

**NEWFOUNDLAND AND LABRADOR
INDUSTRIAL DEVELOPMENT CORPORATION**

Activity Plan

Year Ending March 31, 2008

**NEWFOUNDLAND AND LABRADOR INDUSTRIAL
DEVELOPMENT CORPORATION**

P. O. Box 8700
St. John's, Newfoundland and Labrador
A1B 4J6

February 13, 2008

Honourable Thomas W. Marshall, QC
Minister of Finance
Government of Newfoundland and Labrador
Confederation Building
St. John's, NL
Canada A1B 4J6

Dear Minister Marshall:

Newfoundland and Labrador Industrial Development Corporation is a Crown Corporation which is periodically used as a vehicle for commercial investments made on behalf of the Province. Pursuant to the provisions of the *Transparency and Accountability Act*, the Board of Directors is accountable for the preparation of an Activity Plan and the achievement of the Plan's objectives. As this Corporation has very limited activity and transacts business only at the direction of the Minister, neither the Strategic Directions of the Minister of Finance nor the Mission of the Department are considered applicable to its operations.

As Chairman of the Board, it is my pleasure to submit the Activity Plan covering the period from April 1, 2007 to March 31, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read 'Terry Paddon', with a long horizontal line extending to the right.

Terry Paddon
Chairman of the Board

Newfoundland and Labrador Industrial Development Corporation
Activity Plan
April 1, 2007 – March 31, 2008

Overview

The Newfoundland and Labrador Industrial Development Corporation (“NIDC”) was established in 1967 and operates pursuant to the provisions of the *Industrial Development Corporation Act*. NIDC operates with a March 31 fiscal year end and the results of its activities are fully consolidated in the Province’s annual financial statements.

Mandate

NIDC’s primary purpose is to provide long term financing to industrial and resource based projects in accordance with the powers conferred on it by the Act. However, in recent years, NIDC has been relatively inactive with most investment activity being undertaken either directly by the Province or through other Crown Corporations. The most recent investment made by NIDC occurred during the fiscal year ended March 31, 2005.

Board Representation and Accountability

The affairs of NIDC are overseen by a Board of Directors appointed by the Lieutenant Governor in Council. All Board members are employees of the Province with the position of Chair held by the Deputy of Minister of Finance. The Board meets no less often than annually and approves its Annual Financial Statements and Activity Report, both of which are then tabled in the House of Assembly by the Minister of Finance. The current members of the Board and their positions are as follows:

Mr. Terry Paddon (Chair)
Deputy Minister of Finance

Mr. Alastair O’Rielly
Deputy Minister of Fisheries & Aquaculture.

Ms. Cathy Duke
Deputy Minister of Innovation,
Trade and Rural Development

Ms. Donna Brewer
Assistant Deputy Minister
Financial Planning and Benefits Administration
Department of Finance

Mr. Earl Saunders
Director of Debt Management
Department of Finance

Mr. Paul Myrden (Secretary)
Manager of Capital Markets and Financial
Assistance Programs, Department of Finance

Source of Funding

Because of its limited activity, there is no requirement for annual budgetary allocations as NIDC’s revenue on existing investments, together with its cash resources, is sufficient to fund its annual operations. However, from time to time, NIDC has been used as the Province’s investment proxy where it is deemed appropriate to make an investment through a Crown

Corporation, rather than directly by the Province. In these situations, investment funds have been made available to NIDC on a one-off basis.

Objective:

By March 31, 2008, NIDC will have entered into commercial investments or other arrangements as directed by the Province.

Measure: Commercial investments or other arrangements completed as directed by the Province.

Indicators:

- Board approval of completed transactions as documented and approved in the Annual Activity Report.
- Tabling of Annual Activity Report in the House of Assembly.