

MINUTES OF THE EIGHTY-THIRD MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD VIA CONFERENCE CALL IN THE BOARDROOM, SIXTH LEVEL, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON MONDAY, APRIL 13, 2015 AT 9:30 A.M.

Present by Telephone: K. Marshall, Chair
L. Abbass, Member
E. Breen, Member
T. Clift, Member
E. Martin, Member
G. Shortall, Member

Present by Invitation: D. Sturge, Vice-President Finance and Chief Financial Officer
G. Jones, General Manager Energy Marketing

Secretary (acting): P. Hickman

1113. CONSTITUTION OF THE MEETING

Notice of the meeting was sent to all Directors on April 10, 2015. A quorum of Directors being present, the meeting was declared duly called and validly constituted.

1114. SAFETY MOMENT

1115. APPROVAL OF AGENDA

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

THAT the Agenda of the 83rd Meeting of the Board of Directors of Nalcor Energy, which Agenda is currently before this meeting, be and it is hereby approved.

1116. APPROVAL OF ENERGY ACCESS AGREEMENT

Prior to the meeting the Board was provided with information relating to the Definitive Energy Access Agreement between Nalcor, Emera Inc. and Nova Scotia Power Inc. (NSPI). Mr. Jones reviewed the presentation that had been provided to the Board members.

Mr. Jones stated that the Nova Scotia Utility and Review Board directed that as a condition for its approval of the Maritime Link, that NSPI obtain the right to access Nalcor market priced energy. In October 2013 Nalcor Energy entered into an Agreement with Emera and NSPI for the provision of market priced energy, this being the Energy Access Agreement (EAA). While the EAA was a legally binding agreement, a key provision of that agreement was that the parties agreed "to negotiate in good faith to conclude a definitive Energy Access Agreement (the Final Agreement)".

Mr. Jones stated that the Agreement used the MASS hub price for the basis of the discussions. As well, Nalcor made available a quantity of energy that it could supply to NSPI after satisfying the energy needs of Newfoundland and Labrador. The Agreement provides for Newfoundland and Labrador Load priority, the energy to NSPI being non-firm in that regard.

The Board discussed the pricing mechanism. Mr. Jones stated that the price can be as high as the MASS hub price or as high as another price that Nalcor could obtain from another customer. Nalcor will state a price each month. This price

could be fixed or floating but anchored to a price such as the MASS hub price. This floating price can be managed through hedging.

Mr. Shortall inquired as to whether Nova Scotia domestic rates will be higher than those for Newfoundland and Labrador after the construction of Muskrat Falls and Maritime Link. It was agreed that this information would be obtained and provided to the Board.

The Board inquired as to any risks that may be associated with the deal. Mr. Jones stated that there are none of any consequence given the structure of the deal. Mr. Jones was asked as to whether there is foreign exchange risk associated with the agreement. Mr. Jones stated that the price will be based on US market price, but this risk will be managed in the same fashion as the foreign exchange risk is managed with respect to other sales carried out by Energy Marketing.

Mr. Jones explained that the contract is not a take or pay contract until the day ahead scheduling is provided. He noted that if Nalcor does not sell the energy to Nova Scotia then they may sell it to another party. He also noted that the advantage to NSPI for this deal is that it saves on transmission costs associated with buying energy at the MASS hub, however, Nalcor also saves on transmission costs associated with selling energy into New England.

With respect to the option that Nalcor has to either fix the price or have a floating price, Mr. Jones explained that Nalcor will do the appropriate analysis before making that choice.

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

WHEREAS Nalcor Energy (the "**Corporation**") was established pursuant to the *Energy Corporation Act* (Newfoundland and Labrador) with the

object to invest in, engage in and carry out activities in all areas of the energy sector in Newfoundland and Labrador and elsewhere;

AND WHEREAS the Corporation and Emera Inc. ("**Emera**") and their respective affiliates have entered into a series of Formal Agreements concerning the development of the Muskrat Falls generating station and certain transmission facilities, including the Maritime Link;

AND WHEREAS the Nova Scotia Utility and Review Board, as a condition of its approval of the construction of the Maritime Link by an affiliate of Emera Inc., required that an agreement be concluded by which the Corporation confirms its intention to make market-priced energy available to Emera's affiliate, Nova Scotia Power Inc. ("**NSPI**"), following the commencement of commercial operation of the Maritime Link;

AND WHEREAS the Corporation, Emera and NSPI (the "**Parties**") entered into a summary-form of agreement on October 20, 2013 concerning the terms upon which Nalcor will make market-priced energy available to NSPI, which agreement also provided that it would subsequently be replaced by the Parties with a more detailed and definitive energy access agreement (the "**Energy Access Agreement**");

AND WHEREAS the Parties have now concluded the negotiation of the Energy Access Agreement;

AND WHEREAS a briefing has been provided to the Corporation's board of directors (the "**Board**") regarding the Energy Access Agreement;
AND WHEREAS the Corporation has determined that it is in the best interests of the Corporation to enter into the Energy Access Agreement.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Corporation be and is hereby authorized to negotiate, execute and deliver the Energy Access Agreement substantially as contemplated by the briefing provided to the Board and the Energy Access Agreement is hereby approved upon execution as authorized by this resolution.
2. Any two of the officers or directors of the Corporation be and are hereby authorized and directed to negotiate, execute and deliver the Energy Access Agreement, with such amendments or variations thereto as they may approve. The execution by such officers or directors of the Energy Access Agreement shall be conclusive proof that the Corporation has authorized such officers or directors to execute the Energy Access Agreement in the form in which it has been executed.
3. Any two of the officers or directors of the Corporation 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 and other instruments, agreements, certificates, deeds, assignments, acknowledgements, declarations, documents, undertakings and writings as in their discretion may be necessary or

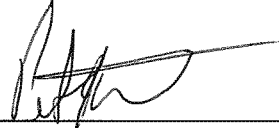
desirable to complete the transactions contemplated by the Energy Access Agreement or any of the agreements or schedules referred to therein or any one of them, and all of the other instruments and agreements referred to in the foregoing resolution, and to give effect to the foregoing, all to be in such form and on such terms as such persons shall approve, such approval and the approval of the Board to be conclusively evidenced by their execution thereof.

1117. NEXT MEETING OF THE BOARD

It was noted that the next meeting of the Board was scheduled for May 13, 2015 at which time the Quarterly Statements and associated Management Discussion and Analysis would be reviewed and approved.

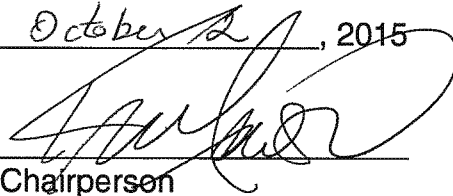
1118. TERMINATION

There being no further business, the meeting was terminated.



Secretary

Verified at a meeting held on

October 2, 2015


Chairperson