



AUDIT, FINANCE & RISK COMMITTEE ANNUAL WORKPLAN

(As at May 2014)

| DUTIES & RESPONSIBILITIES | TIMING AND RESOURCING | | | |
|---|-----------------------------------|-----|--------|----------|
| | MARCH | MAY | AUGUST | NOVEMBER |
| Disclosure Documents | | | | |
| Review and recommend for Board approval annual, interim and other material financial information to be disclosed to the public, securities commissions or regulators, including all financial statements, management discussion and analysis and press releases. | ✓ | ✓ | ✓ | ✓ |
| Review and recommend to the Board for approval all financial information included within any prospectus, offering memorandum, securities commission filings or other material documents in connection with the offering of securities of the Corporation. | Completed on an as-required basis | | | |
| Review findings of examinations performed by any regulatory agencies, any External Auditor and Internal Auditor observations made, and Management’s responses. | Completed on an as-required basis | | | |
| Internal Controls & Financial Reporting Processes | | | | |
| Inquire of the CEO and CFO regarding the processes followed by them in preparing their certifications, any areas of concern or challenge, any issues of material importance and other related matters. | ✓ | ✓ | ✓ | ✓ |
| Review Corporation’s significant accounting principles and financial statement presentations, including any changes in the selection or application of such. | ✓ | ✓ | ✓ | ✓ |
| Review significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the effects of alternative GAAP methods on the financial statements and any off balance sheet structures. | ✓ | ✓ | ✓ | ✓ |
| Review all material related-party transactions. | Completed on an as-required basis | | | |
| Review complaints related to accounting, internal controls, financial reporting controls. | Completed on an as-required basis | | | |
| External Auditor | | | | |
| Review annual and quarterly reports of the External Auditor, including: a) the results of their review/audit of the Corporation’s financial statements; b) any significant risk areas or issues reviewed by the External Auditor; c) any corrected or uncorrected misstatements and disclosure deficiencies; d) any problems or difficulties and management’s response; and e) confirm the External Auditor independence of the Corporation. | ✓ | ✓ | ✓ | ✓ |
| Hold discussions with External Auditor regarding the following: a) critical accounting policies and practices. b) alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the External Auditors. c) material written communications between External Auditor and management, including management letter and schedule of unadjusted differences. | ✓ | ✓ | ✓ | ✓ |
| Inquire as to External Auditor’s assessment of internal control over financial reporting and review management’s response to any recommendations of the External Auditors. | ✓ | | | |

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| Receive External Auditors' audit plan, including scope and approach, including significant estimates and judgments made by management and areas of significant audit risk. | | | ✓ | |
| Recommend to the Board the nomination and remuneration of external auditors. | | ✓ | | |
| If a change in external auditors is proposed, the Committee will review the reasons for the proposed change as well as obtain a response from the incumbent auditor. | | ✓ | | |
| Communicate the Committee's expectations regarding the external auditor's (Firm and Lead Partner) performance and evaluate the external auditors' past performance. | | ✓ | | |
| Monitor the independence of the external auditor through written disclosures and meetings with the External Auditor and by reviewing the independent auditor's account of the total fees derived from non-audit work during the past year. | ✓ | ✓ | ✓ | ✓ |
| Directly or by delegation to the Audit and Finance Committee Chair and CFO, acting together, approve both audit related and non-audit related services provided by the external auditors and related fees. | Completed on an as-required basis | | | |
| At least annually, obtain and review a report by the external auditor describing: <ul style="list-style-type: none"> The external auditor's internal quality-control procedures; and Any material issues raised by most recent internal quality-control review or peer review, or by any inquiry or investigation conducted by governmental or professional authorities during the preceding five years with respect to external audits carried out by the external auditor, and steps taken to deal with such issues. | | ✓ | | |
| Meet in camera with the external auditors at every regularly scheduled meeting. | ✓ | ✓ | ✓ | ✓ |
| Internal Auditor | | | | |
| Review the appointment, evaluation and termination of the Internal Auditor. | ✓ <i>Evaluation</i> | | | |
| Review and recommend for approval the Internal Audit Charter, including the determination of independence of the Internal Auditor from Management. | | | ✓ | |
| Review the activities and organizational structure of the internal audit function, as well as the qualifications of personnel. | | | ✓ | |
| Review the internal audit function responsibility, budget, and staffing and discuss adequacy with External Auditor. | | | ✓ | |
| Review the 5-year Internal Audit Plan and Annual Internal Audit Plan for the upcoming fiscal year ensuring that the Internal Auditor is reviewing all of the Corporation's business units to ensure that appropriate internal controls are in place. | | | ✓ | |
| Meet in camera with the internal auditors at every regularly scheduled meeting. | ✓ | ✓ | ✓ | ✓ |

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| Review reports and analysis from Internal Auditor including, results of planned activities for the quarter and findings and recommendations made to Management as well as Management's response to and remediation steps taken as a result of audit findings. | ✓ | ✓ | ✓ | ✓ |
| Periodically review, with Internal Auditor, any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work. | Completed on an as-required basis | | | |
| Review annual report from the Internal Auditor detailing the regular examination of the CEO and EVP expenses and perquisites, including use of the Corporation's assets. | ✓ | | | |
| Compliance | | | | |
| Review any Board Level Policies listed assigned to the Committee with a view to ensuring that the policies have been reviewed with the Committee at least annually. Recommend any changes to the Board-level Policies to the Board for approval | ✓ <i>Annual Report submitted by CFO & EVP Finance</i> | | | |
| Review with EVP, RLS, management, and the external auditors any material pending litigation and investigations, claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation, and the manner in which these matters have been disclosed in the financial statements. | ✓ <i>Report presented under privilege by EVP, RLS</i> | As Required | ✓ <i>Report presented under privilege by EVP, RLS</i> | As Required |
| Review certificate from an officer of ENMAX Corporation and its subsidiaries respecting withholdings and payment obligations contained in the <i>Directors and Officers Liability Statutory Overview</i> . | ✓ <i>Receive quarterly report from Finance</i> | ✓ <i>Receive quarterly report from Finance</i> | ✓ <i>Receive quarterly report from Finance</i> | ✓ <i>Receive quarterly report from Finance</i> |
| Enterprise Risk Management | | | | |
| Annually review the Corporation's risk management programs and processes for adequacy. | | | ✓ | |
| Review compliance with its <i>Risk Management</i> policies. | ✓ | ✓ | ✓ | ✓ |
| Annually review the Corporation's insurance programs for adequacy and obtain external legal advice on content of insurance contracts every three years. <i>(excludes D&O)</i> | | | ✓ <i>External review: 2016</i> | |
| Annually review the Corporation's <i>Business Continuity</i> and <i>Disaster Recovery</i> Plans. | | ✓ | | |
| Other Duties | | | | |
| Annually review the financing plans of the Corporation. | ✓ | | | |

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| Review and recommend to the Board any financing transactions greater than \$15 million contemplated by the Corporation. | <i>Completed on an as-required basis</i> | | | |
| Review compliance with the capital expenditure budget and Board approved expenditures. | ✓ | ✓ | ✓ | ✓ |
| Recommend to the Board the annual Shareholder dividend. | ✓ | | | |
| Annually review the long-term plan for the Finance Group. | | | | ✓ |
| Annually review the adequacy of information systems. | ✓ | | | |