

Date : 1/31/2012 4:02:11 PM  
From : "Clift, Thomas"  
To : "Thompson, Robert"  
Subject : RE: Additional Information: Board Governance at NALCOR

Hi Robert,

Seeing you at the NALCOR table prior to the luncheon today reminded me that I found some documents over this weekend that may be of interest to you.

As I was cleaning my office on the weekend I came across the initial letter that we wrote on this matter.

It was written on Energy Corporation letterhead, as we had not defined the NALCOR brand at that time. The date of that letter was September 2<sup>nd</sup> 2008 and in the letter we reference the fact that, as of that date, Energy Corporation Board vacancies had existed for six to nine months – depending on the retirement dates of former Board members.

That would bring us back to the fall of 2007 – some four and one half years ago.

Given the time that has lapsed, you may have difficulty reconstructing this file. If finding a hard copy of this correspondence is a challenge and If you would like a copy of this correspondence, I would be pleased to forward it to you.

Thanks again for your attention to this matter.

Tom

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**From:** Thompson, Robert [mailto:rthompson@gov.nl.ca]  
**Sent:** Friday, January 27, 2012 4:12 PM  
**To:** Clift, Thomas  
**Subject:** Re: Board Governance at NALCOR

Tom

Just wanted to acknowledge your email. Let me look into these points and get back to you soon about starting a dialogue.

Robert

Sent Via BlackBerry

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**From:** Clift, Thomas <tclift@mun.ca>  
**To:** Thompson, Robert  
**Sent:** Thu Jan 26 11:35:06 2012  
**Subject:** Board Governance at NALCOR

Hi Robert,

I wonder if you might have a few minutes for a chat about some Board Governance issues that we have at NALCOR?

I can drop over for a face to face meeting, or we can deal with this over the phone if you prefer.

In order to get you up to speed and also give you a chance to formulate a response, I think that it is fair to say that our primary concerns are two-fold:

- 1) In spite of the numerous requests that we have made of the previous and current administration, we are still really short of Board members. If you include Ed Martin, we have 5 members, without him we are relying on 4 individuals (each of whom are quite busy in their professional lives), to fill the various Board committees and at the same time provide governance on what is arguably the most important file/project which this government has embarked upon for quite some time. Our Board would benefit greatly from the addition of individuals with large-scale engineering project experience, international project experience, labour relations experience and additional finance or accounting experience. In addition, we would benefit greatly from the addition of an individual with connections to Labrador. At the present time (in all cases) our committees are minimally stocked – as is our Board. I recall a situation recently where I had to get up at 4:30 a.m., while travelling (in California) and attend a 5 hour meeting (via phone), so that the meeting could proceed. Others members can relay similar experiences.
- 2) In October 2008, the current members of this Board were informed by government and the President of NALCOR/Hydro that Board compensation would be addressed by Government and we were asked to provide a frame of reference. This we did in late 2008. Since then the Board of NALCOR has met almost 50 times, while the various Board sub-committees have met frequently as well. At that time, NALCOR C.F.O. Derrick Sturge began accruing funds to allow for the retroactive payment of this board compensation. We are now into our fourth year of our mandate and no solution has been forthcoming – yet the volume and intensity of the work has increased dramatically. It is our understanding that government is in the process of making new appointments to this Board. Might I suggest that this would be the right time to resolve the compensation question as well. It would be my expectation that incoming Board members would quite naturally ask that question of Government and the Board Chairperson. It would be nice to have an answer.

Robert, the Muskrat Falls project, in particular, is an important one for our province, as are many of the other projects currently under consideration at NALCOR. These projects require the best possible governance we can afford them. As a board, we have been committed to this objective since the outset. We only ask that you afford us due consideration in the above matters.

Tom Clift  
Chair, Board Governance Committee  
NALCOR

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