

Frequently Asked Questions for Employees Organizational Changes – November 2021

1. Why was the decision made to reduce the Executive team?

In June 2021, the Government of NL announced that Nalcor Energy would operate under Newfoundland & Labrador Hydro. They also announced a mandate to begin an immediate analysis and reorganization to streamline, remove duplication and save money. We knew this would mean some tough decisions would need to be made. We are a crown utility – and Hydro was required to make a change to demonstrate our ability to meet the expectations of government, our customers and other stakeholders in the province.

2. How did we move from 18 executives to 11?

The change from 18 to 11 is as follows:

- 3 executives released from contract and 3 offered opportunities outside the executive team
- 4 budgeted positions eliminated (2 positions were vacant)
- Of the 11 executive positions:
 - 2 promotions (1 of which is a temporary assignment and will be filled through job competition)
 - 9 executives are still in the same or similar position

3. What are the cost savings as a result of these changes?

With a revised compensation framework, the Salary budget for the Executive team will move from \$5.9M down to \$3.7M which is a 35% reduction.

4. Will we have one Board of Directors?

At this time, the Corporate Governance structure remains unchanged.

5. Will this contribute to electricity rate mitigation for the province? Does this mean the Public Utilities Board recommendations for the organizational structure will get implemented?

The analysis from the rate mitigation review was relevant and important. Streamlining the Executive leadership team is the correct starting point.

6. My functional area now has one Vice-President. What is the process and timing to announce the next levels of the organization and share the organization charts?

The only change at this time is executive structure and their accountabilities. It will take additional time and continued consideration, led by the new executive team, before we know what additional changes to the organization's structure are needed. We will continue to provide updates.

7. When do I report to the new VP?

These changes are effective November 2, 2021. For those who have a new reporting relationship, please allow some time for your new leader to reach out to you and the changes to be reflected in our systems.

8. Employees who were previously affiliated with Hydro make up the majority of the new executive. How does this impact me as an employee previously affiliated with Nalcor?

All our employees across the organization are valued and provide expertise in their functional areas. In June, government announced that Nalcor Energy would operate under Newfoundland & Labrador Hydro. They also announced a mandate to begin an immediate analysis and reorganization to streamline, remove duplication and save money. The new Executive team members were chosen to lead Hydro forward with a renewed focus on being the provincial crown utility. Your individual role and responsibilities do not currently change. In time, there may be continued opportunity for teams to adjust in ways that support our operations.

9. What is the impact on non-regulated businesses?

There is no impact at this time. Non-regulated lines of business remain unregulated and the regulated lines of business will continue to be regulated by the Public Utilities Board.

10. Will there be any more lay-off's?

We recognize that organizational changes can create a significant amount of uncertainty for some employees. There is no intention to conduct mass layoffs of employees. As communicated in messaging and town halls, we will continue to look for opportunities to streamline our organization through attrition and expanding roles and responsibilities, while working towards our mandate to be a streamlined and efficient utility. We have already seen attrition occurring, which has allowed us to reduce costs by not replacing some of those positions and asking people within the organization to take on additional responsibilities. This has provided additional professional development opportunities for our employees.

11. Will there be a buyout or package of incentives to encourage employees to retire?

There are no plans to offer buyout or incentive packages to encourage employees to leave.

12. Will my job change as a result of these changes?

At this time your job duties do not change. We continue to have important work to do as the provincial crown utility. In time, there may be continued opportunity for teams, under the new executive members, to identify efficiencies and streamline processes.

13. Will I have to relocate my office as a result of these changes?

There may be a small number of office moves at this time, however, any significant amount of moves would be made as the new leaders identify their future organizational structures.

14. Will these changes impact my ability to have a Remote Work Agreement?

Remote work agreements are linked to the position you are filling. For those that have a change in position, please work with your new Manager to review decisions around agreed remote work arrangements.

15. Will positions be re-evaluated as a result of these changes?

This will be evaluated on a case-by-case basis where there are significant changes to position responsibilities. There is no plan to complete a job evaluation process on all positions.

16. How does this impact my opportunities for career advancement?

Organizational changes can present a number of opportunities for further efficiencies and process improvements to advance our organization. We will continue to use the job posting process as appropriate, and all employees are encouraged to speak with their supervisor/manager on their career interests in further development. Those who are eligible for our Development Performance Review process are encouraged to use that avenue for these discussions.

17. I have more questions that weren't answered by this document – who can I ask?

If you have any other questions about this change or any other organizational changes, you can send an email to our "ask the CEO" inbox at askthceo@nlh.nl.ca

As you've seen in recent communications, we have offered the opportunity to attend "CEO Round Tables" where Jennifer Williams will meet with small groups of employees across the organization to listen to their perspectives. If you or someone in your team is participating, please feel free to use that opportunity to ask questions as well.



Any questions about direct impacts to individuals should be referred to your supervisor, manager or HR contact as appropriate.

18. How can I get in touch with our Employee & Family Assistance Program if I need support?

Employees are encouraged to use our Employee & Family Assistance program, and other community resources to support the well-being of themselves and their families.

EFAP - Employee & Family Assistance Program	inConfidence 1-866-347-2067 inConfidence.ca myEAP app (available in app store)
Bridge the Gap	https://www.bridgethegapp.ca/
Mental Health Crisis Line	1-888-737-4668