

**MINUTES OF THE EIGHTY-FIFTH MEETING OF THE BOARD OF DIRECTORS  
OF NALCOR ENERGY HELD IN THE BOARDROOM, SIXTH LEVEL, HYDRO  
PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON THURSDAY,  
JUNE 25, 2015 AT 8:30 A.M.**

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**Present in person:** L. Abbass, Member  
T. Clift, Member  
E. Martin, Member  
G. Shortall, Member

**Present by Phone:** K. Marshall, Chair

**Present by Invitation:** R. Hull, General Manager Finance  
J. Warren, Manager Corporate  
Accounting and Budgeting

**Secretary (acting):** P. Hickman

**1126. CONSTITUTION OF THE MEETING**

Notice of the meeting was sent to all Directors on May 25, 2015. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

**1127. SAFETY MOMENT**

Mr. Clift provided a safety moment on safe use of power tools.

**1128. APPROVAL OF AGENDA**

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

**THAT** the Agenda of the 85th Meeting of the Board of Directors of Nalcor Energy, which Agenda is currently before this meeting, be and it is hereby approved.

**1129. VERIFICATION OF MINUTES**

A copy of the minutes of the 81<sup>st</sup> and 82<sup>nd</sup> meetings of the Board of Directors of Nalcor Energy held on March 13, 2015 and April 2, 2015, respectively, were included in the meeting papers circulated prior to the meeting.

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

**THAT** the minutes of the **EIGHTY-FIRST** and **EIGHTY-SECOND** meetings of the Board of Directors of Nalcor Energy held on March 13, 2015, and April 2, 2015 respectively, which minutes are currently before this meeting, be and they are hereby verified as being correct; and

**THAT** the Chairperson be and is hereby authorized to verify the minutes by signing the Minute Book.

**1130. BUSINESS ARISING**

There was no business arising.

**1131. ACTION ITEMS**

The Board of Directors reviewed the Action List included in the meeting papers. It was agreed that Mr. Abbass would do the safety moment at the next regularly scheduled meeting of the Nalcor Board.

**1132. BOARD COMMITTEE REPORTS****1133. Compensation Committee**

Mr. Hull, Ms. Warren and Mr. Hickman left the meeting at this time.

Mr. Marshall, as Chair of the Compensation Committee, provided a report to the Board of Directors.

Mr. Hull, Ms. Warren and Mr. Hickman returned to the meeting at this time.

**1134. Safety, Health, Environment and Community Committee**

Mr. Clift, as Chair of the Safety, Health, Environment and Community ("SHEC") Committee reported that at its most recent meeting the Committee had received an update on the status of the Holyrood employee who had suffered serious injuries in an incident at the Plant. He stated that they were informed of changes to the Communications protocol in such incidents with respect to the provision of information relating to the incident to the physician as soon as possible.

Mr. Clift reported that the Committee reviewed an overview of all environmental projects, their status, etc. He noted that management is encouraging more environmental SWOP reporting.

Mr. Clift stated that the most recent meeting of the Committee was the first at which they had dealt with Community matters. They reviewed the reputational work that has been carried out and integration between Nalcor and Government in this regard. They then reviewed the drivers of reputational index and what the Corporation is doing with respect to reputational management and reviewed the reputational index survey results with respect to Hydro.

Mr. Clift reported that the Committee reviewed its mandate and agreed on revisions to the Mandate to recommend to the Board for approval.

**1135. Corporate Governance Committee**

As Chair of the Corporate Governance Committee, Mr. Clift reported that the Committee reviewed the directors and officers liability insurance coverage at its recent meeting. They determined that coverage was appropriate and the cost of this coverage is reasonable. He stated that the Committee reviewed the Mandates of the SHEC Committee and the Corporate Governance Committee and agreed on revisions to be recommended to the Board for approval.

Mr. Clift reported that the Committee agreed that there should be at least one member of the Audit and Governance Committees on each of the Boards of the subsidiaries of Nalcor. He stated they also discussed the composition of a number of the subsidiary boards.

The Committee discussed the implementation of a Board self-assessment process and they are targeting November for introduction of this process. He stated they received an update on the implementation of the whistleblower initiative. It is anticipated that this will be implemented by year end.

Mr. Clift stated that the Committee discussed strategic oversight by the Nalcor Board and agreed that there should be a strategic session held of the Board in September. It is felt that a half-day session should be held for the Nalcor Board in September and other Boards in November. The Board agreed that this session should take place in September at the time of the September Board meeting. Mr. Clift agreed to coordinate the preparation of this session in conjunction with Mr. Martin, Mr. Marshall, Chris Kieley and Catherine Squire.

**1136. RETIREMENT OF WAYNE CHAMBERLAIN**

It was noted that Wayne Chamberlain, General Counsel and Corporate Secretary, had recently announced his retirement from the Corporation. The Board asked that their gratitude and well wishes for Mr. Chamberlain be noted in the minutes.

Ed Martin joined the meeting at this time.

**1137. FINANCIAL REPORT**

**1138. Finance Report**

Mr. Hull reviewed the headlines and highlights of the Financial Report, a copy of which was included in the meeting papers circulated prior to the meeting.

He then reviewed the most significant risks to the forecast which were outlined in the Report.

Mr. Hull reviewed the highlights included in the Report related to regulatory affairs. Mr. Martin provided further details on work ongoing in this regard.

**1139. Corporate Compliance Certificate**

The Corporate Compliance Certificate, a copy of which was included in the meeting papers was noted.

**1140. PRESIDENT'S REPORT**

**1141. Corporate Performance Review**

Mr. Martin reviewed the Corporate Performance Review, a copy of which was included in the meeting papers circulated prior to the meeting. He reviewed the "quilt" included with the Report and updated the Board on the progress with respect to various targets outlined in the quilt.

**1142. BUSINESS UNIT REPORTS**

The various business unit reports included in the meeting papers circulated prior to the meeting were noted.

**1143. NALCOR'S VALUE TO THE SHAREHOLDER AND PROVINCE**

Mr. Martin reviewed the presentation included in the meeting papers related to Nalcor's value to the Shareholder and Province. He explained that he had previously provided this presentation to the Premier and the Ministers of Natural Resources and Finance.

He reviewed the performance summary included in the presentation including the key financial metrics, the safety performance, environmental performance and reliability performance. He then reviewed the section relating to the summary of the capital expenditures, as well as the net income and operating expense

summary. He reviewed the information contained in the presentation relating to various business units and corporate services.

Mr. Martin stated that Government officials reacted very positively to the presentation.

**1144. ASSIGNMENT OF EMERA AGREEMENTS**

Mr. Hull reviewed the presentation contained in the meeting papers relating to the Assignment of Emera Agreements.

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

**THAT** the Assignment Agreement between the Corporation and Muskrat Falls Corporation (MFC) assigning to MFC the Corporation's rights and obligations under the Energy and Capacity Agreement entered into by the Corporation and Emera Inc. and dated July 31, 2012, as presented to the Board at its meeting of June 25, 2015, be and it is hereby approved for execution, delivery and performance by the Corporation;

**AND BE IT FURTHER RESOLVED THAT** the Assignment Agreements between the Corporation and Nalcor Energy Marketing Corporation (NEMC) assigning to NEMC the Corporation's rights and obligations under the Maritime Link (Nalcor) Transmission Service Agreement, the Nova Scotia Transmission Utilization Agreement, the New Brunswick Transmission Utilization Agreement and the MEPCO Transmission Rights Agreement entered into by the Corporation and Emera Inc. and dated July 31, 2012, as presented to the Board at its meeting of June 25, 2015, be and they are hereby approved for execution, delivery and performance by the Corporation.

**1145. APPROVAL OF ANNUAL TRANSPARENCY  
AND ACCOUNTABILITY PERFORMANCE REPORT**

Mr. Martin noted the Annual Transparency and Accountability Performance Report included in the meeting papers. He stated that it has been reviewed by both Leadership and Government. It was agreed that if at all possible, in the

future attempts should be made to issue this report prior to the annual meeting.  
Mr. Martin stated he would inquire as to whether this would be possible.

On motion by E. Martin, seconded by L. Abbass and unanimously carried, it was resolved:

**THAT** the 2014 Annual Transparency and Accountability Performance Report dated June 2015, be and it is hereby approved.

**1146. APPROVAL OF REVISED GOVERNANCE  
AND SHEC COMMITTEE MANDATES**

Mr. Clift reviewed the revised Mandate of the Corporate Governance Committee included in the meeting papers and outlined further changes being recommended by the Corporate Governance Committee.

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

**THAT** the revised Charter of the Corporate Governance Committee of the Board of Directors, as presented to the Board at its meeting of June 25, 2015, be and it is hereby approved.

Mr. Clift noted that during the Corporate Governance Committee's review of the mandate of the subsidiary Boards, and as noted earlier in this meeting, it was agreed by the Committee that members of the Audit Committee and Corporate Governance Committee should be on each of the sub boards. He stated it was also agreed each of the subsidiary boards be provided with a copy of the external audit plan at their November meetings.

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



**THAT** the revised Mandate of the Safety, Health, Environment and Community Committee of the Board of Directors, as presented to the Board at its meeting of June 25, 2015, be and it is hereby approved.

**1147. REMUNERATION OF AUDITORS**

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

**THAT** the remuneration of the Company's auditors, Deloitte, for the examination and reporting on the accounts of the Corporation for the year ended December 31, 2014 be and it is hereby approved in an amount not to exceed  excluding taxes.

It was agreed that Mr. Hull would discuss with Deloitte the reallocation of fees for future years and to review this with the Audit Committee.

**1148. APPROVAL OF SHAREHOLDER RESOLUTIONS**

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Nalcor Energy-Oil and Gas Inc. ("Oilco") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of Oilco; and
3. Election of the following persons as Directors of Oilco to hold office until the next annual meeting or until their successors are duly elected or appointed:

Ken Marshall  
Edmund Martin  
Gerry Shortall  
Gilbert Dalton  
Justin Ladha

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



**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Nalcor Energy-Bull Arm Fabrication Inc. ("Bull Arm Inc.") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of Bull Arm Inc.; and
3. Election of the following persons to be Directors of Bull Arm Inc. to hold office until the next annual meeting or until their successors are duly elected or appointed:

Ken Marshall  
Edmund Martin  
Gerry Shortall  
Leo Abbass

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Gull Island Power Company Limited ("GIPCo") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of GIPCo; and
3. Election of the following persons to be Directors of GIPCo to hold office until the next annual meeting or until their successors are duly elected or appointed:

Ken Marshall  
Edmund Martin  
Derrick Sturge  
Robert Henderson  
Gilbert Bennett

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Muskrat Falls Corporation ("MFC") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of MFC; and
3. Election of the following persons to be Directors of MFC to

hold office until the next annual meeting or until their successors are duly elected or appointed:

Ken Marshall  
Edmund Martin  
Gerry Shortall  
John Quaicoe  
Richard Daw

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Labrador-Island Link Operating Corporation ("LIL Operating") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of LIL Operating; and
3. Election of the following persons to be Directors of LIL Operating to hold office until the next annual meeting or until their successors are duly elected or appointed:

Gerry Shortall  
Edmund Martin  
Chris Loomis  
Desmond Whalen  
Leo Abbass

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Labrador-Island Link Holding Corporation ("LIL Holding") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of LIL Holding; and
3. Election of the following persons to be Directors of LIL Holding to hold office until the next annual meeting or until their successors are duly elected or appointed:

Tom Clift  
Derrick Sturge  
Sheila Kelly-Blackmore

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Labrador-Island Link General Partner Corporation ("LIL General Partner") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of LIL General Partner; and
3. Election of the following persons to be Directors of LIL General Partner to hold office until the next annual meeting or until their successors are duly elected or appointed:

Ken Marshall  
Edmund Martin  
Gerry Shortall  
Libby Burnham  
Ron Ellsworth

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Lower Churchill Management Corporation ("LCMC") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of LCMC; and
3. Election of the following persons to be Directors of LCMC to hold office until the next annual meeting or until their successors are duly elected or appointed:

Edmund Martin  
Gilbert Bennett  
Gerard McDonald  
Donna Stone  
June Perry  
Tom Clift

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Labrador Transmission Corporation ("LTC") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of LTC; and
3. Election of the following persons to be Directors of LTC to hold office until the next annual meeting or until their successors are duly elected or appointed:

Edmund Martin  
Gilbert Bennett  
Tom Clift  
Paul Humphries  
Ann Marie Hann  
Chris Woodford

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

**THAT** Nalcor Energy is hereby authorized to execute written resolutions of the Shareholder of Nalcor Energy Marketing Corporation ("Nalcor Energy Marketing") with respect to the following:

1. Approval of 2014 Financial Statements;
2. Appointment of Deloitte as Auditors of Nalcor Energy Marketing; and
3. Election of the following persons to be Directors of Nalcor Energy Marketing to hold office until the next annual meeting or until their successors are duly elected or appointed:

Ken Marshall  
Edmund Martin  
Gerry Shortall  
Tom Clift  
Dennis Clarke  
John Green

**1149. INTERCOMPANY AGREEMENTS**

Mr. Meaney joined the meeting at this time.

He reviewed the presentation included in the meeting papers relating to the Intercompany Agreements. He reviewed the overview of the Agreements and the purpose of each of these Agreements.

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

1. The Corporation be and is hereby authorized to negotiate, execute and deliver the following Agreements (the "Intercompany Agreements") substantially as contemplated by the briefing provided to the Board and the Intercompany Agreements are hereby approved upon execution as authorized by this resolution:
  - LCMC-Nalcor Energy Master Secondment Agreement
2. Any two of the officers or directors of the Corporation be and are hereby authorized and directed to negotiate, execute and deliver the Intercompany Agreements, with such amendments or variations thereto as they may approve. The execution by such officers or directors of the Intercompany Agreements shall be conclusive proof that the Corporation has authorized such officers or directors to execute the Intercompany Agreements in the form in which they have 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 Intercompany Agreements 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.

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**1150. DATE OF NEXT MEETING**

It was noted that the date of the next meeting is Tuesday, August 11, 2015.

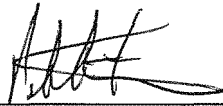
**1151. IN CAMERA SESSION**

All members of management left the meeting at this time and the Board held an in camera session. Mr. Martin then left the meeting. The remaining members of the Board held an in camera session.

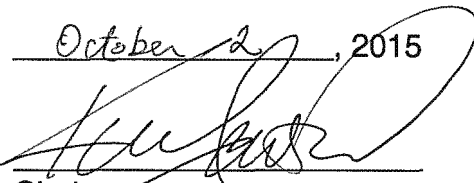
Within the in camera session the Board discussed the impending retirements in the Corporation and the implications for the Corporation.

**1152. TERMINATION**

There being no further business, the meeting was terminated.

  
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Secretary

Verified at a meeting held on

October 2, 2015  
  
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Chairperson