

**Response to GT RFI #Q10.34**

*Question: Did Nalcor executive or LCP project management receive bonuses or other incentive payments as a result of their performance on the LCP? If so, please provide a summary of the annual payments by individual and an explanation (including supporting documents) of how these payments were determined (i.e. individual performance reviews, KPI's referenced in Q10.32 or other)?*

*For the time period from 2013-2018 including the following: Ed Martin, Gilbert Bennett, Paul Harrington, Ron Power, Greg Fleming, Jason Kean, and Scott O'Brien.*

**Response:**

LCP Project team members Paul Harrington, Ron Power, Greg Fleming, Jason Kean, and Scott O'Brien are not entitled to bonuses or other incentive payments on the LCP.

The following information is inclusive of details related to short term incentives (STI's)/performance contracts for Ed Martin for the period 2013-2016 and Gilbert Bennett for the period 2013 - 2018. Nalcor provides a variable component of compensation linking pay to organizational and individual performance to its Executives and a limited number of other senior managers (PG-10 and above). The amount of variable pay as a percentage of total compensation is reflective of level within the organization. Performance contracts document the corporate and divisional performance elements (which are more specific to the relevant line of business). These are weighted reflective of the positions level in the organization and is summarized below. There is opportunity to achieve above target on each performance measurement; and receive an opportunity payment. Payment is calculated as a percentage of base pay.

The Performance Contract comprises of Key Performance Indicators (KPI's) in two components: (1) Part A - Corporate measures which are based on key business drivers that influence overall Nalcor business results and (2) Part B - Divisional/Department measures specific to the relevant line of business (e.g., LCP or Hydro). The contract design for weighting of KPI's is noted below for Mr. Martin and Mr. Bennett as well as individual summaries and supporting documents.

**Contract Design, 2012 - 2016**

Employee	Organizational Level	Target Payout as a % of Base	Corporate KPI %	Divisional KPI %
E Martin	CEO & President	30%	30%	70%
G Bennett	Vice President/EVP	20%	30%	70%

**Contract Design, as of January 1, 2017**

Employee	Organizational Level	Target Payout as a % of Base	Corporate KPI %	Divisional KPI %
G Bennett	Executive Vice President	20%	70%	30%

**Ed Martin**

Please see below noted document as a summary of performance contracts for Mr. Martin 2012 - 2015. The Part B portion of the performance contract for Mr. Martin was based on individual performance assessed by the Nalcor Board of Directors (approvals of such are attached).

- E Martin STI Summary 2012 – 2016.pdf

Also included are the annual performance contract details for 2012 - 2014 (Part A) indicating KPI's met at Threshold, Target, or Opportunity. There are no PC documents for 2015 and 2016 for Mr. Martin however approvals for payment for 2015 are included in Board resolutions; 2016 was part of settlement upon departure.

- 2012 Performance Contract E. Martin.pdf
- 2012 PC Email Thread for E. Martin Approval March 2013.pdf
- 2013 Performance Contract – E. Martin.pdf
- 2013 PC Email Thread for E. Martin Approval March 2014.pdf
- 2014 Performance Contract – E. Martin.pdf
- 2014 PC Email Thread for E. Martin Approval March 2015.pdf
- CEO – Meeting Resolutions approving compensation from 2013 to 2015 for P. Beer - Nov.pdf

**Gilbert Bennett**

Please see below noted document as a summary of performance contracts for Mr. Bennett 2013 - 2017. The 2018 Performance Contract will completed on December 31, 2018 and reviewed in January 2019 for objectives versus results.

- G Bennett STI Summary 2013 – 2017.pdf

Also included are the annual performance contract details for 2013 - 2017 indicating KPI's met at Threshold, Target, or Opportunity.

- 2012 Performance Contract – G. Bennett.pdf
- 2013 Performance Contract – G. Bennett.pdf
- 2014 Performance Contract – G. Bennett.pdf
- 2015 Performance Contract – G. Bennett.pdf
- 2016 Performance Contract – G. Bennett EVP.pdf
- 2016 Performance Contract – G. Bennett VP.pdf
- 2017 Performance Contract – G. Bennett.pdf

**Date Prepared:**

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