An aerial photograph showing a dense urban skyline with several tall, modern glass skyscrapers in the background. In the foreground, there is a residential area with houses, green trees, and a street with power lines. A red vertical bar is positioned to the left of the title text.

ENMAX Corporation Presentation to the City Audit Committee

April 18, 2024

**Contains commercially sensitive information.
Refer to cover page to materials regarding restrictions.**

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Financial Performance and Reporting

2023 Highlights

Executing on our strategy, achieving our goals

Financial Performance

- Exceeded earnings in all parts of the business, resulting in a **record CNE of \$316M**, an increase from \$274M in 2022.
- **Declared dividend of \$95M** to The City of Calgary.
- Strong retail fixed-contract pricing and customer growth.
- Higher regulated revenue and increased URD margins.

Policy Advocacy

- **Decisive victory in Maine** defending our position against a ballot measure to create a public-owned utility.
- **Industry leadership** on draft Clean Electricity Regulations (CER), Alberta Electric System Operation (ASEO) market redesign, Regulated Rate Option(RRO) restructure.

Capital Investment

- **Total capital spend of \$657M in Alberta and Maine**, related to Substation No. 1 and enablement of Calgary's Green Line light rail and Advanced meter infrastructure (AMI) in Versant Power.
- **92 per cent** of capital expenditures invested in **regulated business**.

Customer Focus

- **Robust customer experience metrics** across the organization, meeting or exceeding targets.
- **Invested \$3.8M in community**, with a focus on funding partner agencies to bolster energy affordability programming.
- Led industry in initiatives to **improve access to energy** for our customers.

Operational Excellence

- **Achieved 97.4 per cent reliability** for generation fleet, commercial availability above target.
- **Record number of new residential connections** in Calgary.
- **Electricity Canada President's Award for Safety Excellence.**
- Successful major planned outage at Shepard Energy Centre.

Strategic Direction

- **Updated SVP**, endorsed by the Shareholder, to define expectations of performance and value of ownership.
- **Evolved corporate strategic plan**, aligning the organization for future growth and resilience.

Regulatory Strategy

- **Constructive regulatory decisions in Alberta and Maine** lay a solid foundation for revenue certainty and future success.

2023 ESG Targets

- **Achieved 2023 ESG Targets.**
- Electricity Canada **2023 Sustainable Electricity award for ESG Framework.**
- Ongoing **knowledge sharing communication on climate-related topics** with City of Calgary Climate and Environment team.

Financial Summary (\$M)

Q4 and Year End Overview

	Three Months Ended December 31			Year Ended December 31		
	2023	2022	% Change	2023	2022	% Change
Revenues	943	1,118	(16%)	3,795	3,743	1%
Regulated	316	305	4%	1,218	1,169	4%
Electricity	370	507	(27%)	1,664	1,680	(1%)
Natural Gas	147	195	(25%)	451	506	(11%)
Local Access Fees	66	71	(7%)	303	238	28%
Contractual Services	34	31	10%	117	109	8%
Other Revenue	9	9	1%	41	41	2%
Operating Margin	377	330	14%	1,345	1,221	10%
Net OM&A	141	114	23%	517	485	7%
Adjusted EBITDA	237	218	9%	829	737	12%
ENMAX Power	94	67	40%	325	278	17%
Versant Power	40	29	38%	133	131	2%
ENMAX Energy / Corporate	103	122	(16%)	371	328	13%
CNE	98	94	5%	316	274	15%
Regulated Capital Additions	247	259	(5%)	418	405	3%

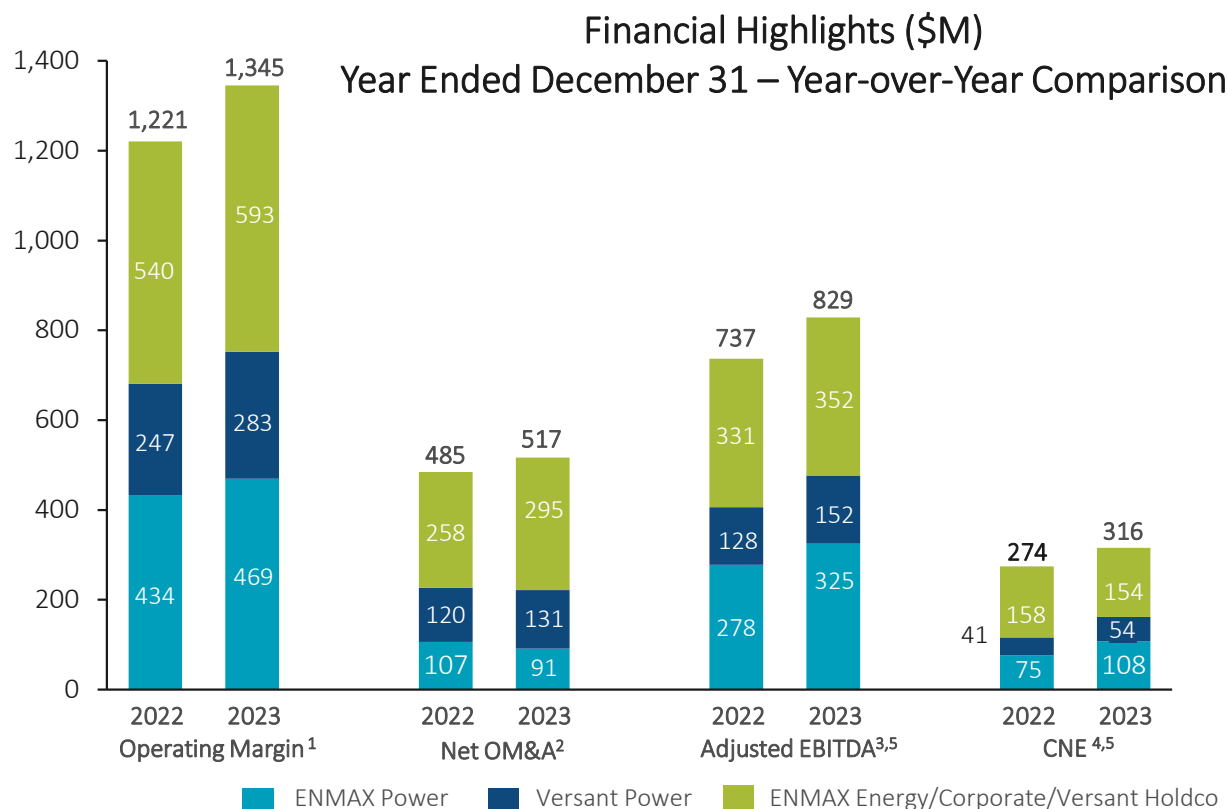


2023 Financial Summary

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Year End

- **Year ended Adjusted EBITDA** of \$829M for 2023 **increased by \$92M** from 2022, largely due to an \$81M increase in transmission and distribution margin and a \$41M increase in electricity margin due to favourable market conditions in the Alberta electricity market, partially offset by an increase in OM&A.
- **Year-ended CNE** of \$316M for 2023 was **\$42M higher** than 2022, as the increase in Adjusted EBITDA noted above was partially offset by higher depreciation and amortization expenses and finance charges.



¹⁾ Operating margin reflects total revenue less direct costs.

²⁾ Management characterizes net OM&A costs as other expenses recognized on the Consolidated Statement of Earnings, excluding unrealized foreign exchange gains and losses and including capitalized recoveries.

³⁾ Management uses Adjusted EBITDA as an indication of cash flows and earnings from recurring primary business activities, without consideration of how those activities are financed or how the results are taxed.

⁴⁾ CNE includes depreciation and amortization and finance charges, as well as income tax effects of core operations.

⁵⁾ Both Adjusted EBITDA and CNE exclude unrealized gains or losses on commodities, unrealized foreign exchange gains or losses, impairment charges (if any) and related tax effects of these items.

Note: Adjusted EBITDA, Net OM&A, and CNE are Non-IFRS financial measures, do not have any standard meaning prescribed by IFRS, and may not be comparable to similar measures presented by other companies.

Investing In Our Business

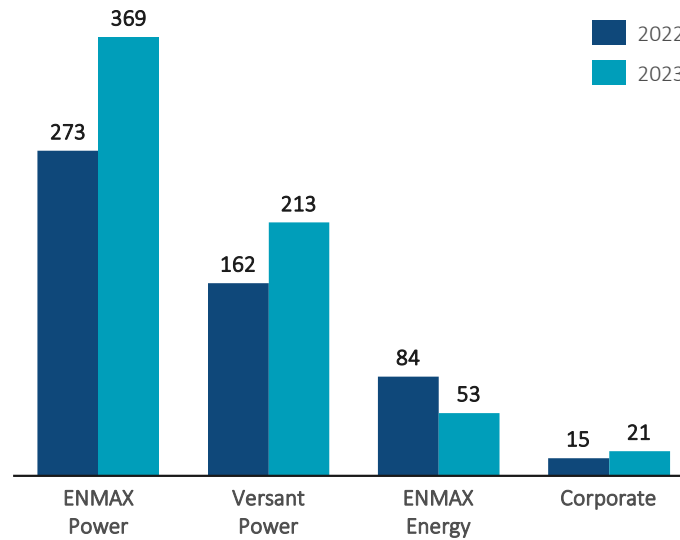
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Diligent capital investment drives our growth

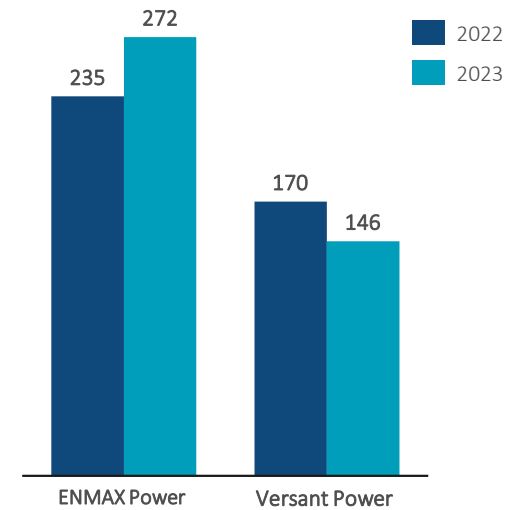
Annual Financial Highlights

Capital spending totalled \$657 million in 2023, an increase of 15 per cent over 2022. The increase primarily relates to Substation No. 1 in ENMAX Power, continued work on the Green Line light rail transit project and AMI in Versant Power.

Capital Expenditures (\$M)
Year Ended December 31 - Year over Year Comparison



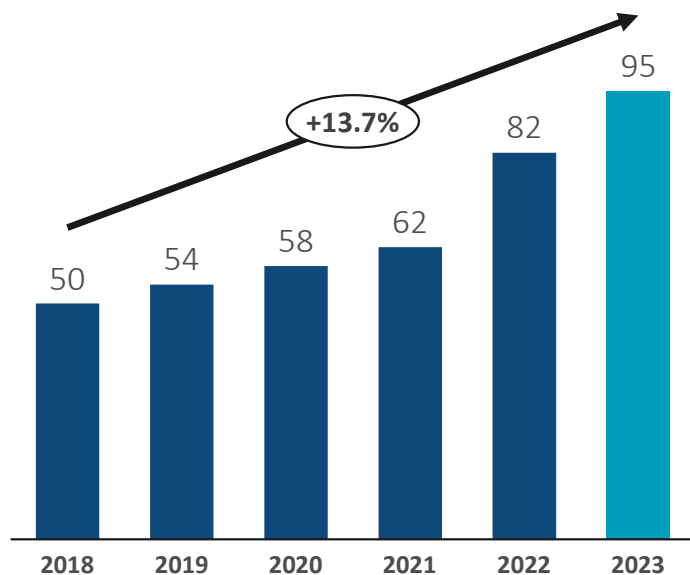
Regulated Capital Additions (\$M)
Year Ended December 31 - Year over Year Comparison



ENMAX Dividend to Shareholder

Consistent and strong growth in returns

Annual Dividend Growth Since 2018¹



Financial Performance²

Shareholder Capital Invested	Shareholder's Equity Now
\$280M	\$2.95B
Return on Investment	
502% (total)	7% (annualized)
Total Ownership Return ³	
1456% (total)	11% (annualized)
372% (total increase over 5 years)	34% (annual growth rate over 5-years)



¹) Annual Dividends are based on results from that financial year and are paid out in the following year.

²) Cumulative numbers presented are as at December 31st, 2023.

³) Total Ownership Return = (Total Dividends Received + Shareholder's Equity – Total Share Capital) / Total Share Capital.

Appendices for Financial and Performance Reporting: (Letter Item 1 – 2)

Appendices

2023 Financial Report
Disclosure and Confidentiality Policy
ENMAX ICFR Program – CONFIDENTIAL



Environmental, Social and Governance Practices

2023 ESG Highlights

At ENMAX, we are proud of our strong history of achievements in environmental, social and governance (ESG) practices and performance. Below is a selection of 2023 performance highlights that demonstrate our evolution as a responsible corporate citizen and future-oriented energy provider. ENMAX received the [Sustainable Electricity Award from Electricity Canada](#) this year which recognizes outstanding leadership in the development, implementation and maintenance of an integrated sustainability strategy. ENMAX will release our 2023 ESG Report in May 2023.

Alberta

OPERATIONS

Served **~740,000** residential, commercial and industrial customers in Alberta



Provided **1,522 MW** generation capacity

Remained **top quartile** for reliability among Canadian utilities



ENVIRONMENT



Continued to study feasibility of **carbon capture** at our Shepard Energy Centre

Installed 2.1 MW solar capacity on **25 Calgary Community Association** sites as part of the Community Solar Program



Continued to quantify our **scope 3 emissions**

SOCIAL

Launched **Indigenous relations strategy** focused on mutually beneficial and trusting relationships with Indigenous people and communities.



Contributed **~\$3 million** to Alberta community organizations, **> 30 %** of funding went to energy affordability



Achieved safety record of **0.57** total recordable injury frequency (TRIF)

GOVERNANCE

CYBER SECURITY

>90 employees completed Incident Command System training to enable a more coordinated response to incidents

Sustainable Electricity Award from Electricity Canada for leadership in development of integrated strategy



33% of the members of our Board of Directors are women and 17% from underrepresented groups

Maine

Served **~165,000** customers in northern and eastern Maine

Invested **>US \$157 million** to maintain and improve Maine's electricity system

Designed and built **2 nesting platforms** (25 built in total) to protect birds that tend to nest around our transmission and distribution wires



Supported **450** distributed generation projects



Launched diversity, inclusion, equity and belonging **roadmap**



Contributed **>US \$400,000** to Maine community organizations

Governed by a Board of Directors with majority of representatives from Maine, including **four independent directors**



Conducted **62** phishing tests and **500** employees trained in cybersecurity



Appendices for Environmental, Social and Governance Practices: (Letter Item 3 - 7)

Appendices

2022 Environmental Social Governance (ESG) Report



Board Governance

ENMAX's Governance Approach



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'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.

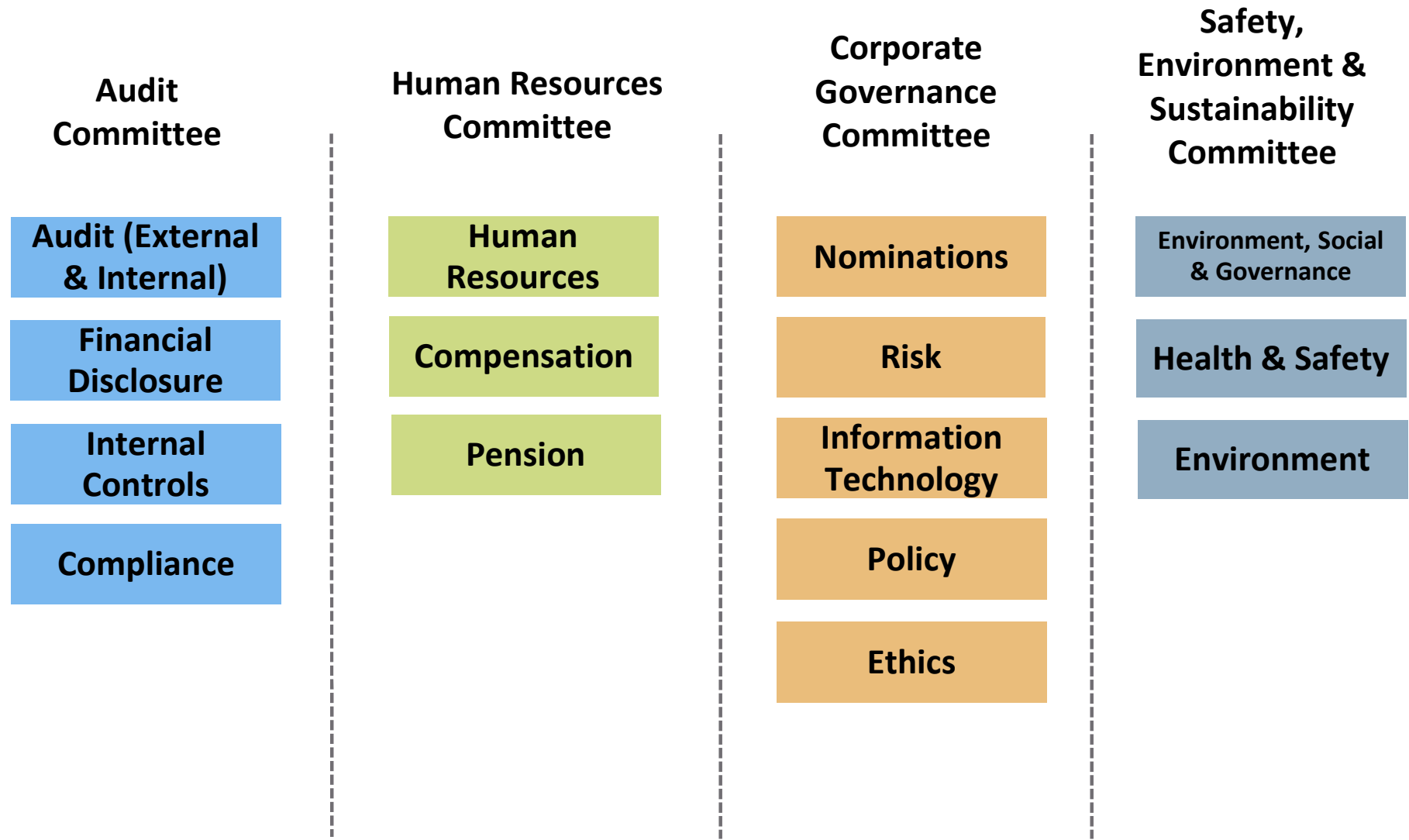
ENMAX Board Role and Responsibilities

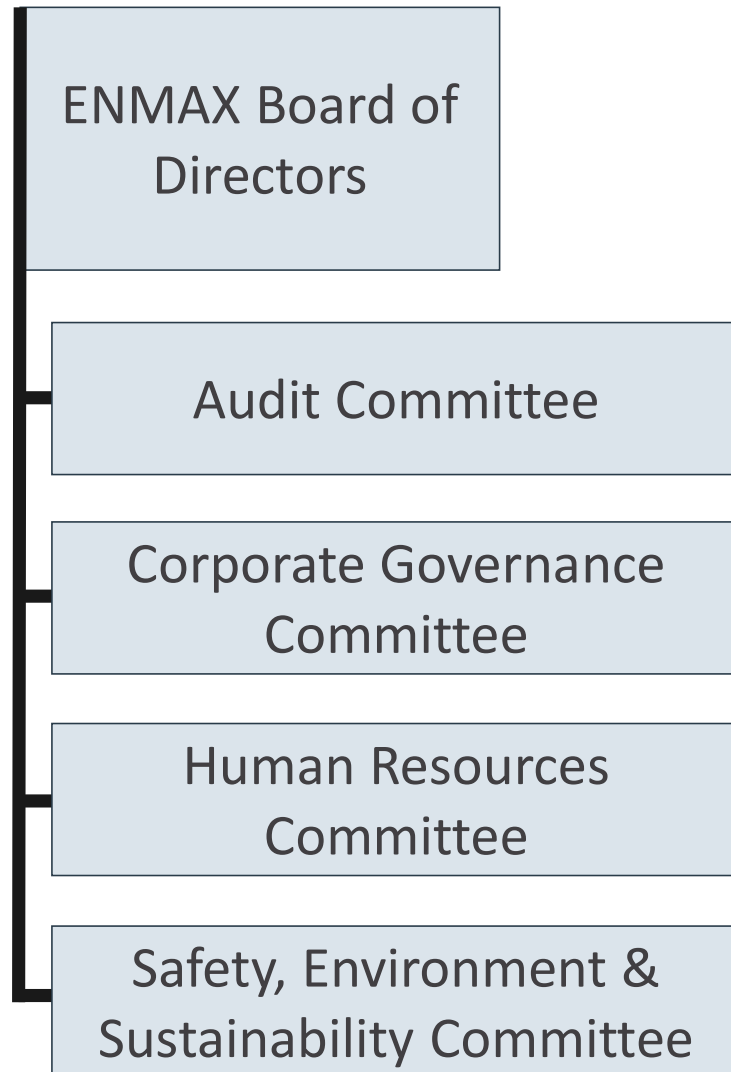
Accountable to City Council, the Board is composed of independent business and energy leaders that bring decades of experience to ENMAX (elected annually at each AGM).

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

Four Committee Structure





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

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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

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Mark Poweska
President & CEO



Sheri Primrose
Chief Financial Officer
(Effective September 2023)



Jana Mosley
President, ENMAX Power



Greg Retzer
EVP, ENMAX Energy



John Flynn
President, Versant Power



Erica Young
Chief Legal, Commercial and
Regulatory Officer



Brandie Yarish
Chief Human Resources
Officer, EVP Safety and
Information Technology

Members of the Board

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Charles Ruigrok
(Board Chair)



Mark Poweska
President & CEO



Nipa Chakravarti



Laura Formusa



Daryl S. Fridhandler K.C.



Eric Markell



Barbara Munroe



Byron Neiles



Dr. Chika Onwuekwe K.C.



Elise Rees



William Taylor



Bruce Williamson

Members of the Audit Committee

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Eric Markell
(Chair)



Charles Ruigrok
(Ex-Officio member)



Nipa Chakravarti



Laura Formusa



Elise Rees



Bruce Williamson

Members of the Corporate Governance Committee

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Barbara Munroe
(Chair)



Charles Ruigrok
(Ex-Officio member)



Nipa Chakravarti



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



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



William Taylor

ENMAX Director Skills Matrix

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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	✓	✓		✓		✓		✓	✓	✓	✓	✓
Risk Management	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓
Technology & Cybersecurity	✓	✓				✓	✓	✓	✓		✓	
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.							

Current as of February 2024

Appendices for Board Governance: (Letter Item 8 - 9)

Appendices

Audit Committee Mandate
Audit Committee Workplan – CONFIDENTIAL
2023 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 principal 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 Q4 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 internal audit creates an annual risk-based plan that governs their work for the year. Based on this risk based audit plan, audit projects are completed to ensure that procedures are in place to appropriately manage risk, including internal controls. ENMAX has an ICFR (Internal Controls over Financial Reporting) program whereby Internal Controls are 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 principal 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. ENMAX is currently updating the Enterprise Risk program design to begin reporting on emerging risks as well as current risks.

Are there any results of regulatory or internal/external business assessments that provide assurance on the effective management of the principal 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.

Appendices for Enterprise Risk Management: (Letter Item 10 - 13)

Appendices

Commodity Risk Management Policy – CONFIDENTIAL
Enterprise Risk Management Policy – CONFIDENTIAL
2023 Q4 Enterprise Risk Management Report – CONFIDENTIAL



Talent and Culture

Appendices for Talent and Culture: (Letter Item 14 - 18)

Appendices

Safety and Ethics Helpline Standard
Safe and Respectful Workplace Standard