

MINUTES OF THE SEVENTY-FOURTH MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON FRIDAY, MARCH 7, 2014 AT 01:00 P.M.

Present in Person: K. Marshall, Acting Chair

Present by Telephone: L. Abbass, Member
E. Breen, Member
T. Clift, Member
A. Hawkins, Member
E. Martin, Member
G. Shortall, Member

Present by Invitation: Derrick. Sturge, Vice-President
Finance and Chief Financial Officer
Jim Keating, Vice-President, Nalcor
Energy – Oil and Gas
James Meaney, General Manager
Finance, Lower Churchill Project
Rob Hull, General Manager, Finance

**Present by Invitation
By Telephone:** Justin Ladha, Member of Board of
Directors of Nalcor Energy – Oil and
Gas Inc.

Secretary: Wayne Chamberlain

938. CONSTITUTION OF THE MEETING

Notice for the meeting was sent on March 1, 2014. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

It was agreed that Mr. Marshall would be the Acting Chair for the meeting.

Messrs. Sturge, Keating, Meaney and Hull joined the meeting.

939. SAFETY MOMENT

Mr. Meaney provided a safety moment with respect to the danger of icicles on the eaves of houses and the steps that can be taken to remove this danger.

940. AMENDMENT OF DEVCO ARTICLES

Mr. Meaney reviewed the Devco as Administrator for MF/LTA and LIL Financings Report that was circulated to the Board by email on March 4, 2014. He stated that the purpose of the Report is to seek the approval of the Board to amend the Articles of Incorporation of the Lower Churchill Management Corporation ("Devco") to permit Devco to act as Administrator for three trusts including the Muskrat Falls/ Labrador Transmission Assets Funding Trust, the Labrador-Island Link Funding Trust and the LIL Construction Project Trust ("Trusts").

He advised that the Board was provided with an overview of the various Lower Churchill Project agreements and Trusts in November 2013, whereby there was a requirement to have an administrator of the Trusts which was expected to be performed by a third party. A Request for Proposals was issued to three companies being PWC, KPMG and Ernst & Young and all three were unable to act as the Administrator as a result of conflicts or were unable to provide the specific type of services required. He stated that the scope of the services to be provided by the Administrator is included in Appendix A and includes ensuring that annual returns and filings with respect to the Trusts are made, all taxes are paid and completion and delivery of the financial statements.

Mr. Meaney reported that after discussion with the Government of Canada and the Issuer Trustee, it was agreed to extend the deadline to appoint the Administrator to March of 2014 and that Devco could act as the Administrator of the Trusts. Accordingly, Management recommends and seeks the approval of the Board to have Devco serve as the Administrator for the Trust. He advised Devco will enter into an Administrative Services Agreement with the Corporation, to provide the required services to Devco.

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

WHEREAS the Corporation believes it is in the best interest of its wholly owned subsidiary Lower Churchill Management Corporation (hereinafter "Devco") to enter into the following agreements (hereinafter "Administration Agreements"):

- a. Administration Agreement among BNY Trust Company of Canada as Issuer Trustee of Muskrat Falls / Labrador Transmission Assets Funding Trust, the Corporation as Administrator, Her Majesty The Queen In Right Of Canada as Guarantor, Muskrat Falls Corporation and Labrador Transmission Corporation, as Borrowers.
- b. Administration Agreement among BNY Trust Company of Canada as IT Trustee of LIL Construction Project Trust, the Corporation as Administrator, Her Majesty The Queen In Right Of Canada as Guarantor, and Labrador-Island Link Limited Partnership, as Borrower.
- c. Administration Agreement among BNY Trust Company of Canada as Issuer Trustee of Labrador-Island Link Funding Trust, the Corporation as Administrator, Her Majesty The Queen In Right Of Canada as Guarantor, and Labrador-Island Link Limited Partnership, as Borrower.

AND WHEREAS the Articles of Incorporation of Devco must first be amended to enable Devco to act as administrative agent on behalf of the trustees referenced above and enter into the Administration Agreements;

AND WHEREAS the Corporation must approve amendments to the Articles of Incorporation;

AND WHEREAS the Corporation now wishes to approve amending the Articles of Incorporation of Devco in accordance with the resolutions herein;

NOW THEREFORE BE IT RESOLVED THAT:

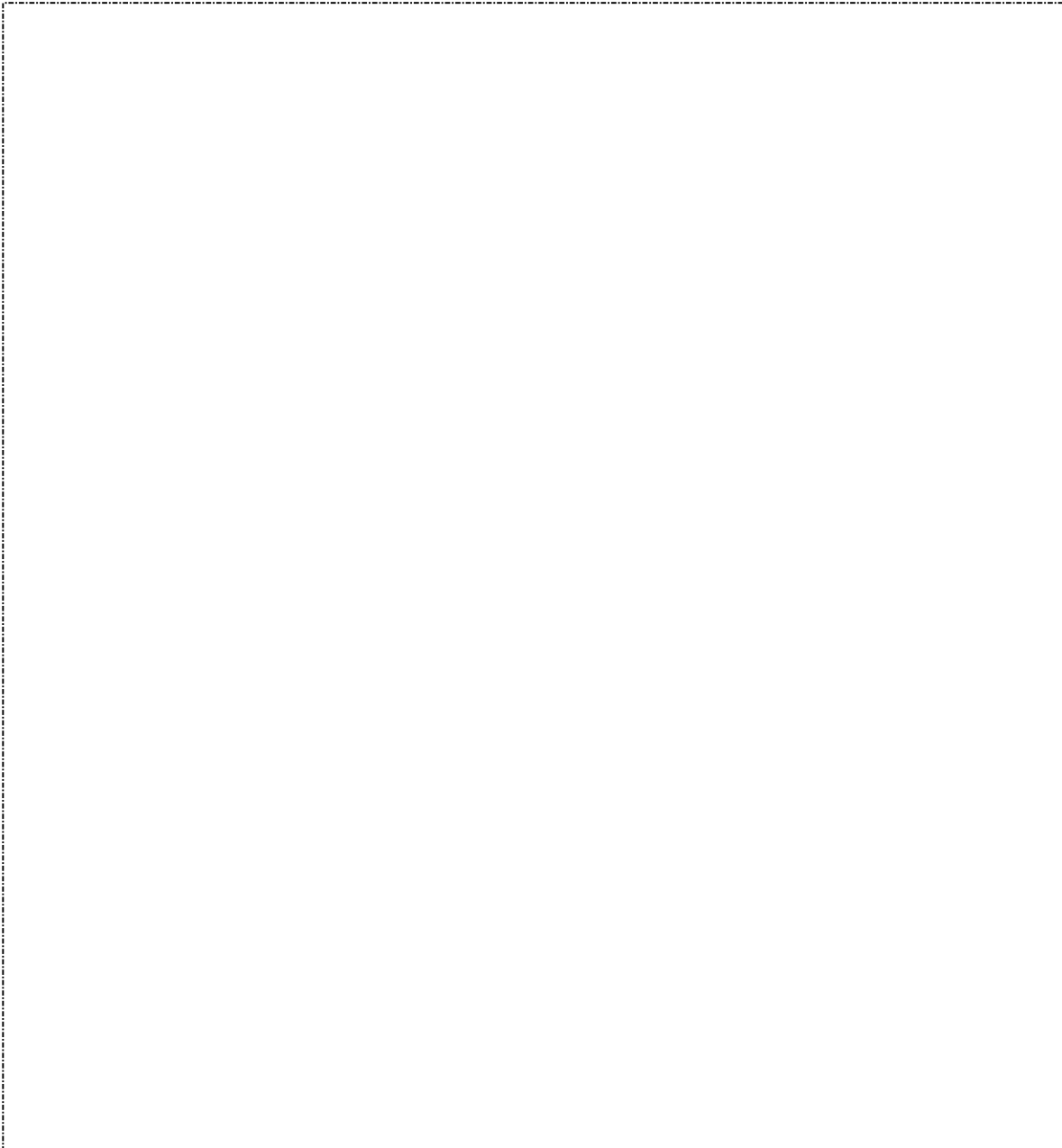
1. The Articles of Incorporation of Devco shall be amended by amending Section 6 – Restrictions on Business the Corporation May Carry On by adding an additional provision as follows:
 - (e) acting as administrative agent on behalf of the trustee for each of the Muskrat Falls / Labrador Transmission Assets Funding Trust, LIL Construction Project Trust and Labrador - Island Link Funding Trust, performing all activities incidental and ancillary thereto and negotiating, concluding, executing and performing all contracts and agreements in connection therewith.

2. Any officer or director of the Corporation is hereby authorized to sign on behalf of the Corporation a shareholder resolution confirming such amendments and authorizing the filing of Articles of Amendment to reflect the foregoing.

Mr. Meaney and Mr. Hull left the meeting and Mr. Ladha joined the meeting by telephone.

941.

UPDATE - CHHC





942. OTHER BUSINESS

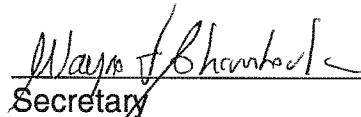
There was discussion regarding the contract with respect to the Labrador-Island Link ("LIL") transmission tower work and whether the work was being awarded on a sole source basis. Mr. Martin confirmed that a prequalification of contractors was completed and the evaluation of this contract continues.

There was also a query about the recruitment of additional board members and Mr. Martin advised that discussions continue with the Shareholder with respect to recruitment and other governance issues.

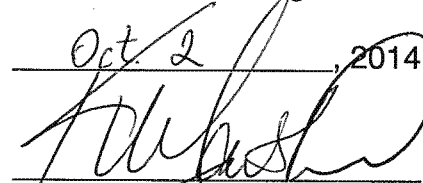
Mr. Martin provided the Board with an overview of the PUB Outage Inquiry and the Liberty review related thereto and advised that he met with Liberty this week and the feedback was that we are open, transparent and cooperative but there was no indication of their findings.

943. TERMINATION

There being no further business, the meeting was terminated.


Secretary

Verified at a meeting held on


Chairperson

Oct 2, 2014