

- 1 **Q. PUB-NP-171 Korn Ferry Report, page 3. An objective of Korn Ferry’s review was**
2 **stated to be “Comparing NFP compensation values to those of the comparator**
3 **market consisting of a broad selection of Canadian Commercial Industrial**
4 **organizations”.**
- 5 **(i) The response to PUB-NP-145 states “Newfoundland Power relies on the advice**
6 **of its compensation consultant, Korn Ferry, to determine the appropriate**
7 **comparator group for the Company.” Did Korn Ferry recommend this**
8 **comparator group to Newfoundland Power for the 2024 executive**
9 **compensation review? Please explain in detail the basis for the recommendation**
10 **and explain the analysis used to determine whether this was the appropriate**
11 **comparison group for the 2024 review.**
- 12 **(ii) Has Korn Ferry recommended this comparator group to Newfoundland Power**
13 **for use in evaluating executive compensation for years prior to 2024? If yes,**
14 **please state the year this recommendation was first made and when it was last**
15 **reviewed in detail.**
- 16 **(iii) Please explain how the following factors are considered in selecting an**
17 **appropriate comparator group to use to evaluate the executive compensation of**
18 **an organization, including (i) the type of business the organization is engaged**
19 **in, (ii) the geographic location of the organization, and (iii) whether it is a**
20 **government/public or private organization.**
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- 22 **A. (i) The comparator group consists of a broad selection of Commercial Industrial**
23 **organizations (i.e., organizations in the financial industry and broader public sector**
24 **are excluded) on a national level. In discussion with Newfoundland Power, the**
25 **selection criteria was originally recommended by Korn Ferry (then Hay Group) in**
26 **1997, approved by the Board of Directors beginning in 1998, and has been used**
27 **continuously by Newfoundland Power’s Board of Directors, including the 2024**
28 **executive compensation review.**
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- 30 **(ii) See the response to part (i), above. Korn Ferry continues to review the selection**
31 **criteria from time to time. The last review of the selection criteria and the list of**
32 **organizations was in 2023. Korn Ferry continues to view the use of the Commercial**
33 **Industrial comparator group as reasonable.**
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- 35 **(iii) (i) The current comparator group consists of a wide range of industrial businesses**
36 **including manufacturing, energy, natural resources, engineering, consumer products,**
37 **retail, machinery & equipment etc. (ii) The comparator market is based on a national**
38 **basis, considering the size of Newfoundland and Labrador executive talent market,**
39 **the competitive executive talent landscape, executive development strategy and**
40 **mobility for Newfoundland Power. (iii) The comparator group consists only of**
41 **private sector organizations to align with Newfoundland Power’s ownership structure**
42 **and business model.**