aecon. I understand that you may be speaking with Steve Nackan tomorrow and I wanted you to be aware of a request from Bermuda.</p> <p>I have been dealing with I have been dealing with Duncan Card, a lawyer from Bennett Jones that is currently located in Bermuda and who is acting for the Government of Bermuda in providing for this project:</p> <p>Bermuda is in a unique constitutional position with the UK in that it is required to obtain a form of consent for Government-to-Government agreements from the Foreign Office in London. There is a Permanent Secretary appointed for Bermuda and the Permanent Secretary issues what is called a Letter of Entrustment to Bermuda that contains conditions to be attached to this project. The types of agreements that are usually sent for review by the PS are treaties and co-operation agreement and "public law" agreements that impact policy.</p> <p>The lawyer called me today and asked if CCC would consider having its President make a call to the PS in London and explain that the CCC transactions, while Government-to-Government, are essentially commercial transactions that do not deal with public law issues. There would be a list of speaking points to be compiled. Would you support such a call and would you be available in the next week or so to do this?</p> <p>I spoke with Steve Nackan and Steve suggested Simon Kennedy might be another candidate if you are unable to make the call – but you would be much stronger in knowing the business.</p> <p>Would you make the call if it can be arranged at a mutually agreeable time? If so, I will respond to Bermuda and they would contact the PS in London and see about arranging the contact.</p> <p>I am out of office tomorrow but available by cell at [REDACTED] if you need further information.</p> <p>Thanks, Wendy</p>

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96	30 October 2014	<p>From: Martin Zablocki (CCC, President)</p> <p>To: Wendy Dempsey (CCC) Tamara-Rybkin (CCC, General Counsel) Don Olsen (CCC)</p> <p>Subject: Aecon – Bermuda Airport Rehabilitation</p>	<p><u>Hi Wendy. I would be pleased to make the call. I'm travelling to China on Sunday but will have some windows of opportunity throughout the week.</u></p> <p><u>Marty</u></p>
97	31 October 2014	<p>From: Aaron Adderley (Airport Ops, Bermuda)</p> <p>To: Wendy Dempsey (CCC) Duncan Card (Bennett Jones)</p> <p>Subject: Overtures to the UK Government</p>	<p><u>Hello Wendy,</u></p> <p><u>In speaking with Duncan today, it would appear that CCC might look to make overtures to the UK Government in an effort to overcome the degree of disinclination that has been shown thus far in authorizing the Entrustment that Bermuda seeks to formally engage CCC in the airport revitalization project.</u></p> <p><u>In an effort to assist in that regard, would it be of benefit to have [REDACTED].</u></p> <p><u>Mott did offer to assist in this regard and Duncan and I would be interested to know your thoughts.</u></p> <p><u>Best regards,</u> <u>Aaron Adderley</u></p>
98	4 November 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Don Olsen (CCC)</p> <p>Subject: Bermuda Aecon Airport</p>	<p><u>Don,</u></p> <p><u>I received a call from the lawyer for Bermuda. They would like to sign the MOU this week and make a press announcement Monday regarding the project. Aecon does not want the MOU signed without the LOA and I am trying to leverage the signing of the MOU to obtain movement on the LOA.</u></p> <p><u>...</u> <u>Wendy</u></p>
99	6 November 2014	<p>From: Duncan Card (CCC)</p> <p>To: Wendy Dempsey (CCC) Anthony Manders (Financial Secretary, Bermuda) Paul Blundy (Unknown)</p> <p>Subject: MOU and LOA – November 6th</p>	<p><u>Hi Wendy,</u></p> <p><u>I have just been instructed by my client that, subject to any comments you have, the attached MOU and LOA are acceptable final forms of the documents for Bermuda. With regard to the issue of [REDACTED].</u></p> <p><u>I am tied up in meetings until 9:30am this morning, but then generally available (and working out of my hotel room) until approximately 12:30pm today.</u></p>

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100	6 November 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: MOU and LOA – November 6th	<u>Steve:</u> <u>These are just in from Bermuda. Please review and I will do the same and let me have your comments in the morning.</u> <u>Thanks,</u> <u>Wendy</u>
101	6 November 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Subject: MOU and LOA – November 6th	<u>I will not agree to anything that [REDACTED]. Who do I need to talk to to get this clear!</u> <u>Steve</u>
102	6 November 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Subject: MOU and LOA – November 6th	<u>I can entertain their concept as it relates to what they may have to pay if [REDACTED]</u> <u>Steve</u>
103	6 November 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: MOU and LOA – November 6th	<u>Sorry Steve – I am not following – are you calling in at 2pm and we can go through the LOA at that time?</u>
104	6 November 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Subject: MOU and LOA – November 6th	<u>Yup</u>
105	6 November 2014	From: Wendy Dempsey (CCC) To: Duncan Card (Bennett Jones) Anthony Manders (Financial Secretary, Bermuda) Don Olsen (CCC) Paul Blundy (Unknown) Subject: MOU and LOA – November 6th	<u>Hi Duncan,</u> <u>Just to confirm, the changes to the MOU are acceptable and we are awaiting a translation and will return both versions to you hopefully by the end of the day.</u> <u>With respect to the LOA, we are close, with the exception of [REDACTED]. Please see the revised draft for minor edits and highlighting of this issue. I believe that is the last sticking point and I hope to hear from you before the need of the day in this regard.</u> <u>Thank you for the quick turnaround.</u> <u>Regards,</u> <u>Wendy</u>

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106	6 November 2014	From: Duncan Card (CCC) To: Wendy Dempsey (CCC) Anthony Manders (Financial Secretary, Bermuda) Paul Blundy (Unknown) Subject: MOU and LOA – November 6th	<u>Thanks Wendy. If I keep the current wording and make it clear, as you request, that both internal and external use by Bermuda requires reasonable compensation to be mutually agreed, does that do it? I will revise tomorrow. . . just at the gate now.</u> <u>Duncan</u>
107	6 November 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: MOU and LOA – November 6th	<u>Looks like we will have a final version tomorrow. Bermuda will still not sign until after the press conference and signing of the MOU.</u>
108	6 November 2014	From: Duncan Card (Bennett Jones) To: Wendy Dempsey (CCC) Subject: FCO Call	<u>Wendy,</u> <u>The CEO can stand down from our request for him to reach out to the FCO in London. If things change, which I doubt, I will circle back on this. . . . But he is "off the hook" at this time.</u> <u>Thank you again for your generous assistance offer!!</u> <u>Duncan</u>
109	6 November 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: MOU and LOA – November 6th	<u>Wendy, this morning I sent a couple comments in the LOA – cut and paste below – sorry changes don't show but you can see it in the actual doc I sent. I think we need to deal with at least the first one.</u> <u>[REDACTED]</u>
110	7 November 2014	From: Duncan Card (Bennett Jones) To: Wendy Dempsey (CCC) Subject: Just confirming the provision. . .	<u>Hey Wendy,</u> <u>Let me know if this works, and I will prepare the final version for your and the Minister (and team) with my recommendation that it is ready for execution between the parties.</u> <u>Dunc</u>
111	7 November 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: MOU and LOA – November 6th	<u>Got it. I am making the changes now and will send shortly.</u>

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112	7 November 2014	From: Wendy Dempsey (CCC) To: Duncan Card (Bennett Jones) Subject: Just confirming the provision...	Duncan: I have taken your draft and inserted it into the LOA with a few additions. There are two minor changes – [REDACTED] Please review the attached draft and if acceptable, I will clean up the document and need to run it by AECON one last time. Thank you for your assistance, Wendy
113	7 November 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: Just confirming the provision...	Steve: Please take a look at the latest changes. I believe the compensation for use of the product is now [REDACTED]. Please let me know if you see anything else or if we are almost there. Wendy
114	7 November 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Just confirming the provision...	Thanks Wendy. Looks fine.
115	7 November 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (AECON) Don Olsen (CCC) Subject: Just confirming the provision...	Steve: I just had a call with Duncan. All changes are agreed to in the LOA. I am cleaning up and having a final version sent to all. He says they may sign the LOA at the same time as the MOU. I will need a letter from Aecon indemnifying us for the LOA. Wendy
116	7 November 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Just confirming the provision...	Please send me the indemnity and I will sign it.
117	7 November 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Don Olsen (CCC) Subject: Just confirming the provision...	Please send me the indemnity and I will sign it.

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
118	7 November 2014	<p>Amendment 1 to Advisory Services Agreement</p> <p>Between:</p> <p>CCC</p> <p>and</p> <p>Aecon (“Supplier”)</p>	<p><u>WHEREAS</u></p> <p><u>A. CCC and Supplier executed an Advisory Services Agreement dated the 4th day of August 2014.</u></p> <p><u>B. The parties wish to extend the time frame for the Agreement and increase the scope of the Services</u></p> <p><u>NOW THEREFORE</u></p> <p><u>1. In this amendment, unless specifically defined herein, all capitalized terms shall have the meanings ascribed thereto in the Agreement.</u></p> <p><u>2. Article 1 of the Agreement is hereby deleted and replaced with:</u></p> <p><u><i>To participate in meetings with officials of the Government of Bermuda related to the redevelopment of the LF Wade International Airport through a Government-to-Government contacting mechanism.</i></u></p> <p><u><i>To execute a letter agreement between CCC and the Government of Bermuda in a form to be agreed upon by the Supplier that provides for the CCC Team to complete preliminary due diligence, project scoping and to produce an airport project concept. The Supplier acknowledges that the deliverables noted in the letter agreement are deliverables of the Supplier and the Supplier acknowledges that the indemnity provides contained in Article 3 of Annex A to this Agreement will apply to the obligations contained in the letter agreement as though the supplier were CCC.</i></u></p> <p><u><i>The timetable for providing the Services is as follows:</i></u></p> <p><u><i>Start date: August 1, 2014 Completion Date: March 31, 2014</i></u></p> <p><u>3. The second line of Article 2 of the Agreement is hereby deleted and replaced with:</u></p> <p><u><i>The number of international trips are projected to be: up to Four (4)</i></u></p> <p><u>4. This Amendment 1 shall be effective as at the date noted above.</u></p> <p><u>5. All other terms and conditions of the Advirosy Services Agreement remain unamended.</u></p>
119	7 November 2014	<p>From: David Fox (DCI)</p> <p>To: E.T. Richards (Plaintiff)</p> <p>Subject: Draft</p>	<p><u>Minister,</u></p> <p><u>This is where we are after review with Duncan, who I have copied here. He believes this substantially addresses the concerns expressed.</u></p> <p><u>There may be a need to go over this one more time to ensure it fits your pace of speaking etc.</u></p>

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			<u>When I've heard back from you, I will forward the amended versions.</u> <u>David Fox</u>
120	7 November 2014	From: Steve Nackan (AECON) To: Aaron Adderley (Airport Ops, Bermuda) Subject: Press Conference	<u>Aaron, do you have a press release or script you can share with Aecon and CCC?</u>
121	7 November 2014	From: Aarond Adderly (Airport Ops, Bermuda) To: Steve Nackan (AECON) Anthony Manders (Financial Secretary, Bermuda) David Fox (DCI) Don Olsen (CCC)	Yes. Anthony or David, could you kindly forward the final draft of Minister Richards' comments. Many thanks.
122	7 November 2014	From: David Fox (DC) To: Wendy Dempsey (CCC) Duncan Card (Bennett Jones) Aaron Adderley (Airport Ops, Bermuda) Luc Allary (CCC) Subject: Bermuda - Letter Agreement	<u>Hi Wendy,</u> <u>Please see a draft of the statement to be made by the Minister on Monday.</u> <u>If there is anything else I can help with, please let me know.</u> <u>Best regards,</u> <u>Dave</u>
123	7 November 2014	From: Wendy Dempsey To Steve Nackan (AECON) Luc Allary Don Olsen (CCC) Lina Seto (CCC) Subject Bermuda - Letter Agreement	<u>Steve:</u> <u>I just received this and have some concerns with the press release and the misleading statements regarding CCC. I attach my comments and would ask that you read this ASAP and let me know what other issues you see.</u> <u>Wendy</u>
124	7 November 2014	Form: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Luc Allary Don Olsen (CCC) Lina Seto (CCC) Subject Bermuda - Letter Agreement	<u>I share your concerns [REDACTED]</u>

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	7 November 2014	From: Duncan Card (Bennet Jones) To: Wendy Dempsey (CCC)	<u>Wendy,</u> <u>I am with the Minister now. . . We will sign the MOU Monday and approve the LOA in Cabinet Tuesday for prompt signing after than.</u> <u>Is there anyway that a signing officer of CCC can get down here for Monday signing in front of press???</u> <u>Dunc</u>
125	8 November 2014	From: E.T. Richards (Plaintiff) To: David Fox (DCI) Duncan Card (Bennet Jones) Anthony Manders (Financial Secretary, Bermuda) Aaron Adderley (Airport Ops, Bermuda) Laurie Mahon (CIBC)	<u>Here is the latest "final" iteration.</u> <u>I've fuzzied up the no new debt part in view of the funding gap.</u> <u>ETR</u>
126	10 November 2014	From: Wendy Dempsey (CCC) To: Lina Seto (CCC) Luc Allary (CCC) Don Olsen (CCC) Subject: Bermuda: New airport deal signed	All- for marketing purposes, you should read some of the comments that are being attached to these articles. There is reference to corruption in Canadian procurement and questions about who CCC is etc. This is the type of questions the buyers are facing.
127	10 November 2014	From: Duncan Card (Bennett Jones) To: Luc Allary (CCC) Wendy Dempsey (CCC) Aaron Adderly (Bermuda Airport) Subject: Mystery Resolved	Hey Luc, I just left you a quick email. Given the news yesterday about TT and SNC, just wondering if you (CCC) could shoot Aaron and myself a quick note either about that particular selection of subcontractor or, generally, how existing convictions or even charges about how corruption of foreign officials charges factors into CCC's subcontractor due diligence process.
128	10 November 2014	From: Wendy Dempsey (CCC) To: Duncan Card (Bennett Jones) Aaron Adderly (Bermuda Airport) Subject: TT & SNC Question	Hi Duncan, I can address the questions that you have regarding corruption of foreign officials. In the TT and SNC situation that arose in the summer of 2013, CCC was working with SNC towards a contract with T&T and when the World Bank announced its banning, CCC paused in its relationship and conducted what it calls 'Enhanced Managerial Review'. To look into the allegations and the facts surrounding SNC. CCC retained a third party expert in the field, Milos Barutciski of the Toronto office of your legal firm, to assist in its investigation of SNC.

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
129	10 November 2014	<p>From: Duncan Card (Bennett Jones)</p> <p>To: Luc Allary (CCC) Wendy Dempsey (CCC) Aaron Adderly (Bermuda Airport)</p> <p>Subject: TT & SNC Question</p>	<p>Thank you for that Wendy. Very helpful.</p> <p>May I also commend you and CCC on your truly excellent choice of law firms to undertake such a complicated assignment. Milos and I work closely together. To be clear, I have not been asked to provide any advice in connection with SNC's unique TT and CCC circumstances to any party, including the Bermuda Government. I was asked merely to investigate the nature and scope of the controversy reported in the TT press and to better understand how CCC addresses those important issues.</p> <p>Your email was very helpful and if we have further questions we will revert in due course.</p> <p>Thanks Wendy, Duncan</p>
130	13 November 2014	<p>From: Luc Allary (CCC)</p> <p>To: Lina Seto (CCC) Wendy Dempsey (CCC) Don Olsen (CCC)</p> <p>Subject: Bermuda Airport MOU</p>	<p>I informed the requester that the MOU is not a public document. He has written that his understanding is that the MOU would be available under the transparency commitments of CCC.</p> <p>Can you clarify/advise if CCC should off more information at this time?</p>
131	13 November 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Lina Seto (CCC) Luc Allary (CCC) Don Olsen (CCC)</p> <p>Subject: Bermuda Airport MOU</p>	<p>This should be a lesson to stop using the word "transparency" as CCC is not transparent in its contracting.</p>
132	13 November 2014	<p>From: Anthony Manders (Bermuda Government)</p> <p>To: Luc Allary (CCC)</p> <p>Subject: Bermuda – Letter Agreement</p>	<p>Good day all:</p> <p>At this time the MOU is not a public document in Bermuda.</p> <p>Cabinet will give its formal approval for the MOU and LOA next week. When the minister is back from business on Friday. I will discuss this matter with him and revert.</p> <p>Regards, Anthony</p>

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133	14 November 2014	<p>From: Susannah Fortier (CCC)</p> <p>To: Luc Allary (CCC) Don Olsen (CCC) Wendy Dempsey (CCC) Pierre Alarie (CCC) Lina Seto (CCC) Darcy Ferron (CCC)</p> <p>Subject: Bermuda's L.F. Wade Airport</p>	<p>Can you confirm that Aecon brought us this project? We just want to avoid any language that might give the impression we are out shopping for a Canadian supplier to do the work. We are in discussions about the potential contract and doing our due diligence on the designated supplier. . .</p>
134	14 November 2014	<p>From: Don Olsen (CCC)</p> <p>To: Susannah Fortier (CCC) Luc Allary (CCC) Wendy Dempsey (CCC) Pierre Alarie (CCC) Lina Seto (CCC) Darcy Ferron (CCC)</p>	<p>Yes Aecon brought this project to CCC that was last winter and we first saw the Minister of Finance from Bermuda at the office of Aecon.</p>
135	19 November 2014	<p>Letter</p> <p>From: Jennifer Scarizzi (CCC)</p> <p>To: Steve Nackan (AECON)</p>	<p>Dear Mr. Nackan,</p> <p>In accordance with the Advisory Services Agreement between Aecon Construction Group Inc dated November 7th, 2014, you will fund attached CCC's invoices #9018968.</p> <p>Note that all travel charges are audited by CCC's Finance Department against Treasury Board of Canada's Travel Directive. As well, all GST and/or HST are dealt with in accordance with Revenue Canada requirements. Also, please note all hand written amounts which are highlighted in green represent alues net of GST and/or HST.</p> <p>Please contact Luc Allary at 613 996-0034 or the undersigned if you require any additional information.</p> <p>Respectfully yours,</p> <p>Jennifer Scarizzi Contract Administrator</p>
136	21 November 2014	<p>From: Steve Nackan (AECON)</p> <p>To: Wendy Dempsey (CCC)</p>	<p>Thinking about this: if it will be easier to repeat what we did in Quito as an approved precedent, it may make sense to go that way. It's convoluted BUT in some way efficient as we have all the docs. It may also help with the tender issue if CCC is out front on both contracts (initially) i.e. although Bermuda/LOA acknowledges [REDACTED] the public scrutiny will be there — and the structure in Quito certainly helped with that.</p>

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
137	28 November 2014	<p>From: Duncan Card (Bennett Jones)</p> <p>To: Wendy Dempsey (CCC) Steve Nackcan (AECON) ET Richards Trevor Moniz (AG, Bermuda) Aaron Adderly (Airport Ops, Bermuda) Anthony Manders (Financial Secretary, Bermuda)</p> <p>Subject: LOA Status</p>	<p><u>Wendy,</u></p> <p><u>This is just a quick note, further to your recent enquiries, to bring you up to date on the LOA.</u></p> <p><u>We are pleased to let you know that an Entrustment Letter has been issued by the H.E. Governor of Bermuda in favour of the proposed transactions. The Minister of Finance and the Attorney General are now discussing with the UK Government the nature and extent of any conditions that may be associated with the Entrustment, and those discussions are now proceeding in the "ordinary course". For a series of transactions that are this large and significant for Bermuda, such deliberations are not unexpected.</u></p> <p><u>I am sure that we will be in a position to provide you with more detail next week. In the meantime, please do not hesitate to contact us with any questions that you may have.</u></p> <p><u>Best regards,</u> <u>Duncan</u></p>
138	28 November 2014	<p>From: Wendy Dempsey (CCC)</p> <p>To: Duncan Card (Bennett Jones) Steve Nackcan (AECON) ET Richards Trevor Moniz (AG, Bermuda) Aaron Adderly (Airport Ops, Bermuda) Anthony Manders (Financial Secretary, Bermuda)</p> <p>Subject: LOA Status</p>	<p><u>Hi Duncan,</u></p> <p><u>Thank you for the update. We are all anxious and confident that the discussions with the UK Government will result in a positive course of action for this project and for Bermuda. In the event that CCC can be of assistance in this regard, please let us know and we would be glad to assist.</u></p> <p><u>What is the status of the LOA itself? Is it signed? Will it be returned to CCC shortly or are you waiting for the conditions from the UK?</u></p> <p><u>Regards, Wendy</u></p>
139	28 November 2014	<p>From : Duncan Card (Bennett Jones)</p> <p>To: Wendy Dempsey (CCC) Steve Nackcan (AECON) ET Richards Trevor Moniz (AG, Bermuda) Aaron Adderly (Airport Ops, Bermuda) Anthony Manders (Financial Secretary, Bermuda)</p> <p>Subject: LOA Status</p>	<p><u>Thank you for that Wendy.</u></p> <p><u>The Permanent Secretary of Finance advises that the LOA has been signed and that he is awaiting the green light to deliver the executed version to CCC, however that 'green light' may be influenced by the pending and expedited discussions now ongoing with the UK Government.</u></p> <p><u>I will keep you closely advised.</u></p> <p><u>Duncan</u></p>

Doc. Ref.	Date of Email	Parties to the Email	Relevant extract from the Email
140	28 November 2014	From: Steve Nackan (AECON) To: Wendy Dempsey (CCC) Subject: LOA Status	<u>We are going full bore with our work – and have been for months now – none of which was not supposed to happen until after the LOA got signed. This is very significant exposure. I want to find a way to raise it.</u>
141	1 December 2014	From: Chantal Servant (CCC) To: Jennifer Scarizzi (CCC) Subject Incoming payment - \$2,138.57 CAD – Aecon	Hi Jennifer, For your information, we received the attached cheque from Aecon. Have a great day. Chantal Servant
142	2 December 2014	From: Steve Nackan (AECON) To: Luc Allary (CCC) Don Olsen (CCC) Wendy Dempsey (CCC) Subject: Bermuda PR	Not sure if you have seen the press but the Government/Minister is getting hammered over all kinds of issues including lack of tender, backroom deal and concerns about corruption – stemming from suspected SNC involvement or maybe CCC prior involvement with SNC etc. We need to find a way to support them. For discussion. . .
143	2 December 2014	From: Anthony Maders (Financial Secretary, Bermuda) To: Wendy Dempsey (CCC) Don Olsen (CCC) Luc Allary (CCC) Susannah-Denovan (Unknown) Aaron Adderley (Airport Ops, Bermuda)	Wendy: As requested, attached is a scanned copy of the LOA. We will send the hard copy via courier. Regards Anthony
144	11 December 2014	From: Wendy Dempsey (CCC) To: Steve Nackan (Aecon) Luc Allary (CCC)	<u>Steve,</u> <u>Duncan called me today and said:</u> 1. <u>AG is meeting with the Governor of Bermuda tomorrow and asking for the Entrustment Letter to be withdrawn or the conditions withdrawn. He will report back early next week.</u> 2. <u>Duncan and Aaron are the contact points for a communication strategy and currently, they do not wish to put further items in the press.</u> 3. <u>Duncan agreed to change the December 31 date and wants a letter amending the LOA.</u> <u>I am out of office tomorrow and will prepare a draft Monday.</u> <u>He is quite pleased about how the project is currently moving.</u> <u>Wendy</u>

