

Governance and Ethics

Governance

ENMAX is managed by a 10-member **Executive Leadership Team** and governed by a 13-member **Board of Directors**, with 10 or 77% of whom qualify as independent, including the Chair of the Board. Two of the non-independent directors are Aldermen with The City of Calgary, ENMAX's shareholder, and Mr. Gary Holden is President and Chief Executive Officer of ENMAX Corporation. ENMAX defines an independent director as one having no direct or indirect material relationship with the Corporation that could reasonably interfere with the exercise of a member's judgment.



To avoid conflicts of interest, all staff and Board members must comply with our **Principles of Business Ethics**, which require declaration of any actual, potential or perceived conflict of interest.

The board, its committees and each individual director are assessed yearly regarding effectiveness and contribution.

The shareholder has regular communication with the board throughout the year, as well as at the Annual Shareholder Meeting. Mr. Gary Holden, President and CEO of ENMAX and each of its subsidiaries, is a member of the Board of Directors and holds regular town hall meetings with employees throughout the year, during which employees are encouraged to ask questions either face-to-face or through email.

Performance Linked to Compensation

Every year, key performance indicators with respect to ENMAX's health, safety and environmental performance are included in the compensation evaluations of senior executives and management.

Board Committees

The Board delegates certain work to Board committees, to allow in-depth analysis of issues and more time for the full Board to discuss and debate items of business at a more strategic or policy level.

The six committees of the Board include:

- **Audit and Finance**

The Audit and Finance Committee recommends to the Board approval of financial statements, financial disclosure documents, financing plans and audit practices. The Committee also reviews the risks inherent in the Corporation's business, the overall financing of risk, loss prevention policies and the information technology plan.

- **Corporate Governance**

The Corporate Governance Committee formalizes recommendations and submits them to the Board on matters that include the annual review of the scope, duties and responsibilities of Board committees and the recommendation of amendments where advisable, the review of directors' individual performance and evaluation of the Board process, the recommendation of directors to be nominated for election at the annual meeting of the shareholder and the recommendation, when required, of a candidate for appointment to the office of President and Chief Executive Officer of ENMAX Corporation.

The consideration of a candidate as a director will be based on the Corporate Governance Committee's assessment of the individual's background, skills, abilities, and whether such characteristics qualify the individual to fulfill the needs of the Board at that time.

In addition, the Corporate Governance Committee analyzes all relationships between the directors and nominee directors on an ongoing basis to ensure that the Board of Directors is composed of a majority of individuals who qualify as "independent".

Terms of Reference for the ENMAX Board of Directors requires that the Board ensure that the Corporation is operated at all times within applicable laws and regulations and to the highest ethical and moral standards. Ethics and integrity are conditions of employment at ENMAX. The Corporate Governance Committee supports this corporate policy by reviewing the effectiveness of an independent "Safety and Ethics HelpLine", which employees are encouraged to use through dialogue with the CEO; and by involving each committee of the Board in the monitoring of legislation and best practices relating to the specific mandate of each committee.

Ongoing Director Education

At ENMAX, best governance practices are considered to be those encouraging each director to be well informed and highly engaged. The ongoing education of directors is promoted through a program of in-field tours of our operations and support for in-service governance education. In addition, the Board regularly invites experts to discuss major governance trends with our members and conducts an ongoing continual improvement initiative that regularly and rigorously examines our governance practices.

- **Human Resources**

The Human Resources Committee reviews, and, where appropriate, makes recommendations to the Board concerning matters related to executive compensation, organization structure, management development and succession planning, union relations and collective agreements, pension governance and health and safety.

- **Enterprise Risk Management**

The Enterprise Risk Management Committee recommends to the Board for approval the Corporation's risk philosophy, risk acceptance, risk management policies, the assessment of critical enterprise risks and business continuity and disaster recovery programs.

- **Investment Review**

The Investment Review Committee works with management to discuss business development opportunities and assists in the development of complete business cases for presentation to the Board.

- **Corporate Social Responsibility, Sustainability and Communications**
The Corporate Social Responsibility, Sustainability and Communications Committee is tasked with reviewing the Corporation's overall environmental performance, the development and projection of the Corporation's corporate image to customers, the public programs relating to corporate social responsibility and the adequacy of the Corporation's efforts to develop and maintain useful relationships with governments. ENMAX's Corporate Social Responsibility, Sustainability and Communications Committee meets three times each calendar year.

View [attachments](#) to review the complete CSRSC Committee mandate.

Corporate Memberships

ENMAX actively participates as a corporate utility member in the work of the Canadian Electricity Association, an organization providing a national forum and voice for the electricity business in Canada. In addition to the CEA Membership, ENMAX and its subsidiaries also are members of:

- Alberta Energy Efficiency Alliance
- Alberta Electric Utility Safety Association
- British Columbia Chamber of Commerce
- Calgary Chamber of Commerce
- Canadian Wind Energy Association
- Conference Board of Canada
- Edison Electric Institute
- Independent Power Producer's Society of Alberta
- Independent Power Producer's Society of British Columbia
- Urban Development Institute - Calgary