

MINUTES OF THE SEVENTH MEETING OF THE BOARD OF DIRECTORS OF ENERGY CORPORATION OF NEWFOUNDLAND AND LABRADOR HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON THURSDAY, JUNE 26th, 2008 AT 8:00 A.M.

Present in Person:

J. Ottenheimer, Chair
C. Bennett
T. Clift
K. Marshall
G. Shortall
E. Turpin

Absent:

C. Kieley

Present by Telephone for Part of the Meeting:

E. Martin

Present by Invitation for Part of the Meeting:

Derrick Sturge, Vice-President
Finance and Chief Financial Officer
Gilbert Bennett, Vice-President
Lower Churchill Operations
Greg Jones, Vice-President Business
Development (Acting)
David Harris, Senior Corporate
Planning Analyst
Lynn Morrissey, Assistant Professor,
Faculty of Business Administration,
MUN

Secretary:

W. Chamberlain

69. CONSTITUTION OF THE MEETING

Notice for the meeting was sent on June 4, 2008. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

Chair reviewed the agenda and it was agreed that the Corporate Vision Statement would be moved to later in the meeting. Committee reports will be included under Other Business.

D. Sturge joined the meeting.

70. SAFETY MOMENT

D. Sturge completed a safety moment on a recent ATV incident that resulted in a loss time injury.

71. VERIFICATION OF MINUTES

A copy of the minutes of the **SIXTH** meeting held on April 24, 2008, were included in the meeting papers circulated prior to the meeting.

On motion duly made by G. Shortall, seconded by T. Clift and unanimously carried, it was resolved:

THAT the minutes of the **SIXTH** meeting of the Board of Directors of Energy Corporation of Newfoundland and Labrador held on April 24, 2008, which minutes are currently before this meeting, be and they are hereby verified as being correct; and

THAT the Chairman be and he is hereby authorized to verify minutes by signing the Minute Book.

72. BUSINESS ARISING

73. Bull Arm Site Corporation (Minute #56)

K. Marshall joined the meeting.

74. Amendments to Energy Corporation Legislation (Minute #64)

D. Sturge advised that a report is included in the Board papers that examined the nature and purpose of the proposed amendments to the Energy Corporation Act.

75. PRESIDENT'S REPORT**76. Corporate Performance Report May 2008**

D. Sturge reviewed the 2008 Corporate Plan Monthly Performance Report for May 2008 that was included with the Board papers. There were an additional two lost time injuries that occurred subsequent to the Report cut-off date, which brings the total to 5. The environment target to achieve not more than a 12% variance from ideal production schedule at the Holyrood Generating Station and the Holyrood winter availability target are "red" as a result of down time associated the equipment failures earlier in the year.

The Board requested that it be involved and kept informed with respect to the branding process. D. Sturge reported that there was a competitive RFP issued to select an external marketing consultant to assist with the corporate branding.

77. Transparency & Accountability Act Performance Report

On motion duly made by G. Shortall, seconded by T. Clift and unanimously carried, it was resolved:

THAT the Transparency and Accountability Act Performance Report previously distributed to the Board of Directors, including minor amendments subsequently made to the Report, is hereby approved.

G. Bennett joined the meeting.

78. **BUSINESS UNIT REPORTS**

79. **Lower Churchill Update**

G. Bennett provided a Lower Churchill Project Update and began with a detailed status update on the commercial market negotiations with respect to the Maritime Provinces, New England, Ontario and the Hydro Quebec TransEnergie OATT application. He continued with a summary of the 2008 target deliverables associated with the commercial markets; environmental submissions and registrations; aboriginal IBA negotiations; financial including confirmation of business case and equity injection by province; and regulatory including water management; and engineering including 2008 program and contractors.

G. Bennett left the meeting.

80. **Business Development Update**



He further reported that the corporate values work has been completed and are now focusing on the development of a vision framework and will reduce the corporate goals from 8 to 5 that will apply to all corporate entities and business units.

E. Martin left and G. Jones joined the meeting.

G. Jones reviewed the Business Development Update that was included with the Board papers. An update was provided with respect to the due diligence review being undertaken with respect to the Bull Arm Site Corporation and ongoing business activities. A status reports was provided with respect to the island and Labrador wind projects and the Ramea WHD R&D project.

G. Jones and Tom Clift left the meeting. D. Harris and L. Morrissey joined the meeting.

81. CORPORATE VISION STATEMENT

D. Harris briefly explained that the Board's input is being sought with respect to the development of a corporate vision statement and introduced Lynn Morrissey as the facilitator. The Board was provided with a written outline of the results of a meeting with the Leadership Team with respect to the purpose, values, vision and the envisioned future of the Energy Corporation. L. Morrissey reviewed the Vision Statement Pre-Reading report that was included with the Board papers. It was noted that it is important that the vision statement be considered before the corporate branding process is completed. The Board provided their input on the

vision statement and D. Harris advised that the draft vision statement would be amended taking into consideration the comments of the Board and would then would be reviewed again by the Leadership Team before being forwarded to the Board and the Shareholder for approval.

D. Harris and L. Morrissey left the meeting.

82. FINANCIAL REPORT

83. Financial Summary

D. Sturge reviewed the Financial Results for the five months ended May 31, 2008 that was included with the Board papers.

T. Clift joined the meeting

84. OTHER BUSINESS

85. COMMITTEE REPORTS

86. Compensation Committee





E. Turpin left the meeting.

87. Governance Committee

T. Clift reported that the Committee reviewed the draft Code of Business Conduct and Ethics ("Code") and that it is a compilation of the previously approved Code and a document that was prepared by the Lower Churchill Project. The format is similar to a corporate policy and procedure and is recommended by the Committee for the approval of the Board.

On motion duly made by T. Clift, seconded by G. Shortall and unanimously carried, it was resolved:

THAT the Code of Business Conduct and Ethics with an issue date of June 26, 2008 be and is hereby approved.

The Committee identified a number of objectives that were delayed as a result of delay in the appointment of Board members. The objectives include timely appointment of Board members; recruitment of Board with a broad range of expertise and capabilities to effectively address the expanded mandate; Board selection, powers and compensation comparable to other comparable companies; improved communication between senior management, Committee and Shareholder on governance matters; establish a formalized process to formally address governance issues and establishment of Board that is appropriate size, has functional expertise with respect to business issues. The

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Committee will identify governance issues that need to be addressed and will forward to the Chair.

The Committee also reviewed a redraft of the Charter of the Audit Committee that was previously approved by the Board on August 25, 2006 and which has been revised as of June 26, 2008 and recommends that the revised Charter of the Audit Committee be approved.

On motion duly made by T. Clift, seconded by G. Shortall and unanimously carried, it was resolved:

THAT the Charter of the Audit Committee of the Board of Directors as revised on June 26, 2008 be and s hereby approved.

88. NEXT MEETING


The next meeting will be held on Friday, September 26, 2008. Messrs. Sturge and Chamberlain left the meeting for the in camera meeting of the Board.

89. IN CAMERA

Messrs. Sturge and Chamberlain returned to the meeting after conclusion of in camera meeting. The Chair advised that the issue of Board compensation is a critical issue that needs to be addressed as currently there is no mechanism in place for the remuneration of the Board of Directors.

90. TERMINATION

There being no further business the meeting terminated.


Secretary

Verified at a meeting held on
October 8, 2008



Chair