

MINUTES OF THE SIXTY-THIRD MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON WEDNESDAY, DECEMBER 19, 2012 AT 01:40 P.M.

Present in Person: T. Styles, Chair
 L. Abbass
 T. Clift
 A. Hawkins
 E. Martin

Present by Telephone: K. Marshall (2:15)
 G. Shortall

Absent: E. Breen

Present by Invitation: D. Sturge, Vice-President Finance and Chief Financial Officer
 J. Keating, Vice-President, Nalcor Energy Oil and Gas Inc.
 C. Fehr, Manager, Corporate & Development, Nalcor Energy Oil and Gas Inc.

Secretary: W. Chamberlain

764. CONSTITUTION OF THE MEETING

Notice of the meeting was sent to Directors on December 14, 2012. A quorum of Directors being present, the Chair declared the meeting duly called and validly constituted for the transaction of business.

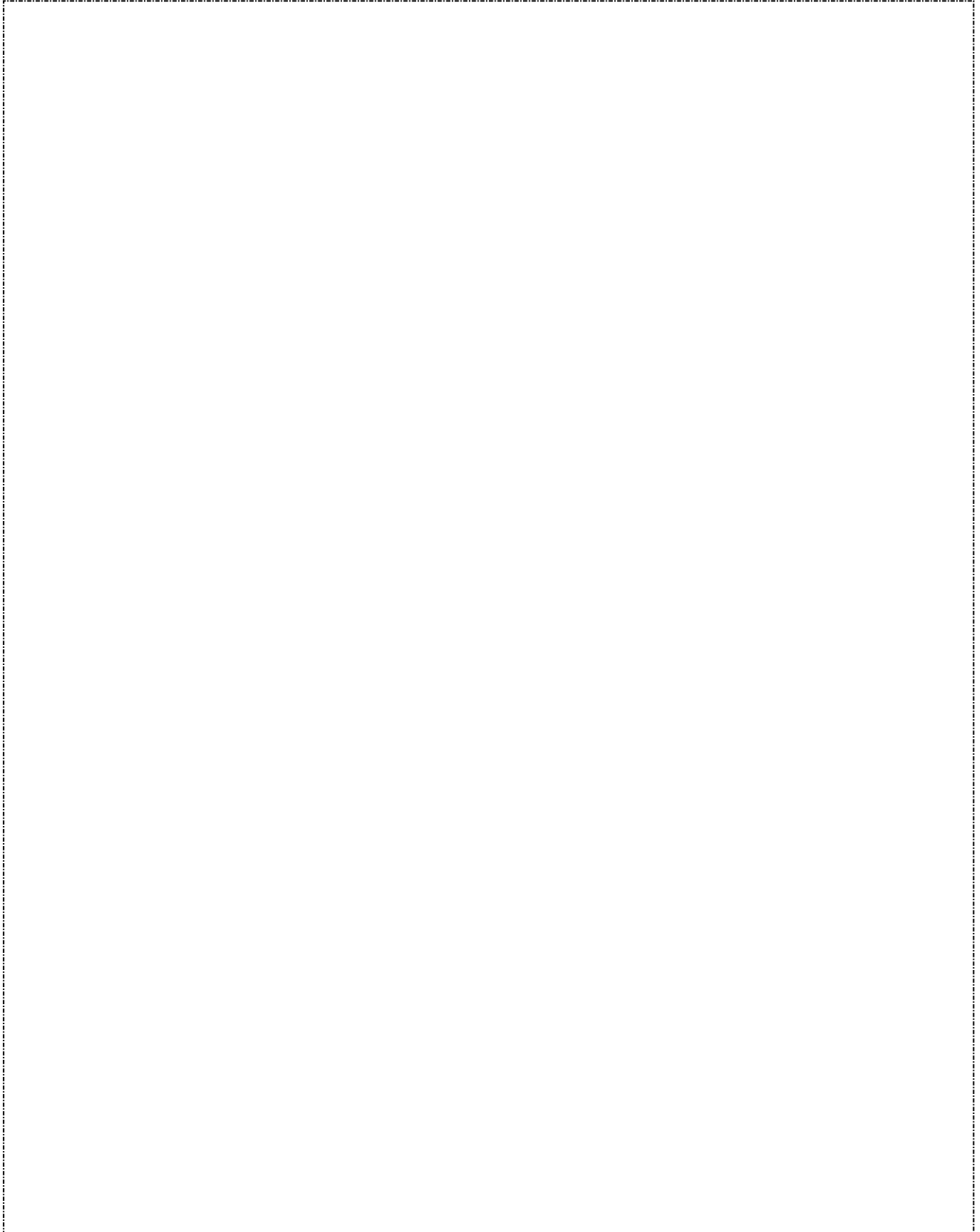
Messrs. Sturge, Keating and Fehr joined the meeting.

765. SAFETY MOMENT

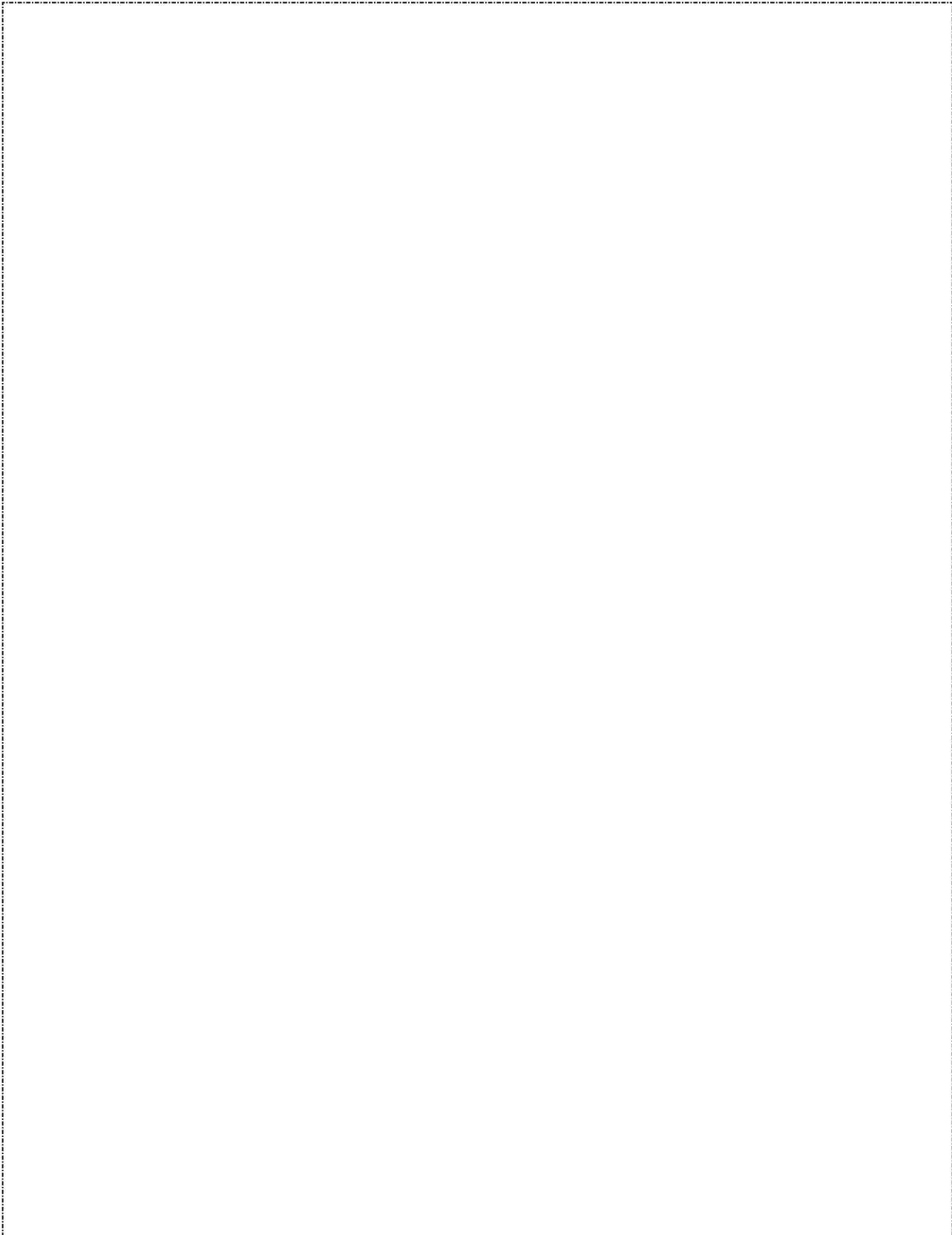
Mr. Keating provided a safety moment on effective communication: mitigated speech, a copy of which was circulated by email to Board members.

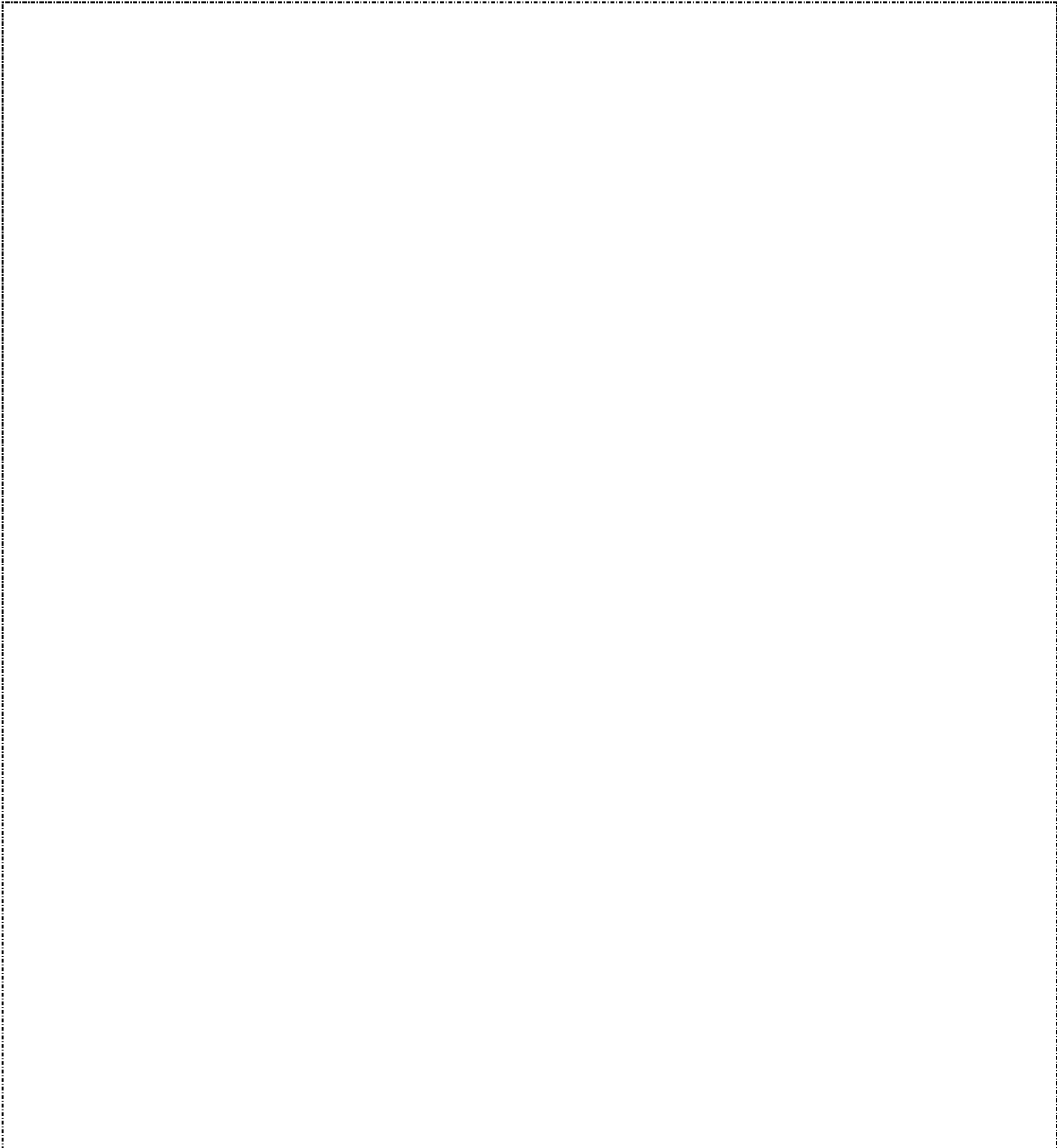
766. HEBRON SANCTION

63rd Nalcor Energy Board Meeting
December 19, 2012
Page 2 of 7



63rd Nalcor Energy Board Meeting
December 19, 2012
Page 3 of 7





Mr. Keating and Ms. Fehr left the meeting.

767. MUSKRAT FALLS SANCTION

Mr. Martin advised that executed copies of the Sanction Agreement between Nalcor and Emera Inc. and the Project Oversight Agreement between the Provinces of Newfoundland and Labrador and Nova Scotia and Nalcor and Emera Inc. were provided to Board members by email earlier today, copies of which were also circulated at the meeting. He stated that there were no material changes to the key terms and conditions of the sanction agreement with Emera from what was previously communicated to the Board and asked Board members to review the agreement and contact him if they had any comments.

He also confirmed that the Corporation has received direction from the Province to sanction and proceed with the development of the Lower Churchill projects. Accordingly, the two conditions of the Board sanction approval have been met and the Lower Churchill Projects are sanctioned.

768. TRANSFER OF LIL ASSETS

Mr. Sturge referred to the Memorandum to the Board outlining the reasons to complete certain transactions in connection with the transfer of the LIL assets.

On motion duly made by Mr. Hawkins, seconded by Mr. Abbass and unanimously carried, it was resolved:

WHEREAS by Resolution of the Board of Directors passed at a meeting of the Board on December 5, 2012, certain matters were made subject to the Sanction of the Labrador-Island Link by Nalcor, which should be authorized, executed and delivered effective as of December 6, 2012, in order for Labrador-Island Link Holding Corporation (Nalcor LP) to receive the Class A Limited Units in the Labrador-Island Link Limited Partnership (LIL Partnership);

AND WHEREAS capitalized terms not otherwise defined in this Resolution shall have the meaning set forth in the Newfoundland and Labrador Development Agreement (NLDA).

NOW THEREFORE BE IT RESOLVED THAT:

1. Nalcor be and it is hereby authorized to do the following, effective as of December 6, 2012:
 - (a) Transfer of the Purchase Note to Nalcor LP – The transfer (by way of assignment agreement and endorsement) of the Purchase Note to Nalcor LP as a capital contribution on the existing 100 common shares which Nalcor holds in Nalcor LP; and
 - (b) Funding of Nalcor LP – Nalcor is authorized from time to time hereafter to make such equity contributions to the capital of Nalcor LP as will enable Nalcor LP on a timely basis (i) to make all required limited partner contributions to the LIL Partnership to permit the LIL Partnership to pay trade payables arising as a result of LIL management and development activities pursuant to the Project Management and Development Agreement until the Cash Call procedures set forth in the NLDA were activated on LIL Sanction, and thereafter (ii) to make all required limited partner contributions to the LIL Partnership as provided in the Nalcor Equity Funding Agreement.
2. Any two of the officers and directors of Nalcor be and are hereby authorized and directed to execute and deliver the assignment agreement and endorse the Purchase Note with such amendments or variations as they may approve. The execution by such officers and directors shall be conclusive proof that Nalcor has authorized such officers and directors to execute the agreements in the form in which they have been executed.
3. Any two of the officers and directors of Nalcor be and they are hereby authorized and directed to do all such further and other acts and things and to execute and deliver or cause to be executed and delivered such further notices and other instruments, agreements, certificates, assignments, acknowledgments, declarations, documents, undertakings and writings as in their opinion may be necessary or desirable to complete the transaction contemplated by the assignment of the Purchase Note, any of the agreements or schedules referred to in such agreements or any one of them, and all of the other instruments and agreements referred to in the foregoing Resolution, and to give effect to the foregoing, all to be in such form and on such terms as such persons shall approve, such approval to be conclusively evidenced by their execution thereof.

769. APPROVAL OF DIRECTOR'S CHARTER

Mr. Clift advised that the Governance Committee met in late November to consider several governance matters and concluded that there should be a Director's Charter that outlines the duties and responsibilities of individual Board members.

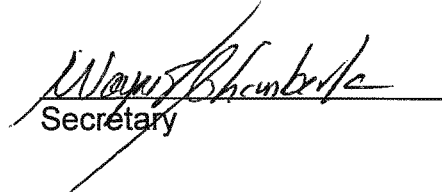
On motion duly made by Mr. Hawkins, seconded by Mr. Abbass and unanimously carried, it was resolved:

THAT the Director's Charter presented to the Board of Directors at its meeting of December 19, 2012, be and it is hereby approved.

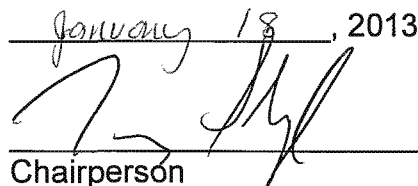
He also advised that the Governance Committee reviewed draft Annual Work Plans for the various boards and committees of the Nalcor companies and agreed upon the final content and format of such Annual Work Plans, such that they can be forwarded to the various boards and committees for consideration and approval. It was agreed that the Annual Work Plan as presented was acceptable and will be useful for the planning of Board matters on an annual basis. This Annual Work Plan is to be provided to Board members on an annual basis and be amended by the Secretary as required.

770. TERMINATION

There being no further business, the meeting was terminated.


Secretary

Verified at a meeting held on

January 18, 2013

Chairperson