

2013 PERFORMANCE CONTRACT - CEO REPORTS												
Line of Business/Division:	NL Hydro	CEO Signature:										
Department/Region:		Incumbent Signature:										
Position:	Vice President Hydro	Date:										
Incumbent:	Rob Henderson											
Salary:	\$210,000.00											
PART A - Corporate KPI's: 30%												
Performance Indicator	Weight	Threshold	Salary Weighted Score	Payment	Target	Salary Weighted Score	Payment	Opportunity	Salary Weighted Score	Payment	Comments	Amount
Goal 1: Safety	20.00%		15.00%			20.00%			25.00%			
Lead/Lag ratio		>= 550:1	0.900%	\$1,890.00	>= 600:1	1.20%		>= 750:1	1.50%		Threshold: Actual year-end = 550:1	\$1,890.00
Goal 2: Environment	15.00%											
Environmental Leadership Targets		>= 92% of environmental leadership targets completed	0.67500%		>= 95% of environmental leadership targets completed	0.90%	\$1,890.00	>= 97% of environmental leadership targets completed	1.13%		Target: 103 of 109 targets completed; 98.2% of milestones completed	\$1,890.00
Goal 3: Business Excellence												
Financial Performance	20.00%	Net income >= \$88.6 million	0.900%		Net income >= \$87.5 million	1.20%	\$2,520.00	Net income >= \$111.9 million	1.50%		Target	\$2,520.00
Project Execution	10.00%	Complete 80% of planned 2013 activities.	0.4500%		Complete planned 2013 activities; refine implementation of risk management work completed in 2012; implement time management process Phase I; and implement quality management process Phase II.	0.60%	\$1,260.00	Target + take first steps in implementation of strategic partnership with 2-3 engineering and project management consultant firms.	0.75%		Target - 2013 planned activities completed	\$1,260.00
Asset Management	10.00%	Complete asset condition assessment; module implementation activities; design standards; planning criteria; operating parameters Phase 2 gap closure plan continued; review and refresh 5 year project plans (include MOC and high level implementation plan); self-assessment of asset management maturity completed by lines of business.	0.4500%	\$945.00	Threshold + complete asset critically evaluation by applicable LOB; critical spares rationalization - Phase 3 - execute gap closure plan from 2012; stabilize and grow technical councils (Rotating Equipment Essential Care; Long-term Asset Planning; Short-term Work Planning and Scheduling; Transformers and Switchyard; Root Cause Repeat Failure Analysis)	0.60%		Target + initiate and plan new technical councils (dams and dykes, asset owners); asset management training and skills development built into personal development plans for key functional roles; create asset management general information portal.	0.75%		Threshold: Overall Threshold and Target progress is at 85%. Additional progress made on Opportunity initiatives. CF, Hydro Gen, Thermal Gen, and BAF complete as planned for Target. Yellow for TRO G&T, 50% on asset criticality & 25% on critical spares; TRO T&D, 50% on asset criticality, minimal progress on 2013 critical spares. Minimal progress on 2013 scope for Exploits critical spares.	\$945.00
Oil & Gas Exploration Strategy	12.50%	Complete 80% of planned 2013 activities	0.562500%		Complete 2013 activities: data acquisition including completion of 2012-13 regional seismic program; basin analysis for offshore Labrador and NE Newfoundland slope; exploration policy support to attract and accelerate global exploration investment in NL.	0.75%		Target + complete 20% of planned 2014 activities.	0.94%	\$1,968.75	Opportunity: 3 new basins announced in January; 2013 Survey complete (47,000 kms - 3 year total); 11 International conference presentations (Nalcor and Partners). New scheduled exploration land system developed and announced	\$1,968.75
Lower Churchill Project	12.50%	Complete 90% of planned 2013 scope for MF/LIL within approved cost and schedule, and forecast final cost and schedule are on track.	0.562500%		Planned 2013 scope for MF/LIL within approved cost and schedule, and forecast final cost and schedule are on track.	0.75%	\$1,575.00	Planned 2013 scope for MF/LIL completed within approved cost and schedule by November 30th, and forecast final cost and schedule are on track.	0.94%		Target - 2013 planned activities completed	\$1,575.00
Total Part A:	100.00%		4.50%	\$2,835.00		6.00%	\$7,245.00		7.50%	\$1,968.75	Total Part A:	\$12,048.75

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PART B - Divisional/Departmental Targets:	70%												
Performance Indicator	Threshold			Target			Opportunity			Comments	Amount		
	Performance Level	Salary Weighted Score	Payment	Performance Level	Salary Weighted Score	Payment	Performance Level	Salary Weighted Score	Payment				
Safety					15.00%				20.00%				
Reg Ops of Hydro and Non Reg (Exploits/Meritek)	14.29%	AIF<=1.10	1.500%		AIF <= 0.80	2.000%			AIF <= 0.75	2.500%			\$0.00
FELT Leadership Primary Goal(s)	14.29%	N/A	1.500%		360 FELT score >=8.0	2.000%	\$4,200.00		360 FELT score >=11.0	2.500%			\$4,200.00
GRA Leadership	14.29%	CEO Judgement	1.500%		CEO Judgement	2.000%			CEO Judgement	2.500%	\$8,250.00		\$5,250.00
Reliability (Forced Outages) DPUI (MW-Min)<=	10.00%	13.96,(16,800)	1.050%		13.36,(16,000)	1.400%			9.88,(13,900)	1.750%			\$0.00
Maintain Generation Contingency Reserve Requirements	10.00%	99.25%	1.050%		99.50%	1.400%			99.80%	1.750%			\$0.00
Financial Perf. Reg Ops less System Operations (O&M Budget) (excl. EFB)	10.00%	<= 101% of Budget	1.050%		<=\$72.218M	1.400%			<= 98.5% of Budget	1.750%			\$0.00
Financial Performance Reg Ops plus Exploits and Meritek	5.71%	<= 101% of Budget	0.600%		<= \$80,356M	0.800%			<= 98.5% of Budget	1.000%			\$0.00
Complete Line of Business Asset Management Initiatives	7.14%	Per Threshold in Corporate Goal Document where LOB is indicated as having a role	0.750%		Per Target in Corporate Goal Document where LOB is indicated as having a role	1.000%	\$2,100.00		Per Opportunity in Corporate Goal Document where LOB is indicated as having a role	1.250%			\$2,100.00
All Other Workplan Objectives	14.29%	75% or more of the VP's 2013 divisional workplans have been completed	1.500%		90% or more of the VP's 2013 divisional workplans have been completed	2.000%			98% or more of the VP's 2012 divisional workplans have been completed	2.500%	\$5,250.00		\$5,250.00
Total Part B:	100.00%		10.50%	\$0.00		14.00%	\$6,300.00			17.50%	\$10,500.00	Total Part B:	\$16,800.00
Total Part A:	100.00%											Total Part A:	\$12,048.75
Notes:													
											Contract Total:	\$28,848.75	