

ENMAX CORPORATION

CORPORATE GOVERNANCE COMMITTEE MANDATE

Pursuant to Section 4.1 of the Amended and Restated Bylaw of ENMAX Corporation (the "Corporation" or "ENMAX") and the Amended and Restated Bylaws of the Corporation's direct and indirect subsidiaries, a committee of the Board of Directors (the "Board") to be known as the Corporate Governance Committee (hereinafter referred to as the "Committee") is hereby established. The Committee has the oversight responsibility and specific duties described below.

1) **Committee Composition**

The Committee shall be comprised of a minimum of three directors, none of whom shall have any interest in, or business or other relationship with the Corporation that may, or may reasonably be perceived to, interfere with the exercise of their independence from management and the Corporation.

The members of the Committee shall be appointed or reappointed at the Organizational Meeting of the Board which will be the next regularly scheduled Meeting following the Annual Meeting of the Shareholder of the Corporation. Each member of the Committee shall continue to be a member thereof until the member's successor is appointed, unless the member shall resign or be removed by the Board or the member shall cease to be a director of the Corporation. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board and shall be filled by the Board if the membership of the Committee is less than three directors as a result of the vacancy.

The Board shall appoint a Chair of the Committee. If the Chair of the Committee cannot be present at any meeting of the Committee, the Chair shall, in advance of the meeting, designate another member of the Committee as Chair. Failing which, the Chair shall be chosen by the Committee from among the members present. At all meetings of the Committee, every question shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the motion shall be lost and the person acting as Chair of the meeting shall not be entitled to a second or casting vote.

2) Committee Secretary

The Secretary of the Corporation, or with the approval of the Chair of the Committee, the Secretary's designate, shall attend at and be the secretary of all meetings of the Committee.

3) Committee Meetings

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members thereof provided that:

- a) a quorum for meetings shall be a majority of Committee members, present in person or by telephone or other telecommunication device that permit all persons participating in the meeting to speak and hear each other;
- b) the Committee shall meet at least semi-annually; and
- c) notice of the time and place of every meeting shall be given in writing or facsimile communication to each member of the Committee, at least 24 hours prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting; and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

4) Responsibility

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the development and implementation of principles and systems for the management of corporate governance; (ii) identifying qualified candidates and recommending nominees for Director and Board Committee appointments; (iii) evaluations of the Board, Board Committees, all individual Directors, the Board Chair, the Committee Chairs and the CEO; and iv) the development and implementation of stakeholder communications programs, including those with a focus on government relations, all with a view to ensuring ENMAX is "leading edge" in implementing best-in-class corporate governance practices appropriate to the Corporation, which include the specific duties as set out below.

5) **Specific Duties**

Except as specifically authorized by the Board, the Committee's authority is limited to formalizing recommendations and submitting them to the Board for approval. The Committee will:

- a) annually review the scope, duties and responsibilities of the Board and Board Committees and recommend amendments thereto where advisable, including identification of Committees to whom management should report on specific issues;
- b) maintain a summary of legislation and other developments affecting the duties and responsibilities of directors as set out in the Workplan of the Committee;
- c) annually benchmark ENMAX's corporate governance practices against Canadian governance standards recommended by the Canadian Securities Administrators and other governance professional associations and recommend any required changes to practice;
- d) maintain position descriptions for the Chair of the Board, a Chair of a Committee, and a Director of the Board;
- e) recommend the number of Directors to be elected by the Shareholder within the constraints set forth in the Articles of the Corporation;
- f) in conjunction with the Chair and with the assistance of the Board members' questionnaire, review Directors' individual performance and evaluation of Board processes;
- g) recommend the slate of Directors to be nominated for election at the Annual Meeting of the Shareholder;
- h) recommend candidates to fill Board, Committee and Committee Chair vacancies;
- i) recommend compensation for Directors, the Chair of the Board and Committee Chairs, in accordance with the directors' compensation policies, including maintaining compensation within set percentiles and benchmarking such compensation to a specific peer group;
- j) recommend the establishment or disbanding of Board Committees and their composition, including the Chairs thereof;
- k) recommend the appointment of Board Committee members, and Board and Committee Chairs;

- l) develop an interview process for potential candidates for Board membership;
- m) develop a profile against which to evaluate future candidates for Directors from time to time when vacancies arise, including the review of a skills matrix with a view to determining those skills required on the Board to ensure the maximum effectiveness of the Board in establishing and fulfilling the strategic plan;
- n) maintain a list of future candidates for Board membership;
- o) review the performance of the Chair of the Board;
- p) recommend, when required, a candidate for appointment to the office of Chair of the Board;
- q) review the independence of the Board of Directors and make appropriate determinations related to same;
- r) advise the Board when an issue of conflict or potential conflict arise which may result in the tendering of a resignation by a Director;
- s) annually review directors' and officers' third party liability insurance coverage and directors' and officers' indemnity agreements;
- t) review and make recommendations on functional and operational matters relating to the Board;
- u) ensure that the Board is provided with ongoing education with respect to its corporate governance responsibilities, including ensuring the full knowledge and understanding of the operations of the Corporation;
- v) ensure that newly appointed Board members are provided with directors orientation to ensure the full knowledge and understanding of the operations of the Corporation, including the development and implementation of such an orientation program;
- w) monitor the quality of the relationships and communications between management and the Board and recommend improvements as deemed necessary or advisable;
- x) review and recommend for Board approval, amendments to, and compliance with the ENMAX Principle of Business Ethics Policy;
- y) recommend, when required, to the Board that a Board Member be granted authority to engage in lobbying activity on behalf of ENMAX and to recommend remuneration to the Board Member beyond normal Board remuneration for such activity;
- z) review the Board of Directors budget;

- aa) take all reasonable steps to provide that ENMAX's governance practices be fully disclosed in an annual governance document in accordance with National Instrument 58-101 "Disclosure of Corporate Governance Practices" and that ENMAX's Executive and Director Compensation disclosure be fully disclosed in that annual governance document in accordance with National Instrument 51-102 "Continuous Disclosure Obligations" and take all reasonable steps to provide that ENMAX's governance documents, specifically, including the mandates and position descriptions set out in this mandate, be published on ENMAX's website and are made available to the Shareholder upon request;
- bb) review the Confidentiality Controls as implemented by the Corporate Secretariat, and recommend any changes to those Controls;
- cc) annually review the Shareholder Unanimous Shareholder Agreement and Memorandum of Understanding, along with the By-Laws of ENMAX Corporation, and recommend for approval to the Board any suggested amendments;
- dd) annually review and assess the relationship with the Corporation's stakeholders; and
- ee) annually review the Corporation's Responsibility Policy.

6) Strategic Planning Process

The Committee shall review:

- a) on an annual basis, those processes of the Corporation relating to the strategic planning process, including annual evaluations of those processes;
- b) on a regular basis, those processes of the Corporation relating to the strategic plan implementation, including the regular monitoring of any variations in the strategic plan;
- c) on a regular basis, receive reports from Management in order to monitor the Corporation's performance in light of the approved Strategic Plan.

7) Communications

With respect to communications, the Committee shall annually review policies and programs designed to create a strong, cohesive, sustained and positive image of the Corporation for its primary stakeholders (Shareholder, customers, employees and society) and, without limiting the generality of the forgoing, shall advise the Board on the following:

- a) The development and projection of the Corporation's corporate image to customers and the public;
- b) The appropriate integration of public affairs considerations with the strategic direction of the Corporation;
- c) The status and adequacy of the Corporation's efforts to develop and maintain useful relationships with governments, especially as regards legislative and regulatory matters;
- d) The recommendation to the Board of Directors of an External Communications Policy which addresses all public disclosure matters; and
- e) The development and implementation of a government relations program.

8) Risk Management

The Committee shall receive regular risk reports from management with respect to the risks identified in Schedule "A". Based on these regular risk reports, on a quarterly basis, the Committee shall accept the accountability for such risks and consent that such risks identified in Schedule "A" are appropriate to be monitored by the Committee. The Committee shall then monitor ongoing compliance and performance of such risk reports.

To honor the spirit and intent of the enterprise risk management process, authority to make amendments to the risks identified in Schedule "A" shall be delegated to the Chair of the Enterprise Risk Management Committee ("ERMC"). In conjunction and upon recommendation of the Committee, the ERMC shall have the authority to make amendments to the risks identified on Schedule "A", without proposing such amendments to the Board for approval.

Once such a determination has been made, risks will be amended accordingly, if necessary, and approved by the Committee.

9) External Consultants

In instances where members of the Committee believe that in order to properly discharge their fiduciary obligations to the Corporation it is necessary to obtain the advice of outside experts, the Chair shall, at the request of the Committee, engage the necessary experts. The Board shall be kept apprised of both the selection of the experts and the expert's findings through the Committee's regular reports to the Board.

10) In-Camera Sessions

The Committee shall meet separately from management for a part of each meeting of the Committee.