
CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The principal functions of Nalcor Energy's Board of Directors include:

- (a) developing Nalcor's approach to corporate governance;
- (b) reviewing and approving the business, financial, strategic and other plans to enable Nalcor to execute its strategy;
- (c) adopting processes for monitoring the company's progress toward its strategic and operational goals;
- (d) approving the audited financial statements and Management's Discussion and Analysis;
- (e) ensuring that Management has a process for identifying the principal business risks;
- (f) overseeing the integrity of the internal control systems;
- (g) ensuring that Nalcor has processes for operating within applicable laws and regulations;
- (h) ensuring the company has a compensation philosophy and framework;
- (i) ensuring a process is in place to measure the performance of senior executives of Nalcor;
- (j) ensuring Management creates a culture of integrity throughout the organization; and
- (k) ensuring that succession plans are in place for senior Management, including the President and CEO.

The Board also has four committees:

1. Audit
2. Corporate Governance
3. Human Resources and Compensation
4. Safety, Health, Environment and Community

Nalcor has the following subsidiary companies (in addition to Newfoundland and Labrador Hydro), each with its own Board of Directors (listed as at Dec. 31, 2017).*

*Excludes currently inactive legal entities Gull Island Power Company Limited and Lower Churchill Development Corporation Limited

CORPORATE GOVERNANCE

CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED

BRENDAN PADDICK
Chairperson
CEO, Columbus Capital Corp.

RICHARD CACCHIONE
President, Hydro-Québec Production

STELLA LENEY
Vice President Corporate Affairs and Corporate Secretary,
Hydro-Québec

JOHN GREEN
Lawyer, McInnes Cooper

STAN MARSHALL
President and CEO, Nalcor Energy

BOB WARR
Managing Director, Nor-Lab Limited

NALCOR ENERGY – OIL & GAS INC.

BRENDAN PADDICK
Chairperson
CEO, Columbus Capital Corp.

JUSTIN LADHA
Vice President, KMK Capital Inc.

MARK MACLEOD
President and CEO C-Core

STAN MARSHALL
President and CEO, Nalcor Energy

BRIAN MAYNARD
Retired Oil and Gas Executive

NALCOR ENERGY – BULL ARM FABRICATION INC.

EDNA TURPIN
Chairperson
Psychologist/Corporate Director

MARK MACLEOD
President and CEO, C-Core

STAN MARSHALL
President and CEO, Nalcor Energy

DEBBIE MOLLOY
Vice President, Corporate Services, Eastern Health

DAVID OAKE
President, Invenio Consulting Inc.

TWIN FALLS POWER CORPORATION LIMITED

CHRIS KIELEY
President
Vice President, Strategic Planning and Business Development,
Nalcor Energy

VAN ALEXOPOULOS
Director, Commercial Services, Iron Ore Company of Canada

ORAL BURRY
Manager, Safety, Health and Environment, CF(L)Co

ROBERT HULL
General Manager, Commercial Management and Integration,
Nalcor Energy

MAURICE MCCLURE
Vice President, Finance and Strategy,
Iron Ore Company of Canada

JIM MEANEY
Vice President, Finance, Power Supply, Nalcor Energy

MIKE ROBERTS
Chief Human Resources Officer and Vice President,
Safety, Health and Sustainability, Nalcor Energy

CORPORATE GOVERNANCE

LOWER CHURCHILL MANAGEMENT CORPORATION
JOHN MACISAAC

Chairperson
Executive Vice President, Power Supply, Nalcor Energy

GILBERT BENNETT

Executive Vice President, Power Development, Nalcor Energy

STAN MARSHALL

President and CEO, Nalcor Energy

JUNE PERRY

President and CEO, Pilot Communications

MIKE ROBERTS

Chief Human Resources Officer and Vice President,
Safety, Health and Sustainability, Nalcor Energy

LABRADOR-ISLAND LINK GENERAL PARTNER CORPORATION
(General Partner of Labrador-Island Link Limited Partnership)
JOHN GREEN

Chairperson
Lawyer, McInnes Cooper

LIBBY BURNHAM

Lawyer

RON ELLSWORTH

Business Person

STAN MARSHALL

President and CEO, Nalcor Energy

EDNA TURPIN

Psychologist/Corporate Director

GEOFF GOODYEAR

Retired

LABRADOR-ISLAND LINK HOLDING CORPORATION
JACK HILLYARD

Chairperson
Retired BMO Executive

SHEILA KELLY-BLACKMORE

Business Person

JOHN MACISAAC

Executive Vice President, Power Supply, Nalcor Energy

DERRICK STURGE

Executive Vice President, Finance and Chief Financial Officer,
Nalcor Energy

BRENDAN PADDICK

CEO, Columbus Capital Corp.

LABRADOR-ISLAND LINK OPERATING CORPORATION
BRENDAN PADDICK

Chairperson
CEO, Columbus Capital Corp.

CHRISTOPHER HICKMAN

CEO, Marco Group of Companies

CHRIS LOOMIS

Professor (Retired)
Memorial University of Newfoundland

DAVID OAKE

President Invenio Consulting Inc.

DESMOND WHALEN

Medical Doctor, Faculty of Medicine
Memorial University of NL

GEOFF GOODYEAR

Retired

CORPORATE GOVERNANCE

LABRADOR TRANSMISSION CORPORATION

RONALD COLE
Chairperson
Lawyer, Cole Law Offices

JOHN MACISAAC
Executive Vice President, Power Supply, Nalcor Energy

STAN MARSHALL
President and CEO, Nalcor Energy

CHRIS WOODFORD
Architect, Woodford Sheppard Architecture

DERRICK STURGE
Executive Vice President, Finance and Chief Financial Officer,
Nalcor Energy

BRENDAN PADDICK
CEO, Columbus Capital Corp.

MUSKRAT FALLS CORPORATION

CHRISTOPHER HICKMAN
Chairperson
CEO, Marco Group of Companies

RICHARD DAW
Chartered Accountant

JACK HILLYARD
Retired BMO Executive

STAN MARSHALL
President and CEO, Nalcor Energy

JOHN QUAIKOE
Professor, Faculty of Engineering and Applied Science
Memorial University of Newfoundland

EDNA TURPIN
Psychologist/Corporate Director

NALCOR ENERGY MARKETING CORPORATION

BRIAN MAYNARD
Chairperson
Retired Oil and Gas Executive

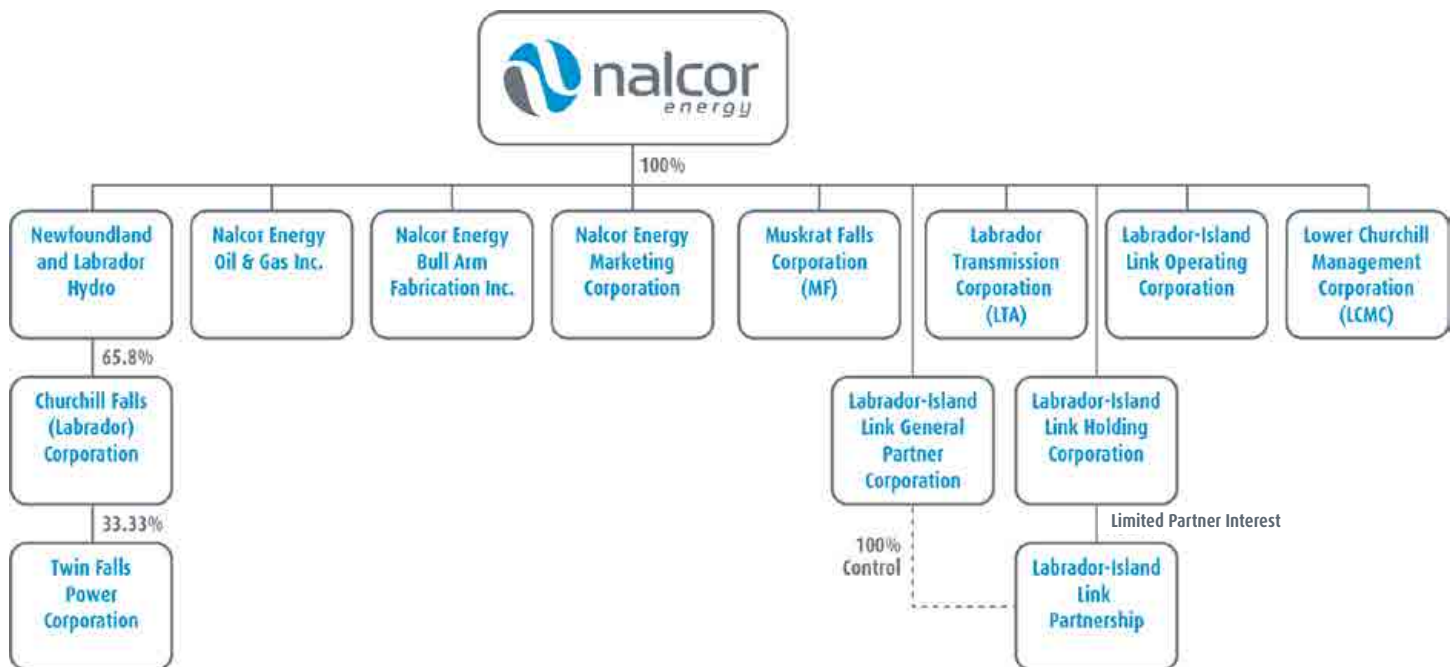
GREGORY CONNORS
Lawyer, McInnes Cooper

JOHN GREEN
Lawyer, McInnes Cooper

STAN MARSHALL
President and CEO, Nalcor Energy

DEBBIE MOLLOY
Vice President, Corporate Services, Eastern Health

CORPORATE GOVERNANCE



AUDIT COMMITTEE

The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the integrity of Nalcor's financial statements, financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance;
- Identify and monitor the management of the principal risks that could impact the financial reporting of Nalcor;
- Appoint, approve compensation, and monitor the independence and performance of Nalcor's external auditors;
- Monitor the compliance by Nalcor with legal and regulatory requirements;
- Provide an avenue of communication among the external auditors, management, and the Board of Directors; and
- Encourage continuous improvement of, and foster adherence to, Nalcor's policies, procedures and practices at all levels.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee's primary duties and responsibilities are to:

- a) Develop governance principles for Nalcor and its subsidiaries that are consistent with high standards of corporate governance and review and assess on an ongoing basis Nalcor's system of corporate governance;
- b) Identify and recommend candidates for appointment to the Nalcor Boards in the event of a vacancy;
- c) Review and recommend a process for Director orientation, assessment, and compensation; and
- d) Enterprise Risk Management with respect to Nalcor and its subsidiaries.

HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Human Resources and Compensation Committee's primary duties and responsibilities are to:

- a) Establish and maintain a compensation philosophy and framework for Nalcor;
- b) Consider Nalcor's approach to and policies for recruiting, developing and motivating Executives and executive compensation and human resources issues;
- c) With the Chair of the Board of Directors, undertake an annual performance review of the President and CEO of Nalcor and report and/or make recommendations to the Board of Directors;
- d) Review and assess annually corporate performance metrics;
- e) Review and assess annually Nalcor's succession planning policies and practices for Executives, and report and/or make recommendations to the Board of Directors;
- f) Review the approach to employment diversity and inclusion;
- g) Review compliance with Nalcor's Code of Conduct; and
- h) Review Nalcor's labour relations strategies and recommend to the Board of Directors negotiating mandates for collective bargaining.

SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY COMMITTEE

The Safety, Health, Environment and Community Committee's primary duties and responsibilities are to:

- a) Review and report to the Board of Directors on Nalcor's maintenance of safety, environment and health policies, procedures and practices and in the conduct of its operation, directed to prevent injury to its employees, the public and the environment;
- b) Review with Management whether Nalcor's safety, environment and health policies are being effectively implemented and in compliance with statutory and regulatory requirements;
- c) Review the findings of reports arising from internal and external audits and assessments of safety, environment and health issues, together with Management's response thereto and oversee to ensure that there is an agreed course of action leading to the resolution of any concerns, deficiencies or outstanding issues and timely follow-up on any unresolved matters;
- d) Review with Management the impact of proposed legislation in matters of safety, environment and health on the operations of Nalcor;
- e) Review and approve annually the safety and environmental audit plans by Nalcor and external auditors and review of annual Corporate safety performance and Corporate environmental report;
- f) Review with Management and make recommendations to the Board of Directors as appropriate on Nalcor's safety, environment, health and community programs, policies and procedures and any other matters relating to safety, environment, health and community that it considers relevant;
- g) Review with Management annually the three-year Corporate Reputation Plan and annual reputation priorities; and
- h) Meet with the Vice-President/Manager responsible at least annually to review safety, environmental, health or reputation matters that could have a material impact on Nalcor's reputation, business or financial position and report to the Board of Directors thereon in a timely manner.

CORPORATE GOVERNANCE

POLICY ON INDEPENDENCE OF EXTERNAL AUDITORS

The External Auditor Independence Policy is a policy governing Nalcor Energy and its subsidiaries' relationship with the External Auditor, including:

- a) establishing a process for determining whether various non-audit and other services provided by the External Auditor affects its independence;
- b) identifying the services that the External Auditor may and may not provide to Nalcor;
- c) pre-approving all services to be provided by the External Auditor; and
- d) establishing a process for hiring current or former members of the Audit Management Team of the External Auditor in a financial reporting oversight role to ensure auditor independence is maintained.

EXTERNAL AUDITOR'S FEES

The External Auditor of Nalcor and its subsidiaries is Deloitte. Deloitte has been the External Auditor since 2003. Professional fees incurred in 2017 in connection with audit and audit-related services were \$1.0 million (2016 - \$0.9 million) and fees related to non-audit services were \$nil (2016 - \$0.2 million).