

From: emartin@nlh.nl.ca
To: wchamberlain@nlh.nf.ca
Cc: blane@nlh.nl.ca
Subject: Re: Fw: Memo re. Directors
Date: Thursday, April 10, 2008 12:57:00 PM
Attachments: [.png](#)
[Memo re. Nomination of Directors - April 9,2008.doc](#)

Wayne,

Please send by sealed envelope with note attached that I asked for comments before John O sends, hopefully on Monday. Also, please send to Charles Bown, as Chris is on holidays. Also, please coordinate with Bev, because I asked her to do the same.

Tks

Ed

Wayne Chamberlain/NLHydro

	To
Wayne Chamberlain/NLHydro	cc
04/10/2008 12:50 PM	Subject

Ed;

Can you take a quick look at this before I send over to Brian Crawley et al. I presume that I am to send to the Minister and Chris Kieleay as well. Is an email fine or should I send in a sealed envelope?

I
 Wayne D. Chamberlain
 General Counsel & Corporate Secretary
 Hydro Group of Companies
 Telephone: (709)737-1443
 Facsimile:(709)737-1782
 mailto:wchamberlain@nlh.nl.ca

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----- Forwarded by Wayne Chamberlain/NLHydro on 04/10/2008 12:47 PM -----

	To
Peter Hickman/NLHydro	cc
04/09/2008 05:28 PM	Subject

Attached for your review is the revised memo re board nominations. Please provide your comments to Wayne as I am out of the office tomorrow.

Thanks,

Peter



Memo re. Nomination of Directors - April 9,2008.doc

DRAFT

MEMORANDUM

TO: (Government)

FROM: John Ottenheimer, Chair

DATE: April , 2008

SUBJECT: **Members of Boards of Directors – Energy Corporation and Subsidiaries**

BACKGROUND & CURRENT SITUATION

Energy Corporation of Newfoundland and Labrador (“Energy Corporation”)

The following individuals are members of the Energy Corporation Board of Directors:

John Ottenheimer, Chair
Ed Martin
Cathy Bennett
Tom Clift
Chris Kieley
Ken Marshall
Gerry Shortall
Edna Turpin

Newfoundland and Labrador Hydro (“Hydro”)

The following individuals are members of the Hydro Board of Directors (their expiry dates are included in brackets):

John Ottenheimer, Chair (2011-12-31)
Ed Martin
Cathy Bennett (2011-12-31)
Tom Clift (2011-12-31)

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Chris Kieley	(The Deputy Minister of Mines and Energy is a member of the Board for the duration of his/her tenure as Deputy Minister)
Ken Marshall	(2011-12-31)

Churchill Falls (Labrador) Corporation Limited (“CF(L)CO”)

The following individuals are members of the CF(L)Co Board of Directors (listed with the expiry dates in brackets):

John Ottenheimer, Chair	(2011-12-31)
Ed Martin	
Gilbert Dalton	(2008-09-29)
Albert Hickman	(2007-09-29)*
Robert Warr	(2007-09-29)*
William Wells	(2008-06-30)
Richard Cacchione	Hydro-Quebec
Marie-Jose Nadeau	Hydro-Quebec

*Although the term of these nominations as directed by Cabinet has expired, the individuals remain on the Board until the next AGM following the date of expiration, which is scheduled for May 30, 2008.

Oilco

As this Corporation has not yet been formed, there is no Board of Directors.

A Cabinet approved policy provides for a committee of the Energy Corporation with the responsibility of nominating potential directors of the Energy Corporation and its subsidiaries. The final decision on board appointments rests with the Government through Cabinet and it is not limited to those individuals recommended by the committee. The Energy Corporation Board has included this responsibility to nominate potential directors in the mandate of the Energy Corporation Governance Committee.

RECOMMENDATIONS

Energy Corporation of Newfoundland and Labrador

The Energy Corporation Board of Directors may consist of up to 14 directors, pursuant to the enacting legislation. It is recommended that the Board have 10 members. It should be noted that it is our understanding that the Department of Justice is preparing an opinion regarding whether Government employees should

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be on the Boards of Crown Corporations. If it is determined that they should not be (for reasons of conflict) then Chris Kieley will presumably be removed from the Board.

The recommended composition of the Board is as follows:

John Ottenheimer, Chair
Ed Martin
Cathy Bennett
Tom Clift
Ken Marshall
Gerry Shortall
External
External
External
External

It is recommended that some or all of the new external directors to the extent possible have the appropriate expertise or experience with business ventures that would provide value to the Board and the Shareholder with respect to matters that the Board will be considering. Areas of appropriate experience and expertise include large projects, oil and gas, environmental, safety, financial, etc.

Pursuant to the enacting legislation, the individuals presently on the Board of the Energy Corporation remain on the Board until such time as Cabinet formally appoints a full Board of Directors. **The recommended composition of the Board requires the appointment of four new directors. They will be appointed by Cabinet, along with the other individuals listed above.**

Newfoundland and Labrador Hydro

The old Hydro Act provided for a Board of 10 Directors. The new Hydro Act, which is expected to be proclaimed in the near future, provides that there may be up to 14 directors on the Board of Directors. It is recommended that the Board have 8 directors in order to ensure that the Board has sufficient skilled and qualified persons to enable the 4 committees to operate in an effective and efficient manner.

The members of the Hydro Board are appointed by Cabinet.

The recommended composition of the Board is as follows:

John Ottenheimer, Chair

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Ed Martin
Cathy Bennett
Tom Clift
Ken Marshall
External
External
External

The recommended composition of the Hydro Board requires the appointment by Cabinet of three new Directors to the Board.

It is desirable that over time the Board of Hydro be populated with directors representing various parts of both the Island of Newfoundland and Labrador. To that end, it is recommended that some of the new directors be from areas of the Province outside of St. John's and be community/small business/"grassroots" based; someone who can bring the perspective of the ratepayers to the Board. It is also desirable that the new appointees include individuals with a financial and an environmental expertise.

Churchill Falls (Labrador) Corporation Limited

For the election of directors to the CF(L)Co Board of Directors, ECNL will, with the approval of the Shareholder provided through a Cabinet Directive, nominate an individual for election to the Board of Directors. The Shareholders then elect the individual to the Board. The Cabinet Directive will include a term for the individual, but the Board Members are elected by the Shareholders at an AGM to serve until the next AGM; the date of expiration provided by Cabinet may not coincide with the date of an AGM.

As the authority to elect Directors to the Board lies with the Shareholders, the date of the AGM takes precedence. The practice has been that when an individual's expiration date falls between AGM's, then that individual will serve out his/her term until the AGM which follows his/her termination date. We presently have two individuals on the Board whose Cabinet designated term expired since the last AGM and two others whose term will expire prior to the 2009 AGM. The Board is to consist of 8 directors; there are presently no vacancies.

It is recommended that the composition of the Board of CF(L)Co remain as it is and a Cabinet Directive be issued to Hydro directing that Robert Warr and Albert Hickman be nominated to continue to serve on the Board for a 2 or 3 three year term.

Oilco

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As stated above there is presently no Board of Directors for this Corporation. Discussions relating to the formation of Oilco have included consideration of the makeup of the Board of Directors. The present thinking is that there will be six members of the Board, four of whom will be Directors of the Energy Corporation, with the remaining two Directors being independent of Energy Corporation.

The recommended composition of the Board is as follows:

John Ottenheimer, Chair
Ed Martin
Ken Marshall
Gerry Shortall
External
External

The recommended composition of the proposed Oilco Board requires the appointment of six directors, whereby four will be Energy Corporation directors and two will be independent directors. They will be appointed by the Shareholder of Oilco (the Energy Corporation), with the approval of Cabinet.

It is desirable that the two independent directors bring to the Board some expertise in the area of oil and gas.

TIMELINES

The actions required to appoint the directors to the various Boards as outlined above, should be completed within the following timeframes:

Hydro – the next meeting of the Hydro Board is scheduled for April 24th and the new directors should be in place by at least April 15th to allow them time to properly prepare for that meeting.

ECNL - the next meeting of the Energy Corporation Board is scheduled for April 24th and the new directors should be in place by at least April 15th to allow them time to properly prepare for that meeting.

CF(L)Co – the AGM of CF(L)Co is scheduled for May 30th and it is necessary that the directors to be re-appointed be nominated by May 15th, which is two weeks prior to the meeting.

Oilco – it is anticipated that the legislation associated with the incorporation of Oilco will be passed in the House of Assembly in this Spring Session. It is necessary that the names of the individuals who are to be appointed to the Oilco

Board be determined prior to the passage of that legislation in order to facilitate their appointment immediately upon the formation of the Corporation.

POTENTIAL DIRECTORS OF ENERGY CORPORATION AND SUBSIDIARIES

Individuals Recommended for ECNL/Oilco Boards

Peggy Bartlett - Owner/Operator of McDonald's Restaurants, Central NL
Sheila Kelly-Blackmore - General Manager of St. Jude Hotel
Jerry Byrne – D. F. Barnes Limited
Frank Coleman - President, Coleman Group of Companies
Chris Collingwood – CEO, Baine Johnston Corporation
Alice Collins - Dean, Faculty of Education, Memorial University
Gary Gorman – Dean, Faculty of Business, Memorial University
Ray Gosine – Associate Vice President Research, Memorial University
Bill Marshall - Retired Court of Appeal Judge
John Steele – President, Steele Hotels
Mary Williams - Director General, Institute of Ocean Technology, National Research Council

Individuals Recommended for Hydro Board

Leo Abass – Mayor, Happy Valley-Goose Bay
Judith Whittick - Former President & CEO, C-Core (Retired)
Fred Drover - Comptroller and Instructor, Keyin College

Additional Individuals for Possible Appointment to Either Board

Mark Dobbin – Chairman, CHC
Gerry Smith – Executive VP and COO, Brookfield Dairy Group
Bill Thistle – Canada Post (Newfoundland)