

MINUTES OF THE NINETY-SIXTH 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, MARCH 23, 2016 AT 11:00 A.M.

Present in Person: K. Marshall, Chair
E. Martin, Member
L. Abbass, Member

Present by Phone: T. Clift, Member
G. Shortall, Member

Present by Invitation: M. Roberts, Vice-President HROE
E. Waitzer, External Legal Counsel,
Stikeman Elliott (by phone)

Secretary: A. Malone

1253. CONSTITUTION OF THE MEETING

Notice for the meeting was sent on March 22, 2016. A quorum of members being present, the meeting was declared duly called and validly constituted for the transaction of business.

1254. SAFETY MOMENT

As availability of invitees was limited, the Board decided to make an exception to the agenda and proceed without a safety moment.

1255. AGM READINESS

The Chair noted that preparations for the 2016 Annual General Meeting would take place following the meeting of the Board of Directors.

1256. 2015 PERFORMANCE CONTRACTS

The Chair referenced a privileged and confidential legal opinion that was provided by Mr. Waitzer at the request of the Chair respecting the role and obligations of the Compensation Committee and Board of Directors in relation to payout of 2015 Performance Contracts. The Chair advised that Mr. Waitzer's firm, Stikeman Elliott, had determined that it is clear of conflict and can provide advice on the matter. The members of the Board confirmed that they had reviewed the opinion.

Mr. Waitzer informed the Board as to the background research he did in relation to Nalcor's corporate governance, by-laws, and the legislation under which Nalcor operates. He advised the Board of its rights and obligations, specifically in relation to fixing remuneration. He also noted that while it is clear that the Board is required to act in the best interests of Nalcor, he understood the importance of communicating the rationale for Board opinions and decisions to the Shareholder and considering the Shareholder's position on such matters.

Mr. Waitzer then referred to the opinion he provided to the Board and reviewed the various alternatives. The Board discussed the options with Mr. Waitzer and the implications of each for Nalcor, the Shareholder and other stakeholders. Mr. Roberts presented an overview of the financial impact of several payout scenarios. Following an in depth discussion, it was decided that the Board would seek further legal counsel to clarify some outstanding concerns before making a decision regarding their approach moving forward.

At this time, Mr. Waitzer and Mr. Clift left the meeting.

The remaining members of the Board briefly discussed salary adjustments and, as recommended by the Chair in his capacity as Chair of the Compensation

Committee, decided to defer making a decision regarding salary adjustments to a later meeting of the Board of Directors.

Mr. Clift dialed back in for the remainder of the meeting.

1257. IN CAMERA SESSION

Mr. Roberts and Ms. Malone left the meeting. All members of the Board participated in an in camera session.

1258. TERMINATION

There being no further business, the meeting was terminated.

Ann Malone
Secretary

Adopted at a meeting held on

June 14, 2016
[Signature]
Chairperson