

**ENMAX Corporation Presentation to the
City of Calgary Audit Committee Meeting
July 19, 2023**

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Financial Performance and Reporting

Significant Actions Taken in 2022 and Early-2023

Our team continues to execute our strategy of optimizing our business, focusing capital investment by growing our regulated businesses, and reinforcing our focus on our customers.

Affordability, safety, reliability and preparing our grid for the future remain top priorities for ENMAX.

2022 saw historically high inflation and commodity prices, increased media attention on customer affordability, and tightened monetary policy from the Bank of Canada.

Going forward, ENMAX is on track to continue delivering strong organic growth.

ENMAX undertook several significant actions in 2022 and early-2023 that result in a more stable, profitable company going-forward, as follows:

- 1) Deliver strong financial outcomes, improve the health of our balance sheet and build a solid foundation for future growth opportunities:
 - a) Strong financial performance in 2022 largely driven by commodity pricing in ENMAX Energy.
 - b) ENMAX is committed to improving its rating profile, and continues to improve on our key credit metric, FFO/Debt. ENMAX has also de-levered the debt for the Versant Power acquisition faster than anticipated due to higher earnings/cashflow in ENMAX Energy.
- 2) In 2022 ENMAX advanced progress against our ESG framework which includes climate change and the energy transition, energy affordability, diversity, inclusion and belonging, and governance.
- 3) Continued strong safety performance in 2022 and 2023, with sustained emphasis on our proactive safety programs.
- 4) We continue to mature our risk mitigation programs and controls with respect to cybersecurity, which now has two Key Performance Indicators at the corporate level.
- 5) Customer affordability issues continue due to increasing energy and delivery costs along with the carbon tax and higher weather-driven consumption. In addition to extending the load limiter pilot into 2023, three new affordability pilots have been launched in Alberta.
- 6) We continue to manage results of decisions by the AUC. We reached a settlement with the Office of the Utilities Consumer Advocate and the Consumers' Coalition of Alberta for ENMAX Power's 2023-2025 Transmission cost of service application. The settlement is currently with the AUC for final approval which is expected by Q3 2023. In addition, the proceedings of the Generic Cost of Capital for 2024 and beyond and the Performance Based Rate Making Generation 3 (2024-2028) are currently in progress with expected decisions in Q3 2023.
- 7) We saw the successful completion of planned outages at Crossfield in late 2022 and Shepard in early 2023.
- 8) ENMAX began construction to replace Substation No. 1 in Calgary's downtown core, which is the largest project in ENMAX Power's history.
- 9) Refresh our strategy to focus on operational excellence, responsible growth and enabling the energy transition.

Performance Tracking – financial & operational – Full year

2022 Consolidated EBITDA is **\$79M favourable** to Budget and CNE is **\$71M favourable**. Full year capital expenditures is **\$16M underspent**, mainly due to ENMAX Power **underspend**, partially offset by increased FX impact of Versant Power capital spend, resulting from a stronger USD vs. CAD, upon translation of Versant Power spend.

Consolidated (\$M unless otherwise noted)	Annual			
	Actuals	Budget	Budget Variance	
Revenue	3,743	2,922	821	
Cost of Goods Sold (COGS)	2,522	1,783	(739)	
Operating Margin	1,221	1,139	82	●
Net OM&A	485	481	(4)	●
EBITDA	737	658	79	●
CNE	274	203	71	●
Calculated Dividends (30% of CNE)	82	61	21	●
Capital Expenditures	534	550	(16)	
ENMAX Power	273	294	(21)	
Versant Power ¹	162	159	3	
ENMAX Energy	84	76	8	
Capital Additions (ENMAX Power and Versant Power)	405	380	25	
ENMAX Power	235	247	(12)	
Versant Power ¹	170	133	37	
Headcount	2,103	2,153	(50)	
Balance Sheet Debt ²	3,545	3,769	224	●
S&P FFO/Debt ³	13.6%	12.4%	1.2%	●
ENMAX Power Regulated ROE ⁴	7.2%	7.0%	0.2%	●
Versant Power ROE ⁵	6.8%	7.4%	-0.6%	●

1) Versant Power capital expenditures and capital additions are translated at the actual USD vs. CAD FX rate and will not tie to Versant Power stand alone results as they translate capital expenditures at the budget exchange rate of 1.2

2) Debt values reflect total short-term financing, current portion of long-term debt, and long-term debt on the consolidated balance sheet

3) We expect S&P to report this value for FFO/Debt, however there may be slight differences between our calculation and the final calculation by S&P, expected in July

4) The allowed ENMAX Power ROE is 8.5% for both Distribution and Transmission. With normalizing items taken into account (as noted in the ENMAX Power section of the CEO Report), **the 2022 Distribution ROE was 8.63% and Transmission ROE was 8.64%. 2022 combined ROE with the noted normalizations was 8.63%**

5) The allowed Versant Power ROE is 10.06%, which represents the weighted average Bangor Hydro District Transmission (11.1%), Maine Public District Transmission (9.6%), and Distribution (9.4%)

ENMAX Regulatory Environment



ENMAX has business units that are subject to utility regulation by (Alberta) Provincial and (Maine) State/US Federal regulators:

- **ENMAX Power** – the Alberta Utilities Commission (AUC)
- **ENMAX Energy** – most operations under “fair, efficient and open competition” regulations of Alberta competitive energy market and some portions subject to regulation by the AUC
- **Versant Power** – the Maine Public Utilities Commission (MPUC) and US Federal Energy Regulatory Commission (FERC)

Credit Rating Update

ENMAX's key credit metrics for all rating agencies have improved year-over-year as higher cashflow from ENMAX Energy was used to repay debt faster than previously anticipated. While the credit metrics have improved, rating agency are keeping a close eye on the important upcoming regulatory decisions in Alberta.

- DBRS is expected to maintain current rating of BBB(H). Fitch affirmed ENMAX BBB rating with stable outlook in May.
 - Positively view ENMAX's low-risk regulated operations in Alberta and Maine along with integrated retail and generation business
 - View the Alberta Utilities Commission (AUC) as a supportive regulatory regime
- S&P is expected to maintain BBB- rating.
 - Waiting for outcome of Alberta's regulatory decisions on Performance Based Regulation (PBR) for distribution and Generic Cost of Capital (GCOC) before assessing the negative outlook
 - Downgraded their view of the AUC's credit support in fall 2020
 - 2022 credit metric results ended up being better than S&P expected

DBRS

BBBH

Stable Outlook

Confirmed July 7, 2022

Fitch

BBB

Stable Outlook

Confirmed May 19, 2023

S&P

BBB-

Negative Outlook

Confirmed July 12, 2022

Appendices for Financial and Performance Reporting: (Letter Item 1 – 5)

Appendices

2022 Financial Report
ENMAX Financial Objectives - CONFIDENTIAL
Versant Power Update - CONFIDENTIAL
Disclosure and Confidentiality Policy
ICFR Enhancement vs. CSOx Compliance - CONFIDENTIAL

Environmental, Social & Governance Practices

2022 ESG Highlights

ADVANCING A CLEANER ENERGY FUTURE

The 2022 ESG Report is now available on enmax.com. Below is a selection of highlights from our 2022 ESG Report which demonstrate our evolution as a responsible corporate citizen and future-oriented energy provider.

ENMAX, Alberta 2022 ESG Highlights

OPERATIONS

Served
~725,000
residential, commercial and
industrial customers in Alberta

Maintained
335 km
of transmission
lines and

8,629 km
of distribution lines in
and around Calgary

Provided
1,522 MW
generation capacity

Remained
**TOP
QUARTILE**
for reliability among
Canadian utilities



ENVIRONMENT



Announced plans to
study feasibility of
CARBON CAPTURE
at our Shepard
Energy Centre

Achieved
65%
REDUCTION

in scope 1 and scope 2 GHG emissions
towards our net-zero target



Began quantifying our
SCOPE 3 EMISSIONS

**800 kW
OF SOLAR**

The solar panels in our
secondary network pilot are
generating electricity and exporting
excess energy back to the grid



Continued testing two medium-duty
electric vehicles towards our target
to **TRANSITION 35%** of our mobile
fleet to zero emission vehicles by 2030

SOCIAL

Entered into a new
20-YEAR
distribution agreement with the
Tsuu'tina Nation

Progressed the next phase of our
**EV SMART
CHARGING
PILOT**
to test the effectiveness of incentives
on electric vehicle charging behaviour



Contributed
~\$3 million
to Alberta community
organizations and directed



35%
of our community
investment budget to
energy affordability



Achieved safety record
of **0.74** total recordable
injury frequency (TRIF)



GOVERNANCE

Customer Care
responded to
>680,000
calls, emails and
web chats



Achieved
88%
customer satisfaction

CYBERSECURITY PREPAREDNESS
>30 employees completed Incident
Command System training to enable a
more coordinated response to incidents










LEADERSHIP
100% of senior leaders completed
inclusive leadership training to enable
a culture of belonging



33%
of the members of
our Board of Directors
are women

2022 ESG Progress

At ENMAX, we are proud of our strong history of achievements in environmental, social and governance (ESG) practices and performance. The scorecard below is in our 2022 ESG Report. The scorecard allows us to demonstrate performance against our targets.

	TARGET	STATUS	PROGRESS
GHG emissions and the energy transition	Reduce or offset greenhouse gas (GHG) emissions associated with our power generation portfolio by continuing to invest in efficiency improvements and new technologies.		Completed turbine upgrade at Calgary Energy Centre (CEC) adding 10 MW maximum generation capability. This further increased the efficiency of CEC.
	Offset 100% of our building GHG emissions (scope 1 and scope 2) from 2021 onwards.		Completed offset purchases for 2021. Offset purchases for 2022 will be completed in Q3 2023.
	Electrify 35% of our mobile fleet by 2025 towards our aspirational goal of electrifying 100% of our mobile fleet by 2030.		As of the end of 2022, 3.85% of our fleet is composed of electric vehicles. During the year, we tested two EV cube van prototypes and received a commitment for funding from NRCan to support installation of EV chargers.
Diversity, inclusion and belonging	100% of all people leaders to complete inclusive leadership competency training in 2022.		100% of all people leaders completed inclusive leadership competency training.
	Complete an assessment of our customer and vendor practices by 2023 to identify further opportunity to advance inclusive customer experiences and vendor management processes.		Completed an assessment of our vendor and customer practices.
Reliability and innovation	ENMAX Power plans to invest \$60 million by 2030 to enable a more resilient grid while maintaining its reliability levels.		Exceeded target with a spend of more than \$60 million in 2022 towards enabling a more resilient grid.
Energy affordability	Spend at least 30% of our community investment budget each year on activities and organizations that support customers at the various stages of the energy affordability lifecycle. By 2025, increase the proportion of spending in this area to 40%.		35% of our 2022 community investment budget was directed towards energy affordability. In addition, a one-time emergency fund outside of the community investment budget was donated to the United Way of Calgary and Area for crisis support, which brought the total to 42%.
	Deliver 1,000 energy saving kits to Albertans by 2022.		1,000 energy saving kits were delivered to Albertans by the end of 2022.
	By 2025, conduct four pilot projects to test programs or solutions that work towards removing barrier to energy access and affordability.		Completed two pilots and initiated three.

 MET  ON TRACK  DID NOT MEET

Appendices for Environmental, Social and Governance Practices: (Letter Item 6 – 10)

Appendices

2022 Environmental Social Governance (ESG) Report

Board Governance

ENMAX's Governance Approach

**Follow Canadian
Corporate
Governance
Practices**

**Continuously
Deliver
Shareholder Value**

**Maintain Canadian
Standards in
Disclosure and
Transparency**

Our approach to governance and the disclosure of our practices is informed by *National Instrument 58-101 – Disclosure of Corporate Governance Practices*.

We issue:

- Quarterly and annual financial statements and MD&A
- Annual Report on Governance and Compensation
- Annual ESG Report

All information is available on enmax.com

ENMAX Governance Role & Responsibilities

ENMAX's Shareholder

- ENMAX is a private corporation incorporated under the Alberta *Business Corporations Act* whose sole shareholder is The City of Calgary
- Calgary's City Council acts in the capacity of the Shareholder on behalf of Calgarians
- ENMAX does not receive funding from The City of Calgary—we generate our own revenue and profits and maintain a separate financial standing and credit rating. Each year, ENMAX strives to pay a stable, predictable and growing dividend to the Shareholder consistent with our dividend policy

Shareholder Engagement

- Ongoing communication and engagement with The City of Calgary is an integral part of ENMAX's philosophy of good governance
- We communicate with our Shareholder regularly on a variety of business matters, meeting quarterly in person and by phone, and convening a public Annual Shareholder Meeting and an in-camera meeting to review our forward business plans.
- The Chair of our Audit Committee meets with The City's Audit Committee annually

ENMAX Board of Directors

- Governed by a Board of Directors, comprised of industry, business and community leaders elected annually by Shareholder
- Accountable to the Shareholder to ensure we operate in a prudent and transparent manner that reflects ENMAX's commitment to accountability and corporate responsibility
- Rigorous Board selection and appointment process is guided by a skills matrix to ensure we have the director expertise and experience required to govern ENMAX effectively

ENMAX Board Role & Responsibilities

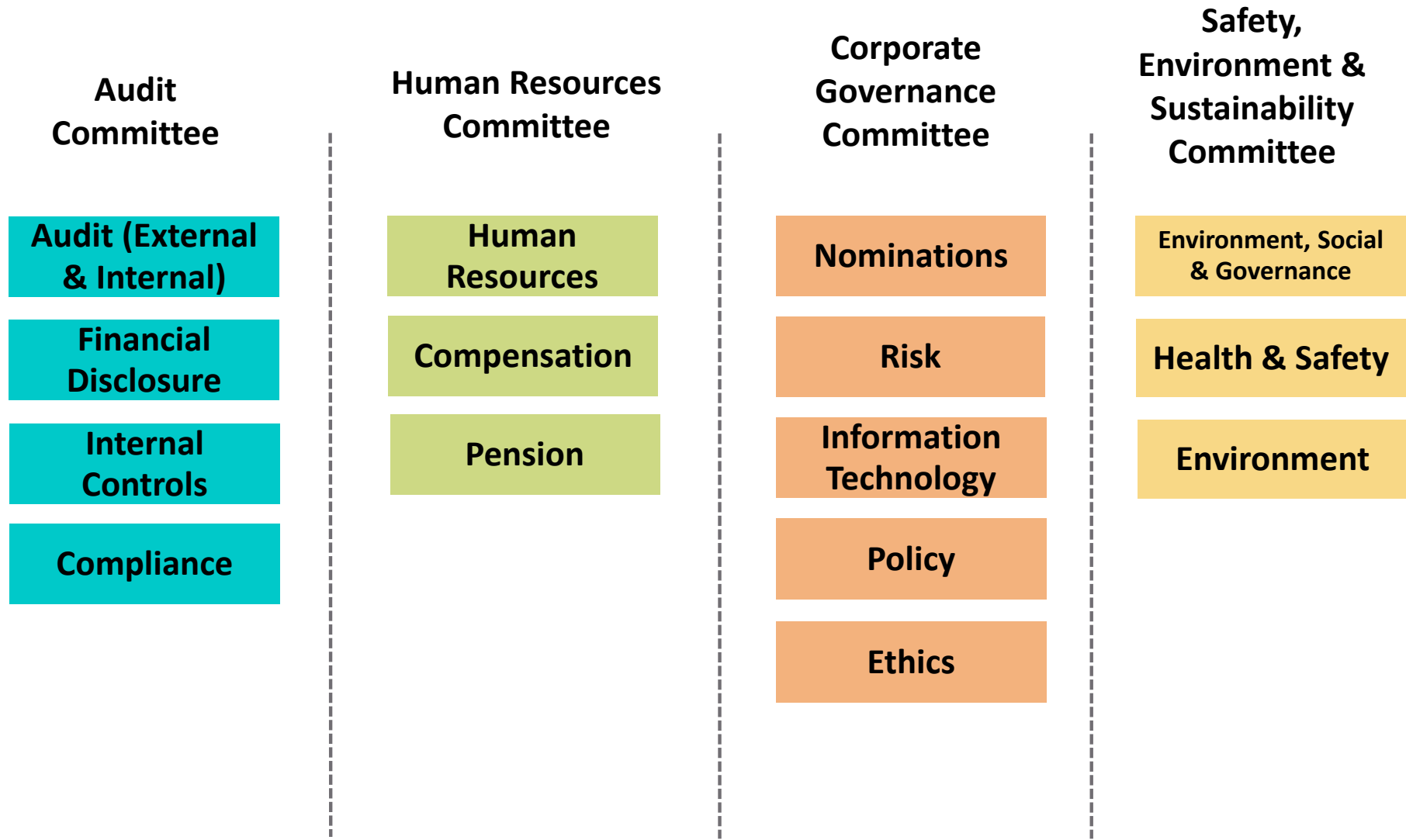
Accountable to City Council, the Board is composed of independent business and energy leaders that bring decades of experience to ENMAX (elected annually at each AGM).

Under the Board's stewardship, ENMAX adheres to Canadian governance standards (in place for public corporations):

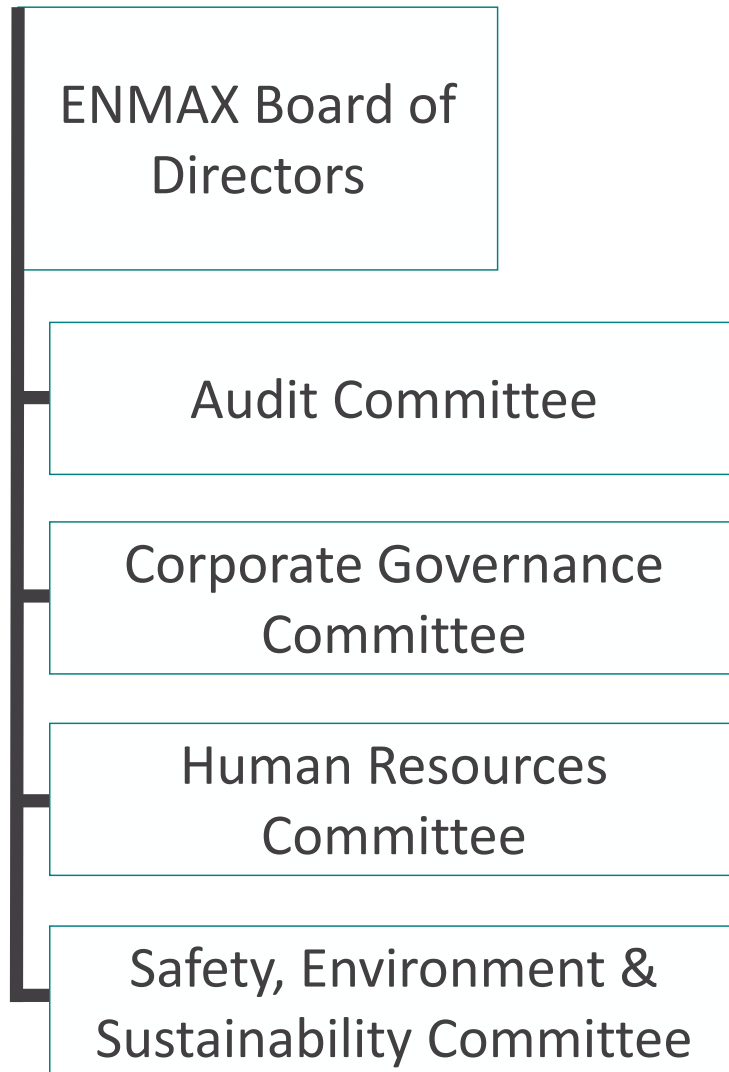
- Written mandates for Board and its Committees reviewed annually
- Public financial disclosure
- Ongoing Shareholder disclosure
- 'No Surprises' Shareholder communication approach and practices fully in place
- Shareholder-approved Board compensation program
- Matrix of skills informs Board succession planning
- Ongoing public disclosure of ENMAX governance practices, including board and executive compensation

ENMAX Board Governance

Four Committee Structure – Effective January 2023



Board Oversight Practices



Rigorous Board Oversight

- **The Board and its Committees have publicly disclosed terms of reference.** The Board evaluates its performance annually as well as that of the President & CEO.
- **The Board meets at least five times per year** and receives **progress reports** from the CEO between meetings, as well as undertaking specialized **deep dive and educational sessions** on specific areas of ENMAX's business.
- **The Board reviews and approves an extensive range of matters annually,** including public Financial Reports, strategy execution and all aspects of business performance, while also setting **annual performance measures.**

ENMAX Governance Framework

City of Calgary Shareholder

Exercises its Shareholder rights, primarily through the Election of the Board of Directors and appointment of Financial Auditor
(100% of equity securities are held by City of Calgary)



ENMAX Board of Directors

Responsible for overseeing the affairs of ENMAX, including approving Strategy, Annual Budget, Material Contracts, Executive Officer Appointments and Compensation. Decisions informed by the Shareholder Value Proposition.



ENMAX Executive Team

Strategy execution, industry and people leadership
Manage organizational performance and risk



City of Calgary Administration

City Executive Team partners with ENMAX Executive Team



ENMAX operates under a “No Surprises” mandate and major business developments are disclosed to our Shareholder as they arise.

ENMAX Board, Committee and Policy Information

The role of the Board of Directors is to act in the best interest of ENMAX Corporation and ensure we deliver our Board mandate. The President and CEO and executive team are responsible for the development of ENMAX's strategy and the day-to-day management of the organization. The Board oversees the performance of the CEO and executive and ensures sound systems are in place to manage our risks and operations. The Board, through engagement with the executive team, monitors ENMAX's approach to ethics, compliance with applicable laws and regulatory policies, environmental risks and obligations, health and safety performance, financial practices, and disclosure and reporting.

In support of our commitment to transparency and accountability, ENMAX discloses the mandates in place for the Board, its committees and its individual Directors, as well as the key policies that guide our commitment to good governance—our Principles of Business Ethics Policy and Disclosure and Confidentiality Policy.

These documents can all be found on the ENMAX website.

- ENMAX Board – Mandate
- Director – Mandate
- Audit Committee – Mandate
- Corporate Governance Committee – Mandate
- Human Resources Committee – Mandate
- Safety, Environment and Sustainability Committee - Mandate
- Board Leadership Expectations
- Principles of Business Ethics
- Disclosure and Confidentiality Policy
- Board Diversity Policy

Executive Leadership Team



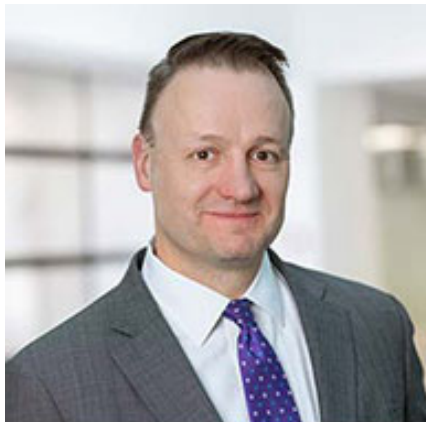
Mark Poweska
President & CEO



Sheri Primrose
Interim Chief Financial Officer
(Effective May 17, 2023)



Jana Mosley
President, ENMAX Power



Greg Retzer
EVP, ENMAX Energy



John Flynn
President, Versant Power



Erica Young
Chief Legal Officer, EVP
Corporate Development



Brandie Yarish
Chief Human Resources
Officer, EVP Safety and
Community Engagement

Preet Dhindsa departed ENMAX as EVP and Chief Financial Officer effective May 17, 2023

Sheri Primrose (formerly VP, Finance, Strategic Planning & Optimization) became Interim Chief Financial Officer effective May 17, 2023

Members of the Board



Charles Ruigrok
(Board Chair)



Mark Poweska
President & CEO



Nipa Chakravarti
(Joined December 2, 2022)



Laura Formusa



Daryl S. Fridhandler K.C.



Eric Markell



Barbara Munroe



Byron Neiles
(Joined December 2, 2022)



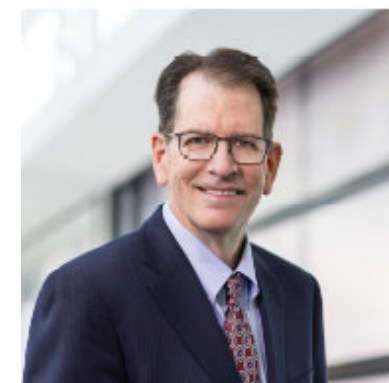
Dr. Chika Onwuekwe K.C.



Elise Rees



William Taylor



Bruce Williamson

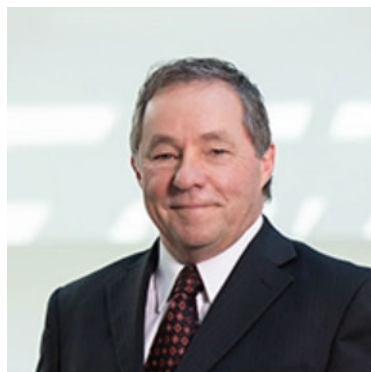
Greg Melchin retired from ENMAX Board Chair effective December 2, 2022

Kathy Sendall retired from ENMAX Board effective December 2, 2022

Members of the Audit Committee



Eric Markell
(Chair)



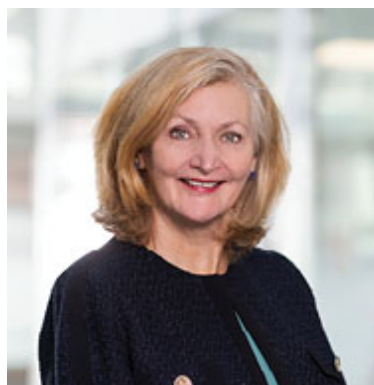
Charles Ruigrok
(Ex-Officio member)



Nipa Chakravarti
(Joined December 2, 2022)



Laura Formusa



Elise Rees



Bruce Williamson

Members of the Corporate Governance Committee



Barbara Munroe
(Chair)



Charles Ruigrok
(Ex-Officio member)



Nipa Chakravarti
(Joined December 2, 2022)



Dr. Chika Onwuekwe K.C.



Elise Rees

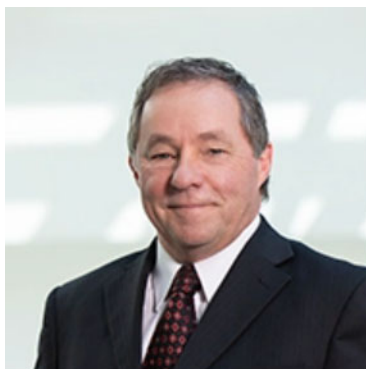


William Taylor

Members of the Human Resources Committee



Laura Formusa
(Chair)



Charles Ruigrok
(Ex-Officio member)



Daryl S. Fridhandler K.C.



Barbara Munroe



Byron Neiles
(Joined December 2, 2022)



Bruce Williamson

Members of the Safety, Environment & Sustainability Committee



Dr. Chika Onwuekwe K.C.
(Chair)



Charles Ruigrok
(Ex-Officio member)



Daryl S. Fridhandler K.C.



Eric Markell



Byron Neiles
(Joined December 2, 2022)



William Taylor

ENMAX Director Skills Matrix

Key Skills	Nipa Chakravarti	Laura Formusa	Daryl Fridhandler	Eric Markell	Barbara Munroe	Byron Neiles	Chika Onwuekwe	Mark Poweska	Elise Rees	Charles Ruigrok	Bill Taylor	Bruce Williamson
Commodities / Wholesale Electricity Trading	✓			✓							✓	
Community Building and Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance / Legal	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Customer Experience	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Electricity Utility Sector	✓	✓		✓				✓	✓	✓	✓	✓
Energy Sector	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environmental, Sustainability and Safety		✓		✓	✓	✓	✓	✓	✓	✓		✓
Financial	✓	✓	✓	✓				✓	✓	✓		✓
Human Resources	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Political and/or Government	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Project Management, Engineering or Construction	✓	✓		✓		✓		✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technology	✓	✓			✓	✓	✓	✓	✓	✓		

Skill Area	Skill Descriptor	Skill Area	Skill Descriptor
Commodities / Wholesale Electricity Trading	Senior executive or consulting experience in commodity or wholesale electricity trade operations.	Environmental, Sustainability and Safety	Thorough understanding and experience in environmental, climate, sustainability and health and safety frameworks (legal, regulatory and policy) applicable to business and the broader energy industry.
Community Building and Leadership	Significant experience and demonstrated leadership in the areas of community building and relations. Experience and capacity to engage and build relationships with a diverse set of stakeholders. May include experience with nonprofits and the public sector.	Financial	Senior executive experience or consulting in financial accounting and reporting and corporate finance, especially with respect to debt and equity markets. Comprehensive knowledge of internal financial controls and reporting standards. Expertise in auditing, evaluating, or analyzing financial statements. May have formal education in this regard.
Corporate Governance / Legal	Senior executive, board member or consulting experience in corporate governance and legal matters applicable to business. (Note: Legal skill area represents a variety of legal areas and is not limited to a lawyer).	Human Resources	Senior executive experience or relevant board committee participation with an understanding of compensation, benefit and pension programs, human capital planning, legislation, and agreements. Executive compensation expertise including base pay, incentives, equity and perquisites, and an understanding of retention, succession, training, and recruitment.
Customer Experience	Senior executive or consulting experience with retail-level customers in the utility industry or another customer-focused service industry.	Political and/or Government	Experience in or with senior levels of municipal, provincial, or federal government, and/or senior management experience in political and public consultation.
Electricity Utility Sector	Senior executive experience in electric utility (e.g. regulated rate) involving retail transmission, distribution and/or generation. (Note: Energy Sector Skill area captures competitive electricity).	Project Management & Engineering	Senior executive experience in large-scale infrastructure projects or capital investment programs. May include formal education in this regard.
Energy Sector	Senior executive or consulting experience in the competitive energy, electricity, or natural gas markets, combined with a strong knowledge of ENMAX's strategy, markets, competitors, financials, operational issues, regulatory concerns, and technology. May have technical training and formal education in this regard (e.g. engineering degree).	Risk Management	Senior executive experience in analyzing exposure to risk and successfully determining appropriate mitigants to best handle such exposure.
		Technology & Cybersecurity	Senior executive or consulting experience with technology applicable to electricity system. Includes Information Technology and Cybersecurity.

Appendices for Board Governance: (Letter Item 11 – 12)

Appendices

Audit Committee Mandate
Audit Committee Workplan – CONFIDENTIAL
2022 Year End External Auditor Report – CONFIDENTIAL
2022 Annual Report on Governance and Compensation
Principles of Business Ethics Policy
Board Diversity Policy
ENMAX Executive Team Member Profiles
ENMAX Board of Directors Member Profiles

Enterprise Risk Management

Enterprise Risk Management

What are your organization's principle risks?

ENMAX tracks key risk themes on a quarterly basis and presents observations and mitigations to our Board of Directors. Key risk themes include Customer, External Environment, Financial, Operational, People, Policy/Government, Regulatory, Safety, and Security. The governance of this report development and reporting cycle are defined in policy. The full 2023 Q1 Enterprise Risk Management Report can be found in the Appendices.

What risk management policies and procedures are in place to manage these risks, including internal controls that are that are in place to manage risk such as information technology and other systems?

ENMAX has an ICFR (Internal Controls over Financial Reporting) program managed by the Internal Audit function whereby Internal Controls are documented and certified quarterly by control owners and leaders.

ENMAX has a technology governance framework to mitigate risks in its technology ecosystem. This includes internal processes covering investment and technical architecture oversight, alignment to several industry reference frameworks that guide maturity around core processes and IT general computing controls surrounding critical business systems. Our external auditor, Deloitte, reviews IT General Controls as part of their annual audit of ENMAX.

How are the principle risks oversight assigned, tracked, and monitored by the board including the method(s) and frequency used by the board to continually review the risks, controls, risk response strategies and disclosure?

Each quarter, our Enterprise Risk Management report is presented to the Board. Key takeaways are actioned and updates presented at subsequent meetings. While follow-ups are usually reported quarterly, matters of particular urgency are followed up on expeditiously.

In addition to the regular quarterly review, process/control reviews are performed at least every two years at every second Q2 board meeting in August but have often been reviewed more frequently on an ad-hoc basis.

Are there any results of regulatory or internal/external business assessments that provide assurance on the effective management of the principle risks as addressed in your presentation?

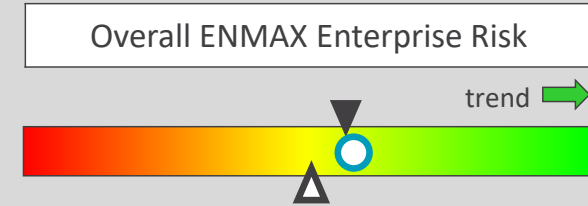
Our Regulatory function and Business Unit leadership (in addition to all other departments) perform regular assessments of the operating environment as a part of their regular duties. The Enterprise Risk Management function exists as a vehicle to summarize these types of assessments to focus Board level conversations on the highest risk areas while still reporting on lower priority risks.

Top Risk Summary

Overall Assessment:

ENMAX's risk profile has improved as a result of strong financial performance and ratification of the new IBEW collective agreement in Alberta.

Our assessment is that **ENMAX's overall risk profile has decreased from prior quarter and is similar to Q4 2021.**



3 Financial (Moderate Decrease)

Our financial risk has improved since last quarter. We expect continued strong performance in 2023, including improved credit rating metrics but we are cautiously optimistic about improving views from credit rating agencies, given the volatility in our competitive business that produced additional returns in 2022.

5 People (Small Decrease)

Overall improvement in the risk profile relative to the prior quarter as a result of the successful ratification of a new collective agreement with IBEW in Alberta, partially offset by a small increase in risk in Maine due to an increased number of retirements anticipated in 2023.

The risk and impact of **customer affordability** is woven throughout this report. Updates on the topic have been included as part of Customer, External Environment, Policy/Government and Regulatory risk, and continues to be top of mind for Management.

Other discussion topics:

1. We have included an overview of the new emerging risk process that we are implementing as a result of the emerging risk benchmarking survey and analysis performed in Q3 2022
2. Emerging Risk Updates:
 - The tax treatment emerging risk description has been updated to include the specific legislation we are monitoring related to interest deductibility in 2023. In addition, the timeframe to impact for this emerging risk has been updated on the emerging risk map
 - The Remington emerging risk has been removed due to the decision received in 2022 and a provision recorded related to historical compensation that is still in litigation
 - A new emerging risk regarding market design has been added to the emerging risk register
3. A request was raised at the Q3 2022 Governance Committee meeting to ensure the Enterprise Risk Management (ERM) process is appropriately tied to the risks discussed in the MD&A. Management confirms that the ERM team reviews the MD&A risk section each quarter to ensure alignment

Appendices for Enterprise Risk Management: (Letter Item 13 – 16)

Appendices

Commodity Risk Management Policy – CONFIDENTIAL
Enterprise Risk Management Policy – CONFIDENTIAL
2022 Q4 Enterprise Risk Management Report – CONFIDENTIAL

Talent and Culture

Appendices for Talent and Culture: (Letter Item 17 – 21)

Appendices

Safety and Ethics Helpline Standard
Safe and Respectful Workplace Standard

Shareholder Alignment Review of Wholly-Owned Subsidiaries Implementation Status

Wholly Owned Subsidiary Review and Recommendations

The report prepared by EY in the fall of 2021 outlined 8 recommendations for the City to consider for the governance of Wholly Owned Subsidiaries at large, and 7 additional recommendations for the City to consider in regard to ENMAX specifically.

In direct response to the recommendations in the EY report, ENMAX immediately increased and enhanced communications and information sharing with City Administration. This addressed the scope of Recommendation E 7 that is inside the control of ENMAX.

In order to assist the City with consideration of the remaining recommendations, ENMAX developed a draft plan that would see implementation of the remaining recommendations over the course of 2022, and shared that plan with City Administration on Nov. 1, 2021. In the subsequent period of time, ENMAX worked diligently to narrow the gap between the recommendations and present practice.

On January 12th, 2023, ENMAX met with City Administration and EY to discuss progress on the recommendations. There was general agreement that many recommendations were no longer relevant, and that ENMAX had made significant progress on those that were still relevant.

ENMAX is now working with the City Solicitor and General Counsel's office to complete work on the outstanding items.

Appendices for Shareholder Alignment Review of Wholly-Owned Subsidiaries Implementation Status: (Letter Item 22)

Appendices

None