

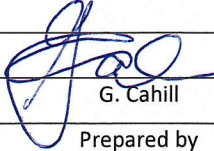
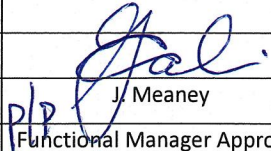
Nalcor Energy – Lower Churchill Project



Delegation of Authority President & CEO

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B1	2 Aug 16	Issued For Use	 G. Cahill	 J. Meaney
Status / Revision	Date	Reason for Issue	Prepared by	Functional Manager Approval

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LOWER CHURCHILL PROJECT - APPROVAL AUTHORITY LIMITS MATRIX

PHASE I - MUSKRAT FALLS (POST-SANCTION)

(\$,000 CDN)

	Ref. #	Board of Directors	President & CEO	EVP Power Development	EVP Power Supply	EVP Finance & CFO	EVP Power Development & EVP Finance & CFO (Note 7)	EVP Power Supply & EVP Finance & CFO (Note 7)
AUTHORIZATION AUTHORITY								
Master AFE	A2	Unlimited	-	-	-	-	-	-
Supplemental AFE	A3	Unlimited	-	-	-	-	-	-
Requisition in respect of:	A4		-	-	-	-	-	-
- Award Recommendation (Contract/PO)	C1.3		AFE Total	50,000	50,000	10,000	100,000	100,000
- Change Order (Note 2)	C1.5	-	AFE Total	50,000	50,000	10,000	100,000	100,000
- Single Source (Note 3)	C1.4	-	AFE Total	25,000	25,000	7,500	-	-
- Work Task Orders (Note 4)	C1.6, C1.7	-	AFE Total	10,000	10,000	5,000	-	-
- Personnel Authorization Assignment	C1.7	-	AFE Total	10,000	10,000	-	-	-
Contingency (Note 5)	C1.8	-	AFE Total	AFE Total	AFE Total	-	-	-
COMMITMENT AUTHORITY (NOTE 6)								
Contract/PO	C1.3		AFE Total	50,000	50,000	10,000	100,000	100,000
Change Order	C1.5		AFE Total	50,000	50,000	10,000	100,000	100,000
Single Source	C1.4		AFE Total	25,000	25,000	7,500	-	-
Work Task Orders	C1.6, C1.7		AFE Total	10,000	10,000	5,000	-	-
Personnel Authorization Assignment	C1.7		AFE Total	10,000	10,000	-	-	-
Purchase Card	C2	Restricted to \$3,000 per transaction by those who have been assigned these cards (travel can be charged to the card without value restriction and subject to an approved travel requisition.)						
VERIFICATION AUTHORITY								
Approval of invoices associated with Financial Commitments	V1	Budget Holder approval: - Subject to acceptable financial and technical verification - Limited to the value (in the aggregate) of the Financial Commitment						

Note 1:

- Permanently delegated authority should be commensurate with normal activities associated with responsibilities of the position. Permanent delegation should not be greater than 75% of the authority of the delegator.
- Temporary delegation can be assigned up to 100% of the authority of the delegator and should not exceed one month in duration.

Note 2:

A Change Order cannot result in the cumulative value of the Financial Commitment to be greater than the approved value of the associated Requisition.

Note 3:

All Single Source Justifications must also be approved by the Project Director (as it pertains to construction and transition to operations) or the VP Finance & CFO (as it pertains to debt and equity financing) and the Supply Chain Manager.

Note 4:

Each Work Task Order must represent a discrete scope of work and be associated with a Master Service Agreement. Level of approval authority for revised Work Task Orders is determined by the cumulative value of the Work Task Order.

Note 5:

Authorization Authority applied to the use of Contingency funds is delegated from the CEO to EVP Power Development or EVP Power Supply and on to the respective Project Directors, in accordance with their respective AFE's. The limitations on Contingency are as approved in each of the AFE's.

Note 6:

Execution must be preceded by an approved Requisition, along with completion of (and compliance with) business processes and controls outlined in:

- Procurement Management Plan
- Contract Due Diligence Procedure
- Financial Authority Procedure

All Financial Commitments are executed by both the LCP Supply Chain Manager and the LCP Budget Holder responsible for the work scope and budget covered by the Financial Commitment

Note 7:

Where either an Award Recommendation or Change Order results in a Requisition valued between \$50,000M and \$100,000M, it will require approval by both EVP Power Development and EVP Finance & CFO or EVP Power Supply and EVP Finance & CFO, subject to the owner of the particular scope of work affected.

Stan Marshall
President & CEO

2 August 2016
Date