

May 12, 2025

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Clerk of the Executive Council
Office of the Executive Council
Government of Newfoundland and Labrador
St. John's, NL A1B 4J6

Re: Letter of resignation from the Independent Oversight Panel (IOP)

To the Clerk of the Executive Council:

I genuinely appreciated the honour and opportunity to be of service to the province and it saddens me to resign from the IOP. On Wednesday May 7, 2025, by email I requested GNL Legal Counsel to start the two-week termination clause in my contract. The purpose of this letter is to provide insight as to the reasons for my resignation. As set out below in more detail, it appears there was a misunderstanding of the IOP scope between the parties to my contract; a disagreement between the Clerk and me as to how the IOP should deploy oversight mechanisms; and the inclusion of what I believe to be an inappropriate added responsibility not contained in my contract.

Misunderstanding of the scope

I verbally confirmed my understanding of the IOP scope with the GNL Legal Council prior to executing my contract. My understanding was the IOP scope would begin with ensuring accountability of negotiators in meeting their mandates, reviewing the legal, technical, and commercial terms of the MOU and overseeing progress towards definitive agreements. My understanding was the IOP mandate was an end-to-end full scope mandate over the negotiation process without limitation. I also believed this to be the expectation of NLH, the Legislature as a whole and the public.

It would appear the source of the misunderstanding clearly lies in the wording of the following extract from the IOP terms of reference:

Responsibilities

-Assist Cabinet in ensuring accountability of any negotiators as well as NLH in meeting their

mandates.

My understanding was based upon a literal interpretation of the words “negotiators” and “mandates” (plural). This wording indicated to me there was more than one negotiator and more than one mandate. This obviously would require the identification of all negotiators and their specific mandates as a first step. At no time did I have any reason to substitute the word “mandates” with the term “MOU”.

The relevant dictionary definition of the word mandate is: “an official order or commission to do something”. Whereas the relevant dictionary definition of the term MOU is: “an MOU is a formal, but non-binding agreement between two or more parties”.

The Clerks’s interpretation of the Terms of Reference provided by way of a recent letter to the Chair of the IOP substitutes the term “MOU” for the word “mandates.” This substitution, if appropriate, permits a materially different interpretation of the scope of the IOP opposed to my literal interpretation of the words.

The letter was very clear that the scope of work of the IOP should start with a detailed review of the MOU and end with opining on the Definitive Agreements. The result of this interpretation is that everything that transpired during the negotiating process prior to the execution of the MOU would be out of scope. My prior understanding was that the scope of work started with the accountability of negotiators mandates. Consequently, the IOP collectively developed detailed objectives, procedures and issued 27 RFI’s to NLH to enable our review. It appeared NLH had an understanding similar to mine as they responded to all RFI’s without exception. In addition, GNL Legal Counsel attended all meetings between the IOP and NLH and at no time indicated that any of the questions posed by the IOP were out of scope.

Many of the RFI’s and interview questions posed by the IOP sought to obtain significant insight as to the structure, flow, value creation and claiming activities resulting in the MOU. Our procedures also identified the existence and effectiveness of oversight mechanisms deployed from the time of the approval of the negotiators mandates up to and including the approval of the MOU. Based upon the Clerk’s interpretation, many of the IOP objectives and procedures would be out of scope therefore the related findings and conclusions could not facilitate a review of the MOU; form the basis of advice to Cabinet; or be included in reports. My understanding of the mandate and responsibilities of the IOP at the time I executed my contract now appears to be mistaken.

The MOU is an encapsulation of the status of negotiations as of December 12, 2024, which provides a framework to enable ongoing negotiations including the development and

negotiation of term sheets and definitive agreements. In my view, to perform an effective review of the MOU and progress towards definitive agreements, an understanding of the process that resulted in the MOU would be extremely beneficial, if not critical. Likewise understanding the specifics of the negotiators mandates and how the execution of those mandates influenced the structure and flow of negotiations would be extremely beneficial, if not critical. This information would certainly enable a more effective review of the MOU as the MOU is neither the starting point nor the end point of the negotiation process.

I would not have executed my contract or agreed to serve as a member of the IOP if I had understood the Clerk's interpretation of the mandate and responsibilities of the IOP.

Effective oversight mechanisms

In the same letter, the Clerk made suggestions and assertions as to "how" the IOP should undertake its oversight responsibilities. I do not believe it is appropriate that an independent panel should be instructed as to "how" to execute its work. The Clerk asserted that should the IOP provide oversight with respect to the development and negotiation of the terms sheets it may be perceived to become a part of the Negotiations and thus lose its objectivity and independence. I disagree with this assertion completely. I believe the function of oversight (to view from above) is understood by every member of the IOP and its advisor. The IOP would not take any action that could be seen to involve the IOP in the ongoing negotiation process or influence Negotiations in any way. For the same reason, the IOP would also be extremely careful in providing advice to Cabinet.

I believe there is a clear understanding among the IOP that appropriately designed, developed, and deployed oversight mechanisms would not in any way impair its independence. Any IOP oversight mechanisms would only be deployed to supplement existing oversight mechanisms if for any reason a deficiency exists or arises. The IOP would not usurp, duplicate, or disrupt existing effective oversight mechanisms. The IOP is accountable to Cabinet for oversight of the Negotiations and progress toward definitive agreements which, in my view, would include the development and negotiation of terms sheets.

For example in my view, oversight mechanisms should be deployed by the IOP to ensure: key decisions, risks and opportunities are identified and brought forward to GNL in accordance with the USD; ongoing negotiations are conducted in a manner free from management or political bias; that the NLH planned approach to ongoing negotiations and progress toward definitive agreements is suitable, appropriately resourced and managed effectively. The IOP has the responsibility and access to resources to deploy such oversight mechanisms while the GNL and the NLH Board do not.

The Clerk's suggestion that the IOP should limit its oversight to a review of the term sheets subsequent to the conclusion of the ongoing negotiation process with HQ (i.e. the "product" of the negotiation process) is, in my view, inconsistent with the IOP responsibility to provide reliable and transparent oversight associated with the ongoing negotiations process....and progress towards definitive agreements.

I do not share or accept the Clerk's suggestions and assertions as to "how" the IOP should discharge its oversight responsibilities and in my mind these suggestions and assertions actually impair the independence of the Panel as opposed to protecting it.

Inappropriate added responsibility

I was incredibly surprised to see a new responsibility, not previously mentioned in my contract added to the role of the IOP without any dialogue or consultation. The Clerk indicated that the IOP would be expected to opine on the Definitive Agreements. In my view, this added expectation is not within the mandate and responsibilities of the IOP. The responsibility of the IOP should be limited to ensuring processes and controls are deployed to ensure that any opinions required by NLH or the GNL are obtained from external advisors with the appropriate orientation, skills and experience. This would require the IOP to understand the purpose, content and timing of the required opinions to ensure the mandates of external advisors are appropriate. In addition, the IOP would need to determine to what extent additional objectives, procedures and oversight mechanisms should be deployed.

In my view, providing an opinion of any nature on the definitive agreements should not be an expectation, responsibility or accountability assigned to the IOP. Rather, all required opinions should be included in the mandates, responsibilities and accountability of the GNL and NLH external advisors subject to the oversight of the IOP.

Conclusion

I hope this letter clearly sets out the reasons for my resignation as of May 7, 2025. I do not wish there to be any confusion or controversy surrounding my decision. I would be happy to clarify or answer any questions you may have. I sincerely hope the IOP concludes its mandate and responsibilities to the satisfaction of the Legislature as a whole and the public.

My decision to resign from the IOP was extremely difficult, however, I took some solace from the knowledge that others including the Premier, the Minister of Industry, Energy and Technology and the Clerk all recently resigned prior to the completion of the definitive agreements albeit for completely different and unrelated reasons.

Once again, thank you for providing me with the honour and opportunity to be of service to the

province. In my view, both the misunderstanding and differences of opinion are unfortunate.

Please ensure that the IOP webpage indicates I am no longer an active member.

Yours truly,

Mike Wilson