

NOV 10 2016

Mr. H. Stanley Marshall
President and Chief Executive Officer
Nalcor Energy
Hydro Place, 500 Columbus Drive
P.O. Box 1280
St. John's, NL A1B 0C9

Dear Mr. Marshall:

RE: Section 15 of the Conflict of Interest Act, 1995, SNL1995 c. C-301 (the Act)

Thank you for your letter of July 22, 2016, and your subsequent correspondence on August 11, 2016, requesting confirmation that you are not in a conflict of interest within the meaning of the *Conflict of Interest Act, 1995* (the Act) with respect to serving as a director of various corporations and owning long-term common shares of publicly-traded corporations.

As you are aware, the Act imposes obligations on a public office holder (POH), or a family member or other person who resides in the household of the POH. Generally, while the office is held:

1. The POH shall not participate in a decision that may benefit the POH, family member, household member, either improperly, directly or indirectly;
2. The POH shall not attempt to influence a decision made by another person that may benefit the POH, family member, or household member; and,
3. The POH generally cannot be a party to a contract with the entity with which they work (please refer to s.8.4 (a-h) of the Act for exceptions).

In considering your request, I have consulted the Conflict of Interest Advisory Committee and the Department of Justice and Public Safety. Enerflex does not do business with Nalcor or its subsidiaries at this time and the Committee does not view your directorship with that company as presenting a conflict within the meaning of the Act. Furthermore, the Department of Justice and Public Safety advises that neither your previous position with Fortis, nor your current ownership of shares in private corporations, constitutes any automatic form of conflict of interest under the Act. Instead, as contemplated by the Act, potential conflicts have to be identified as they arise on an operational basis. As a result, given the importance of the obligations imposed by the Act, I respectfully ask that in addition to your disclosure requirements under the Act in the event of a potential conflict, you notify me if you become aware that the companies of which you or members of your household are either a shareholder or a board member begin to do business

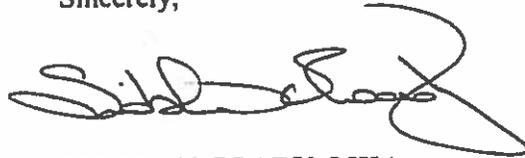
with Nalcor or its subsidiaries, or if at any time you own more than ten percent of the shares of any corporation.

With respect to your correspondence of 11 August 2016, I appreciate your disclosure of your personal share holdings and former directorships. Obviously, the provisions of the Act will continue to apply in respect to all of your personal shareholdings, in that if you find yourself in a position in the course of your duties as CEO that there may be a conflict of interest as a result of these share interests, the Act imposes standards on such situations and requires your disclosure of same to me as Minister at the earliest opportunity.

As you can appreciate, good governance would require you to recuse yourself from any strategic, policy or commercial decisions or transactions which directly involve any company for which you may have a direct conflict. As there may be a perceived conflict of interest with Fortis Inc and its subsidiaries, please ensure you are removed from the decision making process with prospect for material effect or benefit to Fortis Inc or Newfoundland Power generally.

Once again, thank you for writing to seek clarification on this important matter. Our government is committed, as I know you are, to ensuring that we use the highest standards of conduct in serving the interests of the people of Newfoundland and Labrador.

Sincerely,

A handwritten signature in black ink, appearing to read 'Siobhan Coady', written in a cursive style.

SIOBHAN COADY, MHA
St. John's West
Minister