

MINUTES OF THE ONE HUNDRED AND SECOND MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD VIA CONFERENCE CALL ON SUNDAY, OCTOBER 23, 2016 AT 4:00 P.M.

Present by Telephone: J. Green, Chair
D. Brewer, Member
H. Jacobs, Member
C. Loomis, Member
S. Marshall, Member

Present by Invitation: G. Bennett, Executive Vice-President
Power Development

Secretary: P. Hickman

1325. CONSTITUTION OF THE MEETING

All of the Directors agreed to the waiver of the requirement for Notice for the meeting. A quorum of Directors being present, the Chairperson declared the meeting duly called and validly constituted for the transaction of business.

1326. SAFETY MOMENT

Mr. Green provided a safety moment on Halloween safety.

1327. PROTEST AT MUSKRAT FALLS SITE

Mr. Marshall provided an update to the Board on the situation relating to the protest at the Muskrat Falls site. A group of people are at the site protesting the flooding of the reservoir, claiming that it will result in an increase in the levels of methyl mercury in the Churchill River and Lake Melville, to the point where it causes health problems for people living and fishing in the area.

Mr. Marshall stated that up until the previous day the protest was a blockade of the site, with the protestors not allowing any people in or out of the site. On the previous afternoon the security was breached and a number of individuals

entered on the site itself and proceeded to the accommodations complex. This has resulted in a very serious safety issue on the site.

Although an injunction was previously obtained, the RCMP have not taken action to remove individuals from the site. A Court Hearing was held earlier in the day to address this issue.

Mr. Bennett then provided the Board with a briefing outlining events relating to the protest, beginning from October 16 when the first protestors showed up at site, up until the day of the meeting. He stated that essential work, including work that needs to be completed before winter, was continuing, but approximately 800 non-essential workers had been demobilized from site, with more to follow.

Mr. Bennett stated that approximately 40 protestors were presently in the camp complex, with about 150 people at the main gate. The RCMP was considering their next steps with respect to how to deal with the protestors, particularly those in the camp complex.

Mr. Marshall stated that a meeting was scheduled for Tuesday, October 25 between the Aboriginal groups and the Government officials. He stated that Nalcor had agreed not to do any flooding until after that meeting. He emphasized, however, the scheduled flooding must occur in order to protect the integrity of the assets that are in place.

The Board discussed with Messrs. Marshall and Bennett the legal and commercial risks associated with the delays in work being experienced due to the protest. Mr. Marshall stated that the focus has been on emergency operations during the protest and when it is over, the focus will be on completing the work that needs to be done prior to the winter. Legal and commercial issues will undoubtedly arise in the coming weeks. He also noted that the schedule and


cost consequences resulting from the protest and the associated delays will not be known in the immediate future. An assessment will have to be carried out after the protest when the work has been completed. He also emphasized that the Corporation was considering how to make up for lost time to ensure that the delays in costs are minimized as much as possible.

Mr. Marshall noted that the transformer shipment that was to have occurred during the fall through the Community of Cartwright had been delayed until next spring. Given the unrest being experienced, it was felt that it would be prudent to delay the shipment of transformers. The risk of damage to the transformers was greater than the schedule risk associated with the delay.

1328.

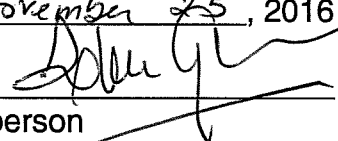
TERMINATION

There being no further business, the meeting was terminated.



Secretary

Verified at a meeting held on

November 25, 2016


Chairperson