June 24, 2016

Dear [REDACTED]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act, 2015 [Our File #: PRE/34/2016]

On May 27, 2016, the Premier’s Office received your request for access to the following records/information:

"Please provide all correspondence, meeting minutes, files, and other documents which have been submitted to the Department of Justice for review in response to the change of CEO and Board of Directors at Nalcor. These records should cover the period from April 1, 2016 - May 27, 2016."

I am pleased to inform you that a decision has been made by the Chief of Staff of the Premier’s Office to provide access to some of the requested information. The attached records are publicly available, notwithstanding the fact that they are part of the Department of Justice and Public Safety’s review and are subject to solicitor and client privilege. Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

30. (1) The head of a public body may refuse to disclose to an applicant information

(a) that is subject to solicitor and client privilege or litigation privilege of a public body;

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible. In accordance with your request for a copy of the records, the appropriate copies have been enclosed.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.
The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you. It is the goal to have the responsive records posted to the Office of Public Engagement’s website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact me by telephone at (709)729-3570 or by e-mail at joybuckle@gov.nl.ca.

Sincerely,

Joy Buckle
ATIPP Coordinator

Enclosures
Access or correction complaint

42.(1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52(1) or 53(1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21;

(b) a decision respecting an extension of time under section 23;

(c) a variation of a procedure under section 24; or

(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.
Direct appeal to Trial Division by an applicant

52. (1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16(2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner's refusal under subsection 45(2).
THIS SETTLEMENT AGREEMENT made as of April 20, 2016.

BETWEEN:

NALCOR ENERGY
(hereinafter called "Nalcor")

OF THE ONE PART

AND:

EDMUND MARTIN, of the City of St. John's,
in the province of Newfoundland and Labrador
(hereinafter called the "Executive")

OF THE OTHER PART

WHEREAS the Executive has announced he is stepping down as President and Chief Executive Officer of Nalcor and its subsidiaries effective the date hereof;

AND WHEREAS the Board of Directors of Nalcor have been advised by the Government of Newfoundland and Labrador that in all the circumstances it has agreed that the Executive is entitled to receive the severance and pay in lieu of notice payments and benefits as if the Executive been released by the Board of Directors under clause 16 without cause pursuant to the Executive Employment Agreement between the parties hereto dated as of November 2, 2009 (the Contract)

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of these presents and the mutual covenants herein set forth, Nalcor and the Executive agree as follows:

1. Nalcor shall pay and grant to the Executive:

   (a) Severance – (i) salary and all benefits (including extended health, drugs, life insurance and dental coverage under such plans or programs that apply to executives while employed for Nalcor), cost shared where applicable, for the equivalent period of two (2) years (twenty four (24) months) in lieu of notice plus the equivalent of the highest annual bonus received in the Executive's best total compensation year prior to the date of termination for each year of the two year pay in lieu of notice period. This amount(s) shall be paid to the Executive in lump sum upon execution of this Agreement subject only to the Executive's direction for payment for tax sheltering purposes; (ii) outplacement services up to $25,000.00 as invoiced to Nalcor by the service provider;

   (b) Other provisions – (i) as agreed by the Executive and the Board of Directors, a lump sum payment of the SERP benefits to which the Executive is entitled under the terms of the Contract; (ii) any other payments to which any employee of Nalcor would be entitled upon the termination of their employment with Nalcor including, but not limited to, any earned but unused annual leave; and access to benefits generally available to retirees; (iii) The Executive shall be entitled to retain the benefit of his currently assigned automobile for the two year notice
period upon the same (so far as practicable) conditions as if he continued in active employment.

2. Survivor Benefits

Should the Executive die within the two year notice period any benefits or payments required hereby and which were not paid or provided to Executive prior to his death shall be paid or provided to the Spouse of the Executive or upon the death of the Spouse to the children of the Executive.

3. Confidentiality

(a) "Confidential Information" means any trade secrets or other information however communicated, disclosed to the Executive or obtained by the Executive through observation or examination of Nalcor's policies, procedures or materials related to its business or operations which derives economic value from not being generally known to be or readily ascertainable by other persons who can obtain value from its disclosure or use.

(b) The Executive acknowledges that irreparable injury or damage will result to Nalcor upon the disclosure of Confidential Information to third parties or utilization of same for any purpose other than as contemplated by this Agreement.

(c) The Executive will not, without the prior written consent of Nalcor, disclose any Confidential Information to any third party and will not use the Confidential Information for any purpose whatsoever, provided however, that the Executive shall have no liability to Nalcor for any disclosure of any Confidential Information if the Executive can establish that such Confidential Information:

(i) is publicly known, available or published, without breach of this Agreement by the Executive;

(ii) has become known lawfully by or has become lawfully known to the Executive prior to Nalcor's disclosure of such information to the Executive, as evidenced by written documents received by the Executive prior to Nalcor's disclosure to the Executive;

(iii) has been rightfully and lawfully received by the Executive from third parties;

(iv) has been independently developed without reference to or use of the Confidential Information; or

(v) has been or is required to be disclosed in accordance with law.

(d) The Executive agrees that all restrictions and covenants contained in this Section 3 are reasonable and valid and all defences to the strict enforcement thereof by Nalcor which are founded upon reasonableness or validity of such restrictions and covenants are hereby waived by the Executive.
4. **No Solicitation of Nalcor Employees**

For a period of two years after the date hereof, the Executive shall not, on his own behalf or on behalf of any other person, partnership, association, corporation or other entity, hire or solicit or in any manner attempt to influence or induce any employee of Nalcor or its affiliates (within the meaning of the *Corporations Act*, Newfoundland and Labrador) to leave the employment of Nalcor or such affiliates, and he shall not use or disclose to any person, partnership, association, corporation or other entity any information obtained while an employee of Nalcor concerning the names and addresses of Nalcor's employees.

5. **Non-Competition**

(a) The Executive hereby covenants with Nalcor that he shall not, for a period beginning at the date of this Agreement and ending on April 30, 2017, anywhere in the provinces of Quebec, New Brunswick, Nova Scotia, Prince Edward Island, or Newfoundland and Labrador, directly or indirectly, either alone or jointly with or on behalf of any third party:

i. be employed in a senior executive position, offer consulting services, serve as a director, or in any way aid with the carrying on of any business which operates in competition with the business of Nalcor, including but not limited to business engaged in the generation, distribution, transmission and sale of electrical energy, or the exploration, extraction and production of renewable or non-renewable oil and gas it being understood that mining for minerals is excluded;

ii. canvass, solicit or approach or induce or attempt to induce any customer, contractor or supplier to cease doing business with Nalcor, or in any way interfere with the relationships between any customer, contractor or supplier and Nalcor;

iii. engage in, carry on, or otherwise be concerned with, employed by, associated with, or in any other manner connected with, or have any interest in, manage, advise, lend money to, guarantee the debts or obligations of, render services or advice to any business which is substantially the same or similar to, or in direct competition with the business of Nalcor.

(b) Notwithstanding anything in this Section, the ownership by the Executive as a passive investor of less than five percent of the outstanding publicly traded capital stock of any entity which competes with the business of Nalcor shall not be a violation of this Agreement.

(c) The covenants in this Section are given by the Executive acknowledging that he has specific knowledge of the affairs of Nalcor and its subsidiaries and affiliates, and that Nalcor and its subsidiaries and affiliates carry on and attempt to carry on business such that the terms herein are reasonable. In the event that any clause or portion of any such covenant should be unenforceable or be declared invalid for any reason whatsoever, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of the covenants of this Section, and such unenforceable or invalid portions shall be severed from the remainder of this Section. The Executive hereby acknowledges and agrees that
all restrictions contained in this Section are reasonable and valid and that all defences to the strict enforcement of this Section by Nalcor which are founded upon reasonableness or validity of such restrictions and covenants are hereby waived by the Executive.

(d) Without intending to limit the remedies available to Nalcor, the Executive acknowledges that damages at law will be an insufficient remedy to Nalcor in view of the irrevocable harm which will be suffered if the Executive violates the terms of this Section and agrees that Nalcor may apply for and have injunctive relief in any court of competent jurisdiction, specifically to enforce any of such covenants upon the breach or threatened breach thereof, or otherwise specifically to enforce any such covenants, and hereby waives all defences to the strict enforcement thereof by Nalcor.

(e) Nalcor and the Executive each acknowledge and agree that the covenants of the Executive in this Section are essential elements of the agreed upon terms of the Executive's termination of employment, and that if the Executive had not made such covenants, Nalcor would not have agreed to the terms of this Agreement.

6. The SERP Calculation

For the purposes of determining the SERP lump sum as referenced in clause 1(c) above the following provisions shall be considered and applied.

Definition:

"Term of Employment" shall include the period of actual employment commencing at the commencement date referred to in the Initial Employment Agreement dated July 21, 2005 plus the actual employment period under the Contract including any period of absence for any reason whether with or without pay, unused vacation entitlement and any period in lieu of notice with the term expressed in years, months and days under both the Initial Employment Agreement and the Contract.

Supplemental Executive Retirement Plan Payment

(i) A sum equivalent to 2% of the Executive's best annual salary plus 2% of the Executive's best year annual incentive bonus times years of service included in the Term of Employment with any incomplete years being prorated on the basis of completed months with the last month, if incomplete, being deemed complete. This lump sum shall be the SERP payment adjusted pursuant to the following provisions;

(ii) The Executive acknowledges that the SERP payments contemplated arise on termination and are not intended to form part of "total compensation" during employment, but are payable as part of stand alone pension compensation payable on termination.

(iii) The SERP payment to which the Executive is entitled as a lump sum will be the commuted value of the SERP payment if taken as a monthly benefit but in an actuarially equivalent alternative payment that is
calculated in a manner acceptable to the Executive and Nalcor as set out below.

(iv) The actuaries are directed to calculate the commuted value of the SERP payment as if indexed and increased annually in accordance with the CPI rate of inflation for Canada, commencing on May 20, 2016 and in accord with generally accepted principles of their profession;

(v) On the date to which the Executive is entitled to the SERP benefit or as soon as the commuted value has been established in accord with this clause, the Executive may elect to receive as a lump sum which in total is equal to the commuted value of the SERP benefit based on a calculation performed by a firm or actuaries retained by Nalcor. Provided however, that the Executive may, at the expense of Nalcor retain his own firm of actuaries to perform the same actuarially equivalent calculation. In the event the calculations of the two firms of actuaries are within 10% of each other, Nalcor and the Executive agree that the payment/payments will equal the average of the two calculations.

(vi) In the event the difference between the calculations is more than 10%, the two firms of actuaries shall appoint a third firm to actuaries to review and present its calculation, which such calculation shall be adopted by the parties as correct. Any reviews undertaken under this clause or costs associated with such reviews shall be paid by Nalcor.

(vii) The payment of the SERP benefit (commuted value) in accordance herewith shall terminate all obligations and liability of Nalcor to the Executive, his Surviving Spouse, a Child of the Executive or his designated beneficiary or his estate.

(viii) Where the Executive is at least 56 years old but is not entitled to receive an annual unreduced pension under PSPP of Total Years of Service times 2% of Base Salary at the time of termination (the "expected benefits") the SERP payment to the Executive will be adjusted upward effective the date of termination to bridge any shortfall in the said expected benefits until the shortfall is eliminated.

7. General

(a) This Agreement may be executed in counterparts, each of which so executed shall be deemed to be an original, and all such counterparts shall constitute but one and the same instrument.

(b) Neither of the parties shall assign, in whole or in part, this Agreement or its rights or obligations hereunder, without prior consent in writing of the other party.

(c) This Agreement shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein, and subject to the provisions respecting mediation and arbitration set out herein the Courts of the Province of Newfoundland and Labrador shall have jurisdiction to entertain any action or other legal proceedings based on any provisions of this Agreement. Each party hereto does attorn to the jurisdiction of the Courts of Newfoundland and Labrador.
This agreement and everything contained herein shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors, personal representatives and permitted assigns as fully and as effectually as if the same had been mentioned herein.

The Executive acknowledges that he has read and understands this Agreement, and acknowledges that he has had the opportunity to obtain legal advice concerning this Agreement.

Any dispute arising out of the interpretation or application of this Agreement may be referred by either party to a sole arbitrator, knowledgeable of employment law, and agreed to by the parties within thirty (30) days of the issue arising. Failing agreement on arbitrator, the parties agree to abide by the terms and conditions of appointing a sole arbitrator as are contained in the Arbitration Act, Newfoundland and Labrador. The arbitrator selected by agreement or by operation of the Arbitration Act shall not have the power to amend or modify the Agreement without consent of both parties and shall, in the exercise of jurisdiction conferred by the parties, be bound by the Arbitration Act aforesaid. The fees and expenses of the arbitration shall be paid entirely by Nalcor.

8. Termination of the Contract

Upon receipt of the benefits provided for Section 1 hereof, the Executive hereby forever releases and discharges Nalcor from the obligations of Nalcor under the Contract and acknowledges that Nalcor no longer has any further obligations to the Executive under the Contract or any other obligations relating to his employment with Nalcor.

Signature page next
DATED as of April 20, 2016

NALCOR ENERGY

by:  
Name: MICHAEL ROBERTS  
Title: VP, HRDE

by:  
Name: DERRICK STIGE  
Title: VP, Finance & CFO

We have authority to bind Nalcor

Executed by the Executive in the presence of:

 Witness

 Per:
Name: EDMUND MARTIN

(24184091_1.doc)
Premier, we have taken pause in the Nalcor meetings to advise action and pending action of this morning.

As per your meeting with the CEO on April 19, 2016 the Board is terminating the employment of the CEO without cause, and provisions of article 16 subset c will be fully honoured, and corresponding severance implications. Your notes from this mornings press release indicate resignation, however the Board understands this was agreed that this was and is a termination without cause.

Nalcor Board

Sent from my iPhone

> On Apr 20, 2016, at 9:27 AM, Ball, Dwight <DwightBall@gov.nl.ca> wrote:
> 
> Hi Ken
> 
> We can discuss after your meeting
> 
> Dwight
> 
> -----Original Message-----
> From: ken marshall [mailto:ken.marshall.709@gmail.com]
> Sent: Wednesday, April 20, 2016 8:55 AM
> To: Premier, <Premier@gov.nl.ca>; Ball, Dwight <DwightBall@gov.nl.ca>; Coady, Siobhan <SiobhanCoady@gov.nl.ca>
> Cc: EMartin@nalcorenergy.com; Tom Clift <tclift@mun.ca>; g.shortall@rogers.com; labbass@gmail.com
> Subject: Nalcor
> 
> Premier and Minister
> 
> As I advised last week I have convened a meeting of the Nalcor Board this morning, and all members have travelled to be in attendance
> 
> I understand that in your meeting with the Nalcor CEO last night that an agreement was reached regarding the CEO's departure from Nalcor and associated entities. Given that as proper governance would dictate, the CEO's employment contract rests squarely with the Board, the Board will be meeting on this matter and the resultant employment contract obligations as one of the items of business this morning.
Second, as we discussed, the Board will be reviewing and voting on the Short Term Incentive program for 2015. As I advised, the Board has a responsibility to the organization. Yes to the shareholder, yes to the employees, yes to the public, and over arching to the Corporation. As such, the matter of contractual obligations with compensation matters have to be dealt with by the Board. Should government, in its capacity as shareholder disagree with the Board, government will presumably take the requisite steps to amend, however in the interest of the organization we will make what we feel is the just and proper decision.

Third, the Board will be discussing an en masse resignation in light of these matters. Clearly, by reaching directly through to the CEO and deciding employment continuation, and from the recent Budget speech, government does not have proper confidence in the Board to continue in its duties and role. I can speak for all individuals on the Board that to a member, all have acted with proper and due care for the long term benefit of the organization and the people of this province.

I trust we will further discuss these matters either prior to or after our Board meeting. If there is anything you wish me to bring to the meeting scheduled for 10am this morning, please advise.

Ken

"This email and any attached files are intended for the sole use of the primary and copied addressee(s) and may contain privileged and/or confidential information. Any distribution, use or copying by any means of this information is strictly prohibited. If you received this email in error, please delete it immediately and notify the sender."
May 10, 2016

Mr. John Green
Chair, Nalcor Energy Board

Dear Mr. Green:

I write in relation to a Settlement Agreement between Nalcor Energy and former CEO Edmund Martin and the associated Resolution of the Board of Directors of Nalcor Energy. The Settlement Agreement first came to Government’s attention on May 5, 2016. Upon review of that agreement, Government requested a copy of the supporting Minutes and Resolution of the Board of Directors of Nalcor Energy and received same on May 9, 2016.

As you are aware, the terms of employment of Mr. Martin were pursuant to a contract of employment with Nalcor Energy, and the administration of the contract rested with Board of Directors of Nalcor Energy. However, both the Settlement Agreement and the Minutes supporting the Resolution of the Board of Directors indicate that Government confirmed to the Board of Directors that Mr. Martin was entitled to receive the severance and pay in lieu of notice payments and benefits as if Mr. Martin had been released by the former Board of Directors without cause.

Specifically, the Settlement Agreement states that:

"And Whereas the Board of Directors of Nalcor have been advised by the Government of Newfoundland and Labrador that in all the circumstances it has agreed that the Executive is entitled to receive the severance and pay in lieu of notice payments and benefits as if the Executive (had) been released by the Board of Directors under clause 16 without cause pursuant to the Executive Employment Agreement between the parties hereto dated as of November 2, 2009."

The Minutes of the Board of Directors meeting of Nalcor Energy held on April 20, 2016 state that:

"The Chair reported that he has had a discussion with a representative of the Government of Newfoundland and Labrador and it was confirmed that there was an agreement between the Government and Mr. Martin that he would receive severance payments upon the cessation of his employment with the Corporation. The severance payment was to be in accordance with his employment contract as if he had been dismissed at the discretion of the Board."
These statements are not accurate. At no time did the Government direct the former Board of Directors in relation to how Mr. Martin’s cessation of employment was to be treated under his contract, or Mr. Martin’s entitlement to severance. Any interpretation of same by the Board was a misunderstanding on their part. Furthermore, contrary to the Minutes, Government was not consulted in advance by the former Board of Directors of its decisions as to how Mr. Martin’s cessation was to be treated under the contract or as to whether Mr. Martin would be entitled to severance. Government was instead advised of the decision to treat Mr. Martin as if he had been terminated, and to pay severance to Mr. Martin by the former Chair of the Board on 20 April, after such decision had already been made. Government was not aware that such decision was being attributed to specific instructions from Government until it received a copy of the Settlement Agreement.

As noted above, administration of the employment contract is a matter within the purview of the Board of Directors, and Government approval is not required for such decisions.

The purpose of this letter is to clarify the extent of Government’s involvement in that decision.

Sincerely,

SIOBHAN COADY, MHA
St. John’s West
Minister
May 13, 2016

Government of Newfoundland and Labrador
Department of Natural Resources
Honourable Siobhan Coady
7th Floor, Natural Resources Building
50 Elizabeth Ave., P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister:

I am writing on behalf of the Board of Directors of Nalcor Energy. This letter is in regard to your letter addressed to Mr. John Green, Chair, Nalcor Energy Board, dated May 10, 2016.

Receipt of the aforesaid letter is acknowledged. As you are aware, none of the present members of the Nalcor Energy Board of Directors were Directors on April 20, 2016, when the Board dealt with the termination of Mr. Martin's employment with Nalcor Energy. The letter was reviewed with the Board of Directors at its meeting of May 12, 2016. The Board has received legal advice that this does not in any way change the legal obligations of the Corporation to Mr. Martin and nothing further is required.

Yours very truly,

Peter A. Hickman
General Counsel and Corporate Secretary (Acting)

PAH/ab
Here’s the official transcript from the April 20th scrum with Premier and Minister Coady.
Premier Dwight Ball: Good morning everyone. Thank you for showing here today. We have been advised by the President and CEO, Ed Martin that he is stepping down effective immediately. This decision has come in consultation with Mr. Martin and as Premier of the province, I respect his choice.

Mr. Martin has been President and CEO of Nalcor since 2005 and in that time he has made a considerable contribution and impact on the operations of the Crown Corporation. Nalcor has evolved from being a single entity under Newfoundland and Labrador Hydro to an energy company with six lines of business and equity stakes in offshore oil projects.

The advancements that Nalcor has made over the past decade has been under the leadership of Mr. Martin, and his leadership is both appreciated and respected. We also want to recognize at this time the continued efforts of our working Newfoundlander and Labradorians at Nalcor, and we thank them for their dedication.

I will now give Minister Coady an opportunity to have a few words.

Minister Siobhan Coady: Thank you Mr. Premier and we thank Mr. Martin for his years of dedication and service to the people of the province. We acknowledge his efforts and recognize his leadership. Nalcor and Muskrat Falls has been the subject of discussions and analysis of this new government over the last number of months. Our government acknowledges the incredible challenges facing Nalcor, and in particular, the Muskrat Falls project. Our objective is to bring the project back on track.

There will be a further announcement of the new President and CEO of Nalcor and we will take action that is in the best interests of the people the province, who are the shareholders of Nalcor.

As I mentioned last week, with the release of the interim report from EY and the report from the oversight committee on Muskrat Falls, our government is committed to adopting all the recommendations and we are working diligently to move forward to implement all the actions in this report. Thank you.

Question: (Fred Hutton, VOCM) Premier, what reason did Mr. Martin give you for resigning?

Premier Ball: Mr. Martin, we met last night. We had a very good discussion. In terms of the future for Mr. Martin, I think he's just reached a point in his life and I think at 11:45 this morning he's going to clearly outline for the people of the province, the reasons that he is stepping down.

Question: (Michael Connors, NTV) Did he quit or was he forced to resign?
Premier Ball: Obviously we have the working relationship that we’ve had, and I think I have spoken many times publicly about that and I have worked very closely with Mr. Martin at Nalcor. This was a decision he made to step down and he’s at a stage in his life right now where you make those decisions I guess. He’s going to outline to people of the province at 11:45 I understand the reasons for stepping down. And I’ll give him that opportunity as I should for him to do that.

Question: (Fred Hutton, VOCM) Do you have anybody in mind to replace him? Obviously there have been talks that this was possibly going to happen with cost overruns etc.

Premier Ball: For my job and the job of Minister Coady is to actually make sure that Nalcor keeps well-positioned to be able to effectively do its day-to-day operation as they have a major impact on the people of the province. We will put in place measures now as quickly as possible to find replacements and necessary people in place to make sure that Nalcor is well-positioned to do its day-to-day activities. You know that will happen quickly. We will get working on that as fast as possible. You know this could happen as quickly, as early as tomorrow.

Question: (James MacLeod, The Telegram) Were you considering asking him to step aside?

Premier Ball: We’ve had a very good working relationship and at this point – that was not the discussion that we had in terms of the future for Nalcor. Mr. Martin, as I just said, he has had a lengthy career with Nalcor and he’s made the decision to step down right now. You know running any operation, running government, it’s important for me, it’s important for Minister Coady to work very closely with the folks at Nalcor as we would with all agencies. So right now he has made his decision to step down and he’s going to let the people of the province know why he is doing this at 11:45.

Question: (Peter Cowan, CBC) Would he be receiving any sort of severance?

Premier Ball: Well the relationship with the CEO of Nalcor is a Board to CEO relationship. So the board met this morning and so the decision on his severance and contract – his contract has been in place really since 2005 and has been renewed I understand in 2009. So the contract is with the Board of Directors and with the CEO so they’re meeting on that this morning.

Question: (Peter Cowan, CBC) Have you been told whether or not he will be paid out severance?

Premier Ball: Well there is a contract and of course anything that’s in the contract which speaks to severance and those sorts of things – you know we will honour the
commitments that should be made and will be made as terms of the contractual employment contract with the CEO as we should.

**Question:** *(James MacLeod, The Telegram)* Will you wait under the Independent Appointments Commission in place before naming a new full-time CEO of Nalcor?

**Premier Ball:** Not in this case. We are in a situation right now where we really do not have legislation so to let a significant entity with so much activity – we have a major project that is ongoing in Labrador right now and to leave that position vacant right now for such an extended period of time that would not be the responsible thing to do in managing the affairs of a significant entity like Nalcor. We’ve got to get at this quickly. It’s important to the people of the province and we’ve got to get people in place to make sure we get the continuity not only just at the Muskrat Falls project but in all the other business lines as we just mentioned here at Nalcor.

**Question:** *(Sue Bailey, The Canadian Press)* Confidence in Muskrat Falls, I think it’s fair to say in some corners is shaken, what impact do you think this could potentially have on that?

**Premier Ball:** Well you know these are early days and we’ll put together you know the people that we see that are best to lead Nalcor. We will act quickly on that and that’s the reason why I think the longer we delay it could affect confidence in the project, but you know that’s not the position we’re going to take and we must act quickly on this. It’s important to restore and maintain and keep confidence in Nalcor and the work that they are doing. The important thing is that the day-to-day operations, the responsibilities that Nalcor that they undertake for the people of our province is that we’re well-positioned so that continues. We have thousands of people working for instance at the Muskrat Falls project right now. We have many hundred people working at Nalcor as well so it’s important we get the leadership back in place. Mr. Martin has made the decision to step down and we respect the decisions that he’s made at this point in his career.

**Question:** *(James MacLeod, The Telegram)* So what steps will be taking to ensure there will be no political patronage appointments in this process if you’re not going to use the Independent Appointments Commission?

**Premier Ball:** The steps that I will take will be very clear they will be who is the best person to lead this organization? I am not at all concerned with their political past. What I am concerned about is the future of Nalcor, and we will put the individuals in place that can best position Nalcor not at all concerned with their political affiliation at all. What I am concerned about is their technical ability and the way that they can manage Nalcor. That is the number one priority right now.

**Question:** *(Fred Hutton, VOCM)* Do you already have a short list?
Premier Ball: We've been working through a number of candidates that we could... but you know there is a lot of work to be done on this. When we leave here this is job number one for the remainder of the day.

Question: (Inaudible)

Premier Ball: The first meeting that I had with Mr. Martin was on Sunday of this week and I met with Mr. Martin on Sunday and then we met again last night.

Question: (Inaudible...something to the effect of the resignation coming so close to after the Nalcor AGM)

Premier Ball: Well that's Mr. Martin's decision as he stepped down. Well at the AGM he was a CEO so at that point his job as a CEO then was to do the annual reporting to the people of the province. He's made a decision to step down and that decision is made. He's going to clearly outline the reasons for those decisions at 11:45.

Question: Are you considering any other changes at the top?

Premier Ball: The number one priority for today is to work on putting in a seamless transition as quickly as possible and get some management processes restored. As I said, we respect Mr. Martin's choice today to step down, but our job right now is to make sure to get replacements in place so that the operations continue. You must have people in place to enable to allow that happen and that's our priority for today.

Question: But is there a shakeup coming?

Premier Ball: Number one, I have not had any discussions with the senior management team at Nalcor and what their future would be. Today we're dealing with the CEO of Nalcor and his decision to step down and as I said, he will give those reasons now in a few minutes as he addresses the media. So there's no discussion in terms of who - replacing any other on the senior team at Nalcor - that is not a discussion that we've had.

Question: Is Paul Antle on the list?

Premier Ball: We're going to move quickly through this as quickly as possible so the decision to find the best replacement for Mr. Martin is something that we'll be getting at and we'll get to that as quickly as possible.

Question: But is Mr. Antle on that list?

Premier Ball: Listen, I'm not here to give a list today of people that we'll be talking to but right now my job as is the job of the Minster is to work through the remainder of the day is get the best person available to us to be the next CEO of Nalcor.
Question: Have you had a conversation with him about this job?

Premier Ball: This job here? No.

Question: If you have a list of potential candidates then you must have known this was coming for a while.

Premier Ball: Sunday night. As I just said, Sunday night I spoke to Mr. Martin. At that point then we talked about a number of different scenarios and we met again last night and the decision was then for Mr. Martin to step down. He’s going to give the reasons for those, and I respect the man. He’s done what I would consider to be a good job. This is a company that showed significant growth over the years and we must give him the time – it’s his day and give him the time now to explain to the people of the province why it is he stepped down.

Question: Premier in light of the fact that your Finance Minister said on Budget day that we were stuck with this $1.3 billion payment, and expressed frustration over what was going on at Nalcor – is this a good thing to see Mr. Martin go?

Premier Ball: I look at his decision today as a personal decision. Let’s wait and see as he addresses the people of the province today about his decision to step down. I said it on Friday you know when you look at for instance Nalcor it’s $1.3 billion this year there will be significant returns in terms of dividends and so on down the road, but when you look at the project itself if we run into, if we lose schedule, we have cost overruns, all of this reflects future rates in Newfoundland and Labrador. We’re re-base lining based on the EY report and the work that’s ongoing and the discussions that we’re having with the major contractors. So these are all moving parts in this scenario right now but today is...Mr. Martin has made a decision to step down and I think that all of us, we owe him the opportunity to face the people of the province and he will then outline his reasons and his rationale for making this decision to step down today.

Question: (inaudible)

Premier Ball: His decision is clearly – the choice that any CEO or any Premier makes and so on – he’s in a position that he feels is best for him and his family right now is for him to step down and I respect and I appreciate the fact that he’s doing that and he’s doing that. He will clearly outline this to the people of the province today.

Question: (inaudible)

Premier Ball: My job is not to control it. My job is to put people in the position that can do the best job going forward and preserve Nalcor as an entity for the people of the province. My job right now is to work very closely with who the next person will be as I have with the previous CEO. Right now its Mr. Martin’s day, he’s stepping down and
we'll get to work on getting the next steps in place, as I said, so this can be as seamless as possible.

**Question:** (inaudible)

**Premier Ball:** Mr. Martine, let me see what happened, he reached out and asked for a meeting on Sunday we did. We had that discussion on Sunday of this week and you know from that we, obviously it's going to be a very busy time for us as well, so we decided that we would reconvene on Tuesday evening which we did last night. This morning as a result of that Mr. Martin will be stepping down and he will give his reasons in a few minutes.

**Question:** (inaudible)

**Premier Ball:** Anyone who is a CEO of a major corporation like Nalcor there's always things that that person will deal with we worked closely, and I have had what I consider to be a good working relationship. Even when I was in Opposition we met with Nalcor regularly. But as I said he will give the reasons in a few minutes for the rationale on his decision today.

**Question:** (inaudible)

**Premier Ball:** We're going to get to work. We've got some work to do and number one is we've got the House of Assembly now at 2:00 and we will start looking for replacements as quickly as possible.

**Question:** Were you aware that Mr. Martin sent an email criticizing the Budget message on Nalcor?

**Premier Ball:** I did see that letter that was sent to the employees at Nalcor but that is not part of this decision today.

**Question:** Are you sure?

**Premier Ball:** I'm pretty sure that that is not part of this decision. It didn't come up in our conversation.

**Question:** (inaudible)

**Premier Ball:** On his letter that he put to the employees that is not the discussion that we had on Sunday or last night.

**Question:** (inaudible)

**Premier Ball:** I think the piece in the Budget is about at some point when you make significant investments into a Crown agency is at some point the dividends come back
to the province. So I think the CEO, Mr. Martin, his decision to step down is not related to the letter or any particular point at all. This is just a decision that he's going to let the people of the province know what it is in a few minutes, but the letter is not part of what we're seeing here today.