

MINUTES OF THE NINETY-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 MONDAY, MARCH 7, 2016 AT 12:10 P.M.

Present in Person: T. Clift, Member
L. Abbass, Member
E. Martin, Member

Present by Telephone: K. Marshall, Chair
G. Shortall, Member

Present by Invitation: D. Sturge, Vice-President Finance & CFO

Secretary: P. Hickman

1217. CONSTITUTION OF THE MEETING

Notice of the meeting was sent to all Directors on February 18, 2016. A quorum of Directors being present, the meeting was declared duly called and validly constituted for the transaction of business.

1218. SAFETY MOMENT

Mr. Hickman provided a safety moment on tips for safe travel.

1219. VERIFICATION OF MINUTES

Copies of the minutes of the 89th, 90th and 91st meetings of the Board of Directors of Nalcor Energy held on November 10, 2015, November 27, 2015 and December 15, 2015, respectively, were included in the meeting papers circulated prior to the meeting.

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

THAT the minutes of the **EIGHTY-NINTH, NINETIETH** and **NINETY-FIRST** meetings of the Board of Directors of Nalcor Energy held on November 10, 2015, November 27, 2015 and December 15, 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.

1220. BUSINESS ARISING

There was no business arising.

1221. BOARD COMMITTEE REPORTS

1222. Report of Audit Committee

Mr. Shortall, Chair of the Nalcor Energy Board of Directors Audit Committee, reported on a recent meeting of that Committee. He stated that at the meeting the Committee reviewed the Financial Report for Nalcor and its various segments for year-end 2015. They reviewed the Audit Results Report with the external auditors and he stated that there was nothing of significance to note. They then reviewed the Financial Statements for all of the companies of the Nalcor group of companies, as well as the Nalcor Management Discussion and Analysis.

Mr. Shortall stated that two resolutions were passed at the meeting, one relating to the Nalcor Financial Statements and the MD&A and the other to the Financial Statements of the subsidiary companies. All of the Statements were approved for recommendation to the respective Boards for approval.

Mr. Shortall stated that the Manager of Internal Audit provided an update to the Committee. The Committee then held four separate in camera sessions, one with external auditors, one with the Manager of Internal Audit, one with representatives

of Management and the fourth involving the Committee members only. He stated that no issues arose from those sessions.

1223. SHEC Committee Report

Mr. Clift provided a Report to the Board with respect to the recent meeting of the Safety, Health, Environment and Community Committee.

Mr. Clift stated that the Committee reviewed the safety report for 2015. He stated that while many areas had zero incidents, overall the corporate safety targets were missed. There is a trend of incidents occurring with respect to new and young workers and this is being addressed. He stated that the company continues to move towards an ISO safety rating.

The Committee discussed with Management the reporting and recording of injury analysis. It was noted that the reporting of injuries does not always include an outline of the actual job that the worker was carrying out at the time of the incident and does not include a reference to the subsidiary involved. It was agreed that appropriate adjustments will be made with respect to future reporting.

With respect to the environment, Mr. Clift stated that all EMS targets were achieved in 2015. He stated that the EMS reporting will involve a greater focus with respect to non-regulated business units going forward. As well, the ISO 14001 standard has been revised and updated. The Corporation will be working towards achieving that rating over the next three years.

In the area of community, the Committee reviewed the results of the reputation survey. The Corporation has moved from 52 to 60 on the reputation index. He stated that response with respect to approval of Muskrat Falls continues to be at approximately 70%, but there is an increase from 19% to 20% of people against it.

The Committee reviewed the Corporate Research Associate Reputation Monitor results, which gave Nalcor a score of 6.3. This compares favourably with other Atlantic utilities and telephone companies. Mr. Clift stated that he would send details to the Board with respect to the subheadings included in that score.

1224. Compensation Committee

The Chair stated that a meeting of the Compensation Committee was scheduled for Monday, March 14th.

1225. FINANCE REPORT

Mr. Sturge reviewed the Finance Report included in the meeting papers. He reviewed the headlines and highlights outlined in the Report. He stated the annual actual loss of \$19.2 million was below the annual budget net income of \$125 million. He outlined the primary drivers for this discrepancy as outlined in the Report.

1226. COMPLIANCE CERTIFICATE

The Corporate Compliance Certificate included in the meeting papers was noted.

1227. AUDIT RESULTS REPORT

The Audit Results Report included in the meeting papers was noted. The Report had been reviewed by the Audit Committee with the external auditors.

Mr. Sturge reported that Management had not had the opportunity to respond to the Auditor's Management letter. A response will be provided in the near future and brought forward to the Audit Committee at its next meeting.

1228. LCP COMBINED FINANCIAL STATEMENTS

Mr. Sturge stated that the LCP combined Financial Statements were prepared for the purpose of providing them to the Government and the Government's Muskrat

Falls Oversight Committee. Mr. Sturge stated that they were reviewed by the Audit Committee and recommended for approval.

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

THAT the 2015 LCP Combined Financial Statements comprising of the Combined Statement of Financial Position, Combined Statement of Loss and Comprehensive Income, Combined Statement of Changes in Partners' Equity and the Combined Statement of Cash Flows, all for the year-ended December 31, 2015, be and they are hereby approved; and

THAT K. Marshall and G. Shortall, or any two Directors be and they are hereby authorized to sign said Financial Statements on behalf of the Board.

1229. 2015 CONSOLIDATED FINANCIAL STATEMENTS

Mr. Shortall stated that the Audit Committee had reviewed the Consolidated Financial Statements and recommended their approval by the Board. He noted changes that were made to the Statements. As well, the Management Discussion and Analysis was also reviewed by the Audit Committee and its approval was also recommended.

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

THAT the 2015 Management and Discussion Analysis and Consolidated Financial Statements comprising of the Consolidated Statements of Financial Position, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and the Consolidated Statements of Cash Flows, all for the year-ended December 31, 2015, as tabled and initialed by the Secretary for identification, be and they are hereby approved; and

THAT K. Marshall and G. Shortall, or any two Directors be and they are hereby authorized to sign said Financial Statements on behalf of the Board.

The Chair recognized the efforts of Mr. Shortall and the internal Finance team in the preparation of the various Financial Statements for Nalcor and the subsidiary Corporations.

1230.

PRESIDENT'S REPORT

Mr. Martin reviewed the President's Report, a copy of which was included in the meeting papers.

Mr. Martin reviewed the quilt. He stated that although targets were missed with respect to safety he believes the program is still sound. The Corporation will continue to follow that program. He stated that the missed targets in the Finance area are due largely to regulatory issues. He reviewed the performance of the various business units as outlined in the quilt.

1231.

BUSINESS UNIT REPORTS

The various Business Unit Reports included in the meeting papers were noted.

Mr. Abbass stated that at the recent Labrador-Island Link Operating Board meeting Mr. Bennett provided information with respect to the Muskrat Falls component of the Lower Churchill Project. He stated that the independent directors on the Board were unaware of activities ongoing with respect to the Muskrat Falls Powerhouse. It was agreed that consideration should be given to holding a meeting of the Lower Churchill Project Boards together to give them a report on the project as a whole, with that meeting then being followed by individual board meetings.

1232.

PROXY

1233.

GIPCO Annual General Meeting

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

THAT Nalcor Energy, a Shareholder of Gull Island Power Company Limited (“GIPCo”), hereby appoints Ed Martin and Gilbert Bennett or, failing either of them, Derrick Sturge, as proxies of Nalcor Energy to attend, vote and otherwise act for and on behalf of Nalcor Energy at the 2015 Annual General Meeting of the Shareholders of GIPCo, and at any adjournment thereof, in respect of all matters that may properly come before the meeting, in the same manner as Nalcor Energy could, if it were an individual Shareholder, each of them to have such power in respect of fifty (50) percent of all shares of GIPCo registered in the name of Nalcor Energy;

AND BE IT FURTHER RESOLVED

THAT any two of the Chairman, the President and Chief Executive Officer and the Secretary of Nalcor Energy, be and they are hereby authorized and directed to execute under the Corporate Seal of Nalcor Energy an instrument or instruments of proxy to the above effect;

AND BE IT FURTHER RESOLVED

THAT the Corporation will vote its shares at the forthcoming Annual Meeting of Gull Island Power Company Limited in favour of those individuals nominated for election as Directors of GIPCo.

**1234. APPOINTMENT OF GENERAL MANAGER FINANCE
BUSINESS UNITS**

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

WHEREAS pursuant to Sub-section 12(1) of the Energy Corporation Act, the Board of Directors has the authority to appoint officers of the Corporation;

THEREFORE BE IT RESOLVED THAT Jim Meaney be and is hereby appointed as General Manager, Finance (Business Units), effective March 3, 2016.

**1235. APPOINTMENT OF GENERAL MANAGER FINANCE
NALCOR**

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

WHEREAS pursuant to Sub-section 12(1) of the Energy Corporation Act, the Board of Directors has the authority to appoint officers of the Corporation;

THEREFORE BE IT RESOLVED THAT Carla Russell be and is hereby appointed as General Manager, Finance (Nalcor), effective March 14, 2016.

**1236. APPOINTMENT OF GENERAL MANAGER COMMERCIAL
MANAGEMENT AND INTEGRATION**

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

WHEREAS pursuant to Sub-section 12(1) of the Energy Corporation Act, the Board of Directors has the authority to appoint officers of the Corporation;

THEREFORE BE IT RESOLVED THAT Robert Hull be and is hereby appointed as General Manager, Commercial Management and Integration, effective March 3, 2016.

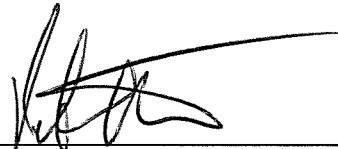
1237. IN CAMERA SESSION

Messrs. Sturge and Hickman left the meeting at this time. The Board members held an in camera session.

1238. TERMINATION

There being no further business, the meeting was terminated.


93rd Nalcor Energy Board Meeting
March 7, 2016
Page 9 of 9



Secretary

Adopted at a meeting held on

June 14, 2016



Chairperson