

MINUTES OF THE ONE HUNDRED AND TENTH MEETING OF THE BOARD OF DIRECTORS OF NALCOR ENERGY HELD IN THE BAY D'ESPOIR ROOM, LEVEL 1, AND THE BOARDROOM, LEVEL 6, HYDRO PLACE, ST. JOHN'S, NEWFOUNDLAND AND LABRADOR ON WEDNESDAY, JUNE 21, 2017 AT 1:30PM

Present in person:

- B. Paddick, Chair**
- C. Hickman, Member**
- J. Green, Member**
- A. M. Hann, Member**
- J. Hillyard, Member**
- S. Marshall, Member**
- D. Oake, Member**
- E. Turpin, Member**
- B. Maynard, Member**
- D. Molloy, Member**

Absent:

- M. MacLeod, Member**

Present by Invitation:

- G. Bennett, Exec. VP Power Development**
- J. Haynes, President, NL Hydro**
- J. Keating, Executive VP Corp. Services & Offshore Development**
- J. MacIsaac, Exec. VP Power Supply**
- D. Sturge, Executive VP Finance and CFO**
- C. Chen, Korn Ferry-HayGroup**
- K. Lee, Korn Ferry-HayGroup**

Secretary:

- P. Hickman**

1446. CONSTITUTION OF THE MEETING

Notice for the meeting was sent to all members of the Board on June 1, 2017. A quorum of Directors being present, the Chairperson declared the meeting duly called and validly constituted for the transaction of business. The initial portion of the meeting was held in the Bay D'Espoir Room.

1447. SAFETY MOMENT

The Directors adopted the safety moment that was presented earlier in the day at an information session involving the Boards of Directors of Nalcor Energy and the six Lower Churchill Project related Corporations ("Information Session").

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Messrs. Bennett, Haynes, C. Hickman, Keating, MacIsaac and Sturge and Ms. Molloy were not in attendance at this time.

1448. REPORT FROM HR AND COMPENSATION COMMITTEE

Messrs. Christopher Chen and Kennedy Lee from Korn Ferry HayGroup (KFHG) joined the meeting at this time.

The Chair stated that the Board had requested that KFHG carry out a review of executive compensation at Nalcor and NLH. A Report was produced by KFHG and was distributed to the Directors prior to the meeting. He stated that Messrs. Chen and Lee had presented the Report to the HR and Compensation Committee at a recent meeting of that Committee and were asked to attend the Board meeting to review the Report with the full Board of Directors. The Chair noted that the purpose of the presentation was to provide information to the Board; no recommendation was being made and no decision of the Board was required at that time.

Messrs. Chen and Lee reviewed the Report with the Board. Mr. Chen began by reviewing the executive summary of the Report. He stated that while the base salaries for Nalcor Executives are generally aligned with median of the All Utilities market, they fall below those of the All Industrial and Commercial Industrial markets. He stated that it is KFHG's recommendation that the target for Nalcor's Executive compensation be the median of the All Industrial market. He stated that the rationale for that is the substantial investments that Nalcor has in non-regulated power supply and distribution activities, oil and gas, industrial fabrication and energy marketing, as well as the fact that it competes with local/neighbouring investor owned utilities and their subsidiaries in attracting and retaining executive talent.

Mr. Chen stated that the absence of a long-term incentive plan in Nalcor is a gap in the Company's executive compensation. It is KFHG's opinion that the

utilization of such a plan would help to focus the executive team on the long term success of Nalcor, as well as bridge the compensation gap which presently exists. Messrs. Chen and Lee reviewed the various graphs and tables included in the Report outlining the proposed compensation structure. This included a comparison of the present model with the proposed model.

The Board inquired as to whether the Corporation has experienced difficulties recruiting executives. Mr. Marshall stated that the experience has been that usually nobody applies from private companies for the executive positions, and those that do apply tend to be currently occupying more junior positions.

Messrs. Chen and Lee left the meeting at this time.

The meeting was adjourned at 2:30pm.

The meeting reconvened in the Boardroom at 4:15pm. Messrs. Bennett, Haynes, C. Hickman, Keating, MacIsaac and Sturge and Ms. Molloy joined the meeting at this time.

1449. INCREASE IN LCP COSTS

It was noted that the Directors had received a Lower Churchill Project update from Management at the Information Session. As well, Directors had received at that session a briefing from Mr. Marshall regarding the increase in costs of the LCP. A memo relating to the increase in costs was included in the meeting papers.

The Directors expressed concern at the Information Session regarding the increase in both the capital and the operating and maintenance costs of the Project. Mr. Marshall outlined to the Directors the process and timing of the work undertaken to determine the increase in cost. In response to questions from the Directors regarding the reliability of the revised estimate, Mr. Marshall confirmed

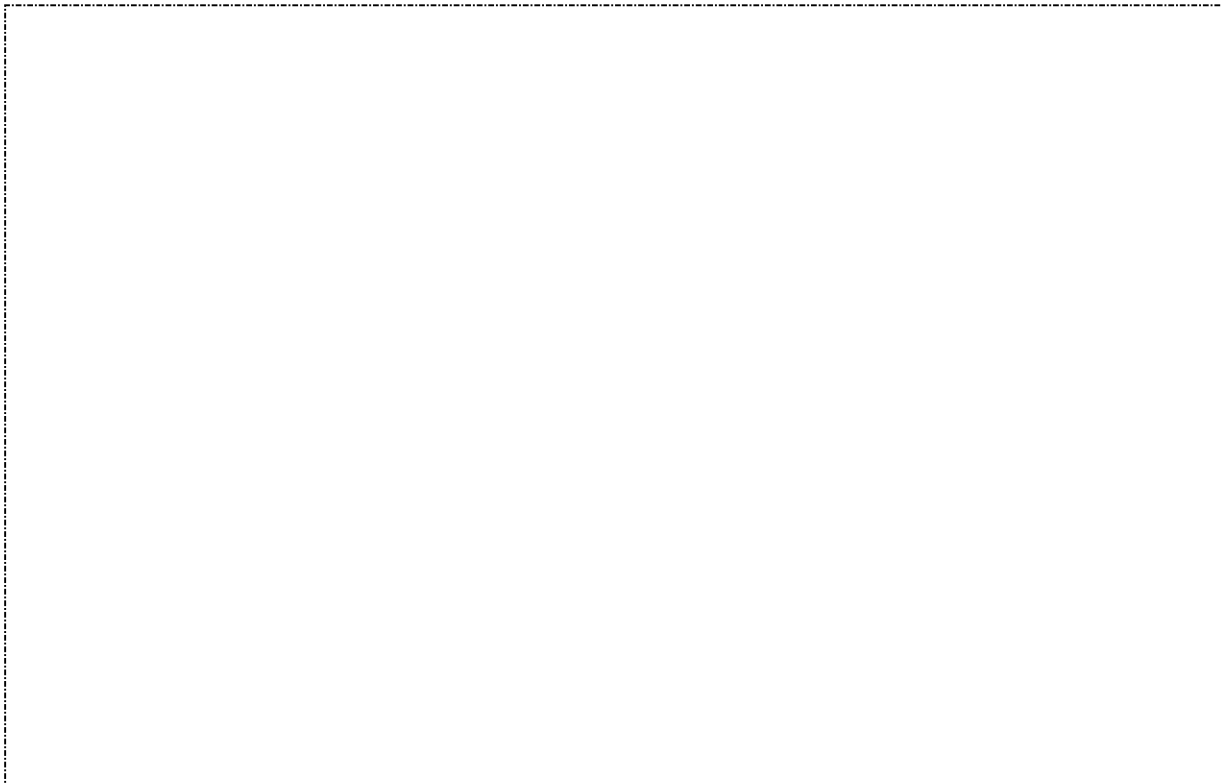
that what he presented represents the best estimate of the in-service cost at this time, but stated that there is a real possibility that the costs will increase further.

At the Board meeting the Directors discussed a meeting that members of Management had with the Provincial Cabinet on the previous day and the approach being taken with respect to the public update scheduled for later in the week.

Mr. Bennett reported steps were being taken to reduce the water level of the reservoir. He stated that this would mean that the work on installing the safety boom would have to be deferred to later in the year, as it is not safe to do this work at the lower levels. The Board discussed the need to return the levels of the reservoir to 25 metres in the fall, so that the boom can be put in place prior to the winter to mitigate risk of damage occurring to the assets during the winter months.

1450.

SALE OF NLH ASSETS



Messrs. Haynes, Keating, Bennett, Sturge and MacIsaac left the meeting at this time.

1451. VERIFICATION OF MINUTES

A copy of the minutes of the **ONE HUNDRED** and **NINTH** meeting of the Board of Directors held on May 9, 2017, was included in the meeting papers circulated prior to the meeting.

On motion duly made by A. M. Hann, seconded D. Oake and unanimously carried, it was resolved:

THAT the minutes of the **ONE HUNDRED AND NINTH** meeting of the Board of Directors of Nalcor Energy held May 9, 2017, which minutes are currently before this meeting, be and they are hereby verified as being correct; and

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

1452. COMMITTEE REPORTS

The Reports from the Safety, Health, Environment and Community Committee and the Governance Committee were deferred.

**1453. APPROVAL OF ANNUAL TRANSPARENCY AND
ACCOUNTABILITY PERFORMANCE REPORT**

The Annual Transparency and Accountability Performance Report included in the meeting papers for the consideration and approval of the Board was distributed to the Board prior to the meeting. The Board discussed the contents of the Report. Some of the Directors felt that there should be more included in the

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Report about outcomes and achievements. It was suggested that a Committee of the Board should provide more direction on the content in these reports in the future.

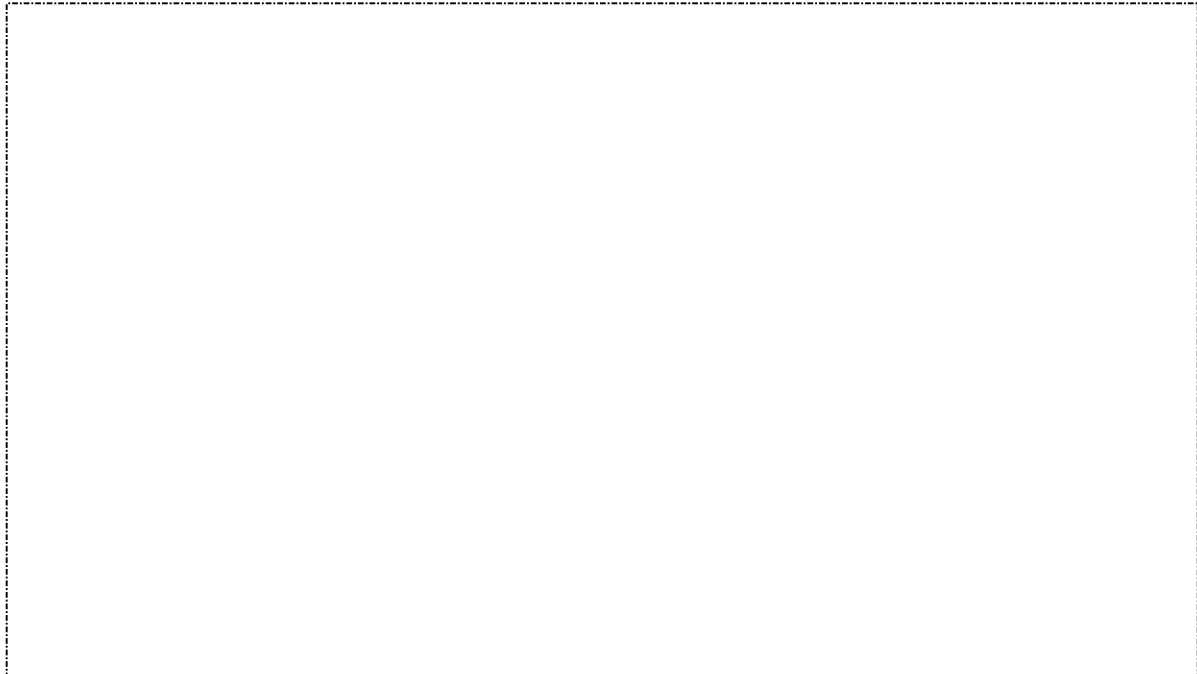
It was agreed that at the next meeting of the Safety, Health, Environment and Community Committee, Management would attend and explain the process related to the drafting of the Report, the coordination with Government, etc.

On motion duly made by J. Green, seconded by E. Turpin and unanimously carried, it was resolved:

THAT the 2016 Annual Transparency and Accountability Performance Report dated June 2017, be and it is hereby approved.

1454.

WHITE ROSE WELLHEAD PLATFORM



1455. APPROVAL OF SHAREHOLDER RESOLUTIONS

On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

Brendan Paddick
Stan Marshall
Justin Ladha
Mark MacLeod
Brian Maynard

On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

Edna Turpin
Stan Marshall
Mark MacLeod
Debbie Molloy
David Oake

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On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

Brian Maynard
John Green
Stan Marshall
Gregory Connors
Debbie Molloy

On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

Christopher Hickman
Stan Marshall
Jack Hillyard
John Quaicoe
Richard Daw

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On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

Ann Marie Hann
Stan Marshall
Ronald Cole
John MacIsaac
Derrick Sturge
Chris Woodford

On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

Brendan Paddick
Ann Marie Hann
Chris Loomis
Desmond Whalen
Christopher Hickman
David Oake

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On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

Jack Hillyard
Ann Marie Hann
John MacIsaac
Derrick Sturge
Sheila Kelly-Blackmore

On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

John Green
Stan Marshall
Edna Turpin
Libby Burnham
Ron Ellsworth

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On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

John MacIsaac
Stan Marshall
Gilbert Bennett
Mike Roberts
Donna Stone
June Perry

On motion duly made by D. Oake, seconded by J. Green 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 2016 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:

John Green
Stan Marshall
Derrick Sturge
Robert Henderson
Gilbert Bennett

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1456. CORPORATE COMPLIANCE CERTIFICATES

The Corporate Compliance Certificates included in the meeting papers for the information of the Directors were noted.

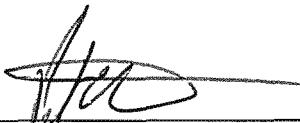
1457. IN CAMERA SESSION

Mr. Hickman left the meeting at this time.

The Board of Directors, including Mr. Marshall, held an in camera session. Premier Dwight Ball and Minister Siobhan Coady joined the meeting at this time.


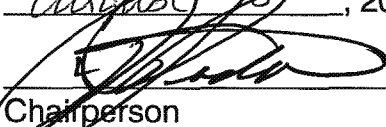
1458. TERMINATION

There being no further business, the meeting was terminated.



Secretary

Verified at a meeting held on


_____, 2017


Chairperson