

ENMAX CORPORATION 2014 REPORT ON EXECUTIVE COMPENSATION

as of December 31, 2014



OUR APPROACH TO EXECUTIVE COMPENSATION

ENMAX'S STRATEGIC DIRECTION

At ENMAX, we power Alberta's way of life. For more than a century, we have provided Calgarians with safe, reliable electricity. We have powered generations of families, homes and businesses, and built the electricity infrastructure which has enabled the successful growth of Calgary and Alberta. That is a legacy we are proud of, and one that inspires us to continue creating value for our customers, stakeholders and Shareholder, The City of Calgary.

We make, move and market electricity products and services across our network of wires to homes and businesses. Our diversity across the electricity value chain is a key strength for our company and it enables us to maintain a diverse portfolio of assets, and deliver stable earnings to our Shareholder, The City of Calgary. Going forward, the ENMAX promise remains the same – to exceed our customers' expectations while providing safe, reliable power that can be depended on every day.

COMPENSATION PRINCIPLES

At ENMAX, we compensate, reward, and recognize employees at every level of the organization based on their contributions toward our business outcomes. We work hard to attract, motivate, and retain a capable workforce. In order to accomplish this, we have established compensation programs that are designed to meet the following objectives:

- Attract and retain key talent by providing compensation that is competitive with our established peer group;
- Encourage behaviours that generate outcomes aligned with our business strategy and "risk profile"
- Align employee interests with our business objectives by supporting a pay-for-performance culture that rewards strong performance and reduces variable compensation paid in the event of certain business goals not being met
- Responsible and transparent compensation policies and processes
- Flexibility in order to respond to continuously evolving market and governance practices

Ultimately, we endeavor to ensure that we are competitive with the labour market within which we compete for key talent.

PAY POSITIONING

In order to support our compensation objectives, ENMAX's compensation structure is designed to provide target total direct compensation at the median (50th percentile) of our established labour market (described below under Peer Group) for performance that meets expectations. Compensation for an individual may vary from the median based on a variety of factors, including:

- Scope of the role within ENMAX
- Key skills and contributions of the individual
- Tenure and experience in the role
- Other considerations related to attraction and retention

The competitiveness of our compensation structure is reviewed periodically to ensure continued appropriateness. On an annual basis, the Human Resources and Governance Committee (HRGC) reviews the positioning of each executive within the context of ENMAX's compensation structure, competitive pay levels, and internal relativity, and appropriate adjustments are made.

PEER GROUP

We review our compensation structure and its competitiveness annually relative to a peer group of companies that is considered to be relevant for compensation purposes. This comparison reflects the market within which ENMAX competes for executive talent and with companies that have similar business operations. In addition, the peer group has significant Alberta presence, reflecting local pay practices and competitive pressures.

We periodically review the peer group selection criteria and companies within the peer group for continued relevance and appropriateness. A comprehensive peer group review was conducted in 2011, at which point the peer group was expanded.

In August 2013, the HRGC reviewed the peer group to ensure that the criteria identified for selecting peer companies for benchmarking purposes were still valid. In 2014, the compensation consulting firm of Hugessen & Associates was engaged by the HRGC to initiate a review of the Board and Executive compensation peer group. In May 2014, the HRGC reviewed Hugessen's recommendation and agreed that ENMAX's peer group was still valid.

The following criteria have been used to develop our current peer group.

CRITERIA	FOCUS	RATIONALE
Industry	<ul style="list-style-type: none"> • Power Generation • Energy Utilities • Energy Services • Oil & Gas Exploration & Production • Independent Power Producers & Energy Traders • Oil & Gas Storage & Transportation • Non-autonomous organizations 	<ul style="list-style-type: none"> • Industries in which relevant skills and experience at the executive level are typically found, as well similarity in business focus. • Also reflects that organizations in some of these industries operate under a similar regulatory framework as ENMAX and have similar lines of business.
Ownership Structure	<ul style="list-style-type: none"> • Government organizations • Autonomous, publicly-traded companies • Subsidiary organizations 	<ul style="list-style-type: none"> • Reflects the ownership structure of ENMAX, with responsibilities to taxpayers, and considers that executive talent can be sourced from a variety of organizations.
Size	<ul style="list-style-type: none"> • Similar in size to ENMAX (i.e., approximately 0.5x to 2x ENMAX's revenue) 	<ul style="list-style-type: none"> • Reflects the scope and complexity of operations, and level of infrastructure required to operate in this industry.
Geography	<ul style="list-style-type: none"> • Based in Canada • Representation of Alberta-based organizations 	<ul style="list-style-type: none"> • Reflects the pay practices and competitive environment within which ENMAX competes for executive talent in Alberta and, more broadly, Canada.

Availability of market data is also a factor in the development of the peer group. As such, the companies in our peer group are all participants in the general industry surveys that ENMAX uses for benchmarking purposes.

Our peer group for executive compensation purposes is comprised of the following organizations:

COMPANY	PROVINCE	INDUSTRY CLASSIFICATION	OWNERSHIP STRUCTURE
AltaLink LP	Alberta	Electric Utilities	Limited Liability Partnership
ARC Resources Ltd.	Alberta	Oil and Gas Exploration and Production	Autonomous / Publicly Traded
ATCO Ltd.	Alberta	Multi-Utilities	Autonomous / Publicly Traded
BC Hydro	British Columbia	Electric Utilities	Government
Bruce Power LP	Ontario	Independent Power Producers and Energy Traders	Limited Liability Partnership
Canadian Oil Sands Ltd.	Alberta	Oil and Gas Exploration and Production	Autonomous / Publicly Traded
Capital Power Corporation	Alberta	Independent Power Producers and Energy Traders	Autonomous / Publicly Traded
Chevron Canada Resources	Alberta	Multi-Sector Holdings	Subsidiary
Devon Canada Corporation	Alberta	Oil and Gas Exploration and Production	Subsidiary
Emera Inc.	Nova Scotia	Electric Utilities	Autonomous / Publicly Traded
Enbridge Gas Distribution	Ontario	Gas Utilities	Subsidiary
EPCOR Utilities Inc.	Alberta	Electric Utilities	Government
FortisAlberta Inc.	Alberta	Electric Utilities	Subsidiary
FortisBC Energy Inc.	British Columbia	Electric Utilities	Subsidiary
Fortis Inc.	Newfoundland	Electric Utilities	Autonomous / Publicly Traded
Hydro One Inc.	Ontario	Electric Utilities	Government
Inter Pipeline Fund	Alberta	Oil and Gas Storage and Transportation	Autonomous / Publicly Traded
Manitoba Hydro-Electric Board	Manitoba	Electric Utilities	Government
Ontario Power Generation Inc.	Ontario	Electric Utilities	Government
Pengrowth Energy Corporation	Alberta	Oil and Gas Exploration and Production	Autonomous / Publicly Traded
Saskatchewan Power Corp.	Saskatchewan	Electric Utilities	Government
Saskenergy Incorporated	Saskatchewan	Gas Utilities	Government
TransAlta Corp	Alberta	Independent Power Producers and Energy Traders	Autonomous / Publicly Traded

Our executive roles are assessed relative to the most directly comparable positions in the peer companies, considering such factors as position responsibilities, span of control, management level, reporting relationships, and strategic focus.

COMPENSATION COMPONENTS

Our executive compensation program is comprised of the following elements of compensation.

COMPENSATION ELEMENT	LINK TO COMPENSATION OBJECTIVES	LINK TO BUSINESS OBJECTIVES
FIXED COMPENSATION		
Salary	<ul style="list-style-type: none"> Competitiveness Income security Recognize skills and leadership, and reflect degree of accountability 	Competitive pay ensures high quality talent in order to achieve the business objectives
Pension	<ul style="list-style-type: none"> Competitiveness Income security Retention 	Competitive pension ensures high quality talent in order to achieve the business objectives
Benefits	<ul style="list-style-type: none"> Competitiveness Health and Wellbeing 	Competitive benefits ensures high quality talent in order to achieve the business objectives
Perquisites	<ul style="list-style-type: none"> Competitiveness 	Competitive perquisites ensures high quality talent in order to achieve the business objectives
VARIABLE (OR 'AT-RISK' COMPENSATION)		
Annual Variable Pay Program (AVPP)	<ul style="list-style-type: none"> Competitiveness Pay-for-performance Retention 	Rewards the achievement of short-term objectives measured at the Corporate, Business Unit, and Individual/Team level during the year
Long-term Variable Pay Program (LTVPP)	<ul style="list-style-type: none"> Competitiveness Pay-for-performance Retention 	<p>Rewards the achievement of longer-term business and strategic objectives measured over a 3-year period</p> <p>Competitive pay ensures high quality talent in order to achieve the business objectives</p>

Our AVPP and LTVPP programs are designed to:

1. provide a greater pay-for-performance focus aligned with the achievement of our strategic goals,
2. strengthen the alignment of participants' interests with our Shareholder, and
3. better align the full range of compensation opportunities with market levels.

PAY MIX

Our total "direct" compensation is comprised of salary and variable pay, and excludes pension, benefits and perquisites. A targeted pay mix is determined for each executive in consideration of competitive practices, internal relativity, and the role's scope of responsibility. The targeted mix between the compensation elements varies depending on the executive's ability to impact short-term and long-term business results, and to reflect competitive practices.

The actual pay mix may vary from target based on an assessment of multiple factors (discussed above in Pay Positioning), and is reviewed annually by management and the HRGC to ensure that ENMAX's compensation objectives are being achieved. The actual pay mix varies from year to year based on performance and other factors.

Our compensation structure has been developed in order to provide the majority of compensation in the form of variable, or "at-risk", pay to ensure alignment with performance and our Shareholder's interests.

COMPENSATION GOVERNANCE AT ENMAX

MANDATE OF THE HUMAN RESOURCES AND GOVERNANCE COMMITTEE

The Human Resources and Governance Committee (HRGC) of the Board of Directors (Board) is responsible for the oversight of ENMAX's compensation programs for executives. Specific accountabilities of the HRGC include:

- Oversee key compensation and human resources policies
- Review the compensation philosophy and programs to ensure alignment with business objectives
- Review the CEO's performance and the CEO's assessment of the performance of her direct reports
- Review and recommend to the Board for approval the compensation of the CEO and other executives and approve the overall salary budget
- Oversee the pension plans
- Assess certain human resources-related risks, including pension risk, and workforce development and retention risks

COMPENSATION APPROVAL PROCESS

The HRGC meets quarterly with special meetings convened as required over the course of the year. The CEO provides recommendations to the HRGC on compensation-related issues, based on information and analysis prepared by management with input from external compensation consultants and experts.

The HRGC considers a variety of information in reviewing the CEO's recommendations and makes a recommendation to the Board for their approval. The Board reviews the recommendation and has ultimate authority to approve it.

Compensation Approval Process for CEO

ANALYSIS	RECOMMENDATIONS	APPROVAL
<ul style="list-style-type: none"> • Board Chair and Human Resources and Governance Committee (HRGC) Chair as informed by performance results and compensation consultants 	<ul style="list-style-type: none"> • HRGC following review of recommendations of Board Chair and Chair of HRGC 	<ul style="list-style-type: none"> • Board of Directors

Compensation Approval Process for CEO's Direct Reports

INPUTS	ANALYSIS	RECOMMENDATIONS	APPROVAL
<ul style="list-style-type: none"> • Corporate Business Unit and Individual Business Results • Market data analysis and competitive practices provided by Towers Watson 	<ul style="list-style-type: none"> • Analysis of data collected from inputs conducted by the CEO 	<ul style="list-style-type: none"> • HRGC following review of President and CEO's recommendations 	<ul style="list-style-type: none"> • Board of Directors

COMPENSATION RISK MITIGATION

Our compensation programs are designed to align with standardized Canadian governance practices so as not to unintentionally create an incentive for executives to take undue risk. The HRGC regularly reviews the compensation programs for continued appropriateness and, from time to time, makes modifications to align with evolving market and good governance practices.

Highlights of our programs and practices that mitigate compensation-related risks are outlined on the following page.

RISK-MITIGATING PROCESS	DESCRIPTION
Oversight Responsibility	All executive compensation-related decisions are reviewed and approved by the HRGC and Board, which has ultimate oversight and accountability of executive compensation at ENMAX. In preparing its recommendations, the HRGC has access to its own independent advisor to provide input from an external perspective.
Competitive Positioning	Our compensation philosophy targets compensation to be delivered near the 50th percentile, with the ability to pay at, above, or below the targeted level based on performance and other relevant factors. The overall pay levels and pay mix are established by referencing market levels and do not "over-weight" any one compensation element.
Pay Mix	A significant portion of executive compensation is delivered in variable pay, through the AVPP and LTVPP. Performance is assessed over multiple time horizons (1-year through the AVPP, and 3-year through the LTVPP), with a greater emphasis on long-term performance for executives. Multiple, overlapping performance periods ensures that there is an ongoing focus on long-term sustainability of performance.
Measuring Performance	Performance is assessed in our AVPP and LTVPP using a variety of measures at the Corporate, Business Unit, and Individual/Team level. The measures have been selected to provide a balanced focus on various financial and operating results that ultimately support our business strategy. Multiple measures reduce the emphasis on one metric and provide a more holistic view of performance. Specific performance goals, such as the threshold, target, and maximum for each measure, are reviewed annually by the HRGC for continued appropriateness and relevance; the performance range is adjusted for upcoming performance periods, as appropriate.
Incentive Program Caps	Incentive program payouts are capped in order to ensure that excessive payments do not occur in years of extraordinary performance. AVPP payouts are capped at 150% of target, and LTVPP payouts are capped at 200% of the opportunity size.
Incentive Claw-backs	A claw-back policy is in place which seeks recoupment of variable compensation (or adjustment of future payments) in the event of material restatement of financials or intentional fraud or misconduct that caused or partially caused the need for restatement.

COMPENSATION "CLAW-BACKS"

A compensation "claw-back" provision for our variable pay programs was introduced in 2012 and applies to the President & CEO, Executive Vice Presidents, and Vice Presidents.

The determination of payments under ENMAX's variable pay programs are based on assumptions and representations provided by management. The Board reserves the right to seek repayment of past payments made and/or amend any future payments in situations where:

- The amount of variable pay received by the executive or former executive was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of, or affected by, a material restatement of all or a portion of ENMAX's financial statements;
- The executive or former executive engaged in intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- The amount of variable pay received would have been lower had the financial results been properly reported

COMPENSATION ADVISORS

In 2014 the HRGC retained the services of Hugessen & Associates to serve as the independent external advisor on Board and Executive compensation matters. In 2014, Hugessen's services included:

- Reviewing ENMAX's peer group and the associated market pay levels for the President & CEO

Management also retains the services of external advisors on other compensation-related matters. For 2014:

- Towers Watson was retained to review the competitiveness of our executive compensation and to provide periodic advice on matters related to our variable pay programs. ENMAX also participates in various compensation surveys run by Towers Watson and Mercer
- Towers Watson is ENMAX's actuary and, as such, provides actuarial services for defined benefit pension administration and associated accounting/financial services related to the pension plan
- SEI Investments Canada (SEI) provided investment consulting services as a Manager of Managers for the DB component of the ENMAX Pension Plan (Pension Plan)
- Towers Watson provided investment consulting services for the DC component of ENMAX's Pension Plan.
- Towers Watson has acted as Management's consultant since 2007

Fees paid by ENMAX to the HRGC's and Management's external compensation advisors are outlined below. This reflects when fees were paid, and may not align with when work actually began or ended.

COMPANY	SERVICES	2013 FEES	2014 FEES
Meridian (Retained by the HRGC)	Executive Compensation Consulting	\$15,150	N/A
Hugessen (Retained by the HRGC)	Executive Compensation Consulting	N/A	\$18,135
Towers Watson (Retained by the HRGC)	Executive Compensation Consulting	\$49,130	\$2,162
Towers Watson (Retained by Management)	Executive Compensation Consulting	\$81,439	\$54,826
Towers Watson (Retained by Management)	All Other Fees ¹	\$367,101	\$312,129

¹Other Fees include: Consulting Services pursuant to: Pension and Actuarial Services, Group Health Benefits, Regulatory Requirements and other compensation matters not related to Executive Compensation.

2014 EXECUTIVE COMPENSATION

NAMED EXECUTIVE OFFICERS

This section discusses compensation decisions related to the Named Executive Officers (NEOs) in 2014, who are as follows:

- President & CEO - Gianna Manes
- EVP Finance & Planning, CFO, CRO - David Halford
- EVP Generation, Information Technology & Supply Chain Management - David Rehn
- EVP Regulatory & Legal Services - Robert Hemstock
- EVP Transmission & Distribution Services - Dale McMaster

Readers are referred to ENMAX's website for biographical information on all NEOs.

SETTING EACH COMPENSATION COMPONENT

Our compensation programs are designed to support ENMAX's business objectives, allowing us to successfully execute our human resources strategy and support a high-performing culture by aligning pay with performance. In determining our executives' compensation in a given year, the HRGC considers a comprehensive set of factors, which includes:

- External market data for comparable positions within our peer group
- Assessment of ENMAX's performance
- Assessment of performance of the CEO and the CEO's direct reports
- Each executive's potential to contribute to our strategic direction and long-term value creation for our Shareholder
- Summary of compensation decisions from the prior year

In addition, the HRGC considers advice from its independent compensation advisor and factors such as market trends and practices, competitive pressures, and business outlook.

Salaries

Salaries are established at a level that is competitive in the market for similar roles and reflects the nature and level of the position, the level of skill, knowledge, and experience each individual brings to their role, and each individual's level of performance.

In 2014, executive salaries increased by an average of 5.52% to reflect merit increases, cost of living increases, and competitive pressures. Salary increases specific to the NEO's averaged 4.2%. The following shows the year-over-year change in salaries for each of the NEOs.

POSITION	2013 SALARY	2014 SALARY	% CHANGE
President & CEO	\$620,000	\$650,000	+4.84%
EVP Finance & Planning, CFO, CRO	\$402,000	\$418,100	+4.00%
EVP Generation, IT & Supply Chain	\$429,000	\$437,600	+2.00%
EVP Regulatory & Legal Services	\$350,000	\$364,000	+4.00%
EVP Transmission & Distribution Services	\$385,000	\$408,100	+6.00%

Annual Variable Pay Program (AVPP)

Program Design

ENMAX's AVPP provides for competitive compensation that reflects the company's overall financial performance, achievement of key performance indicators (KPIs) related to each business unit or functional area over which an executive has oversight, and individual performance. The AVPP is designed to:

- Provide clear and quantifiable performance expectations by establishing threshold, target, and maximum performance levels, with payouts that are reflective of the level of performance achieved
- Improve line-of-sight by ensuring an appropriate weighting on Corporate, Business Unit, and Individual/Team performance
- Focus Business Unit KPIs on key success objectives of cost control, project delivery, and reliability/performance
- Ensure that each KPI is thoughtfully developed by considering participants' ability to impact performance
- Allow for increased differentiation of payouts based on individual contributions and performance
- Ensure a competitive payout opportunity at various levels of performance

The range of payouts (expressed as a percentage of salary) based on 2014 performance of the NEOs is outlined below.

POSITION	BELOW THRESHOLD PERFORMANCE (% OF SALARY)	THRESHOLD PERFORMANCE (% OF SALARY)	TARGET PERFORMANCE (% OF SALARY)	MAXIMUM PERFORMANCE (% OF SALARY)
President & CEO	0%	37.5%	75.0%	112.5%
Other NEOs	0%	25.0%	50.0%	75.0%
EVP Regulatory & Legal Services	0%	22.5%	45.0%	67.5%

Performance is measured based on Corporate, Business Unit, and Individual factors, with specific weightings for each component. The weighting of each component varies by organization level, as shown below for the NEOs. Performance scores for each component can range from 0% of target for performance below threshold, 50% of target for threshold performance, to 150% of target for maximum performance. AVPP payouts are capped at 150% of target.

The Board of Directors retains overall discretion for all AVPP payouts in the event the company incurred significant financial difficulty in unique circumstances unforeseen at the time of the budget approval.

	CORPORATE PERFORMANCE	BUSINESS UNIT PERFORMANCE	INDIVIDUAL / TEAM PERFORMANCE
	<ul style="list-style-type: none"> • EBITDA • Safety (total recordable injury frequency) • Cost Control 	<ul style="list-style-type: none"> • Select KPIs that drive success at a Business Unit level in the areas of project delivery and performance 	<ul style="list-style-type: none"> • Measures success on personal performance goals
President and CEO	80% weight	N/A	20% weight
Other NEOs	50% weight	30% weight	20% weight

2014 Payouts

The HRGC considers a range of key factors in determining recommended compensation levels for the CEO and other NEOs. Recommendations are submitted to the Board for approval. In any given year, actual AVPP payouts for the NEOs may be more or less than target levels. The specific payouts associated with the AVPP are outlined below and in the Summary Compensation Table (page 19).

The following provides the targeted performance at the Corporate level, and ENMAX's actual results relative to target. The resulting payout factors for EBITDA, Safety and Cost Control are shown, and are calculated based on actual performance relative to pre-established threshold, target, and maximum performance levels for 2014. Performance in 2014 resulted in strong safety, financial and operating results, despite the extraordinary challenges we faced, resulting in the 2014 Corporate Performance Payout Factor of 140%.

PERFORMANCE MEASURE	2014 TARGET PERFORMANCE	2014 ACTUAL PERFORMANCE	PAYOUT FACTOR
EBITDA - 40% weight	\$388 Million	\$424 Million	58.8%
Safety (TRIF) - 30% weight	1.40	0.49	44.1%
Cost Control (OM&A) - 30% weight	\$393 Million	\$339 Million	37.7%
Corporate Performance Payout Factor			140.0%¹

¹ As approved by the Human Resources and Governance Committee and the Audit and Finance Committee on February 18, 2015

The HRGC and Board retain the authority to exercise discretion to ensure that AVPP payouts are appropriate in light of actual performance achieved, and consider external factors that are beyond the participants' control for which they should not be rewarded or penalized. Accordingly, in 2014, two adjustments were made to the corporate financial measures:

1. Reversal of 2014 recoveries of flood costs
2. Revenue requirement reduction arising from ENMAX Power Corporation's Cost of Service decision.

In 2014 ENMAX's individual Business Units drove success by setting Key Performance Indicators (KPIs) associated with Business Unit specific project delivery and performance. Projects were assessed relative to scope, schedule, budget, quality and safety. Performance metrics varied between Business Units and included KPIs such as System Average Interruption Duration Index, System Average Interruption Frequency Index, Generation asset availability, customer satisfaction and contracted gross margin. The table below highlights the Performance Payout factor of each business unit.

BUSINESS UNIT PERFORMANCE PAYOUT FACTOR	
ENMAX Power	117.0%
ENMAX Power Services	143.0%
ENMAX Energy	118.0%
ENMAX Customer Care	113.0%
ENMAX Shared Services: Communications and Public Relations	121.0%
ENMAX Shared Services: Finance	116.0%
ENMAX Shared Services: Supply Chain and IT	122.0%
ENMAX Shared Services: Human Resources and EHS	120.0%
ENMAX Shared Services: Regulatory and Legal Services	118.0%

Individual goals are established at the beginning of the year, specific to each NEO and his or her area of responsibility. Individual performance is assessed by the Board for the CEO, and by the CEO for her direct reports. Key accomplishments for 2014 are provided below, along with the resulting performance rating.

NAME	2014 INDIVIDUAL OBJECTIVES	2014 PERFORMANCE RATING
Gianna Manes	<ul style="list-style-type: none"> Execute strategy to enhance profitability Build the leaders Advance advocacy and market 	Met or Exceeded all Expectations
David Halford	<ul style="list-style-type: none"> Risk Management/Business Continuity 2015 IFRS Implementation Transformation – Finance System preparation 	Met or Exceeded all Expectations
David Rehn	<ul style="list-style-type: none"> SEC Completion and transition to operations IT Transformation/Projects Early stage next-generation development 	Met or Exceeded all Expectations
Robert Hemstock	<ul style="list-style-type: none"> PPA Arbitrations Regulatory filings and hearings Government and policy advocacy – GHG/Bliers and market 	Met or Exceeded all Expectations
Dale McMaster	<ul style="list-style-type: none"> Regulatory Filings (COS/PBR) Capital program; project management Safety (continue progress) EPSC Opportunities/growth 	Met or Exceeded all Expectations

Based on the Corporate, Business Unit, and Individual/Team performance achieved, the overall payout factor, target and actual AVPP payouts for each NEO based on 2014 performance is presented below.

POSITION	CORPORATE FACTOR	BUSINESS UNIT FACTOR	INDIVIDUAL FACTOR	OVERALL PAYOUT FACTOR	AVPP PAYOUT RANGE (% OF SALARY)			PAYOUT FOR 2014 PERFORMANCE	
					THRESHOLD	TARGET	MAXIMUM	\$ VALUE	% OF SALARY
President & CEO	140.0%	N/A	150.0%	142.0%	37.5%	75.0%	112.5%	\$692,250	106.5%
EVP Finance, CFO & CRO	140.0%	116.0%	125.0%	129.8%	25.0%	50.0%	75.0%	\$271,347	64.9%
EVP, Generation, SC & IT	140.0%	119.3% ¹	135.0%	132.8%	25.0%	50.0%	75.0%	\$290,566	66.4%
EVP Regulatory & Legal Services	140.0%	118.0%	145.0%	134.4%	22.5%	45.0%	67.5%	\$220,147	60.5%
EVP T&D Services	140.0%	122.2% ²	135.0%	133.7%	25.0%	50.0%	75.0%	\$272,733	66.8%

¹ Business Unit performance payout factor is a blend between ENMAX Energy (66.6% weight) and ENMAX Shared Services - Supply Chain and Information Technology (33.3% weight)

² Business Unit performance payout factor is a blend between ENMAX Power Corporation (80% weight) and ENMAX Power Services (20% weight)

LONG TERM VARIABLE PAY PROGRAM (LTVPP)

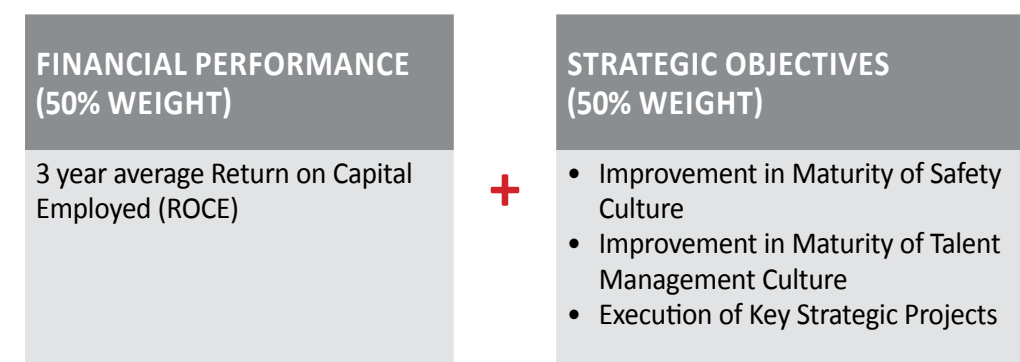
Program Design

ENMAX's CEO, Executive Vice Presidents and Vice Presidents are eligible to participate in the Long-Term Variable Pay Program (LTVPP). ENMAX's LTVPP focuses executives on sustaining high performance, facilitating attraction and retention of critical talent, and aligning executives' interests with our focus on creating Shareholder value over a long-term time horizon.

The LTVPP is designed to provide a greater focus on forward-looking performance over a multi-year period. The LTVPP:

- Closely aligns with performance objectives that are viewed to be key success factors of the longer term strategic plan
- Encourages cross business unit collaboration to achieve shared goals
- Strengthens the pay-for-performance focus by measuring results over a forward-looking, 3-year performance period
- Strengthens retention via a vesting schedule that "cliff-vests" at the end of the 3-year performance period
- Provides alignment with common variable pay and good governance practices in the market

Performance under the 2012-2014 LTVPP is measured based on an equal weighting between financial and strategic (non-financial) measures.



Financial and strategic goals and threshold, target and maximum levels of performance are set at the outset of each three year performance period. At the end of the performance period, the HRGC assesses performance against each measure, determines success achieved and makes a recommendation to the Board.

In making its assessment the HRGC considers external factors beyond the participants' control for which they should not be rewarded or penalized. Performance scores for each measure can range from 0% of target for performance below threshold, 50% of target for threshold performance, 100% for target performance to 200% of target for maximum performance. LTVPP payouts are capped at 200% of target.

At the outset of the performance period, LTVPP compensation opportunity is approved by the Board and communicated to program participants. Participants understand that there is no certainty of payout as it is subject to performance and employment at the end of the performance period. LTVPP payments are made in the pay period after the HRGC meeting following the completion of the performance period.

SPECIAL PROJECT COMPENSATION

The Board of Directors awarded a special effort bonus to the President & CEO in recognition of her full year's efforts and leadership during 2014 in the amount of \$75,000. This amount was paid in March 2015.

PENSION PLANS

All NEOs participate in the Defined Contribution (DC) provision of the ENMAX Pension Plan (Registered Plan).

In addition, the NEOs participate in the ENMAX Corporation Supplemental Retirement Plan (Supplemental Plan). The Supplemental Plan is an unfunded non-registered pension plan, and it provides benefits under a defined benefit (DB) provision and a DC provision. With the exception of Mr. Hemstock, all ENMAX's NEOs participate in the DC provision of the Supplemental Plan. Mr. Hemstock participates in the DB provision of the Supplemental Plan. The supplemental benefits payable to the NEOs are calculated consistently with all other members of the Supplemental Plan. As the Supplemental Plan is unfunded, benefits from this plan are paid from ENMAX's general revenues.

ENMAX Pension Plan – Defined Contribution Plan

The Registered Plan provides benefits under a Defined Benefit (DB) provision and a DC provision. ENMAX's NEOs all participate in the DC provision and their benefits are calculated consistently with all other DC members. A summary of the DC provisions are provided below:

- Employees are immediately enrolled upon hire and are immediately vested in the plan, therefore, entitled to ENMAX's contributions upon termination or retirement
- ENMAX contributes 4% of employees' base salary
- Employees may make optional contributions between 0% to 4% of base salary, which ENMAX matches at a rate between 50% to 150% based on the employee's age and service
- Total contributions to the DC provision cannot exceed the Money Purchase Limit imposed by the Income Tax Act (Canada), which was \$24,270 in 2013
- Employees direct their own investments and may invest in various funds covering all major asset classes.

Defined Contribution Supplemental Retirement Plan (DC-SRP)

Effective March 21, 2006, the DC provision of the Supplemental Plan (DC-SRP) was established for all new employees and existing employees who did not previously qualify for the DB provisions of the Supplemental Plan. The DC-SRP is available to employees whose base salary plus actual annual variable pay amounts exceed the annual earnings threshold under the DC provision of the Registered Plan. Other aspects of the DC-SRP include:

- Employee contributions are neither permitted nor required
- ENMAX makes notional allocations of 6% (for employees with less than 40 points), 8% (for employees between 40 and 60 points) and 10% (for employees with 60 points or more) of pensionable earnings to the employee's notional account balance
 - Pensionable earnings are determined as the amount of base salary plus actual annual variable pay in excess of the annual earnings threshold under the DC provision of the Registered Plan.
- Points are calculated based on age plus service
- Employees' notional account balances are maintained by Sun Life Financial and are credited with notional investment income as if they were invested in a balanced fund
- Members are entitled to receive DC-SRP benefits after two years of participation in the Registered Plan

Defined Benefit Supplemental Retirement Plan (DB-SRP)

ENMAX closed the DB provision of the Supplemental Plan (DB-SRP) to new entrants effective March 21, 2006. Participants whose earnings would exceed an annual earnings threshold under the DB provisions of the Registered Plan (\$150,164 for 2013) will earn service for that year under the DB-SRP. Other aspects of the DB provisions include:

- Employee contributions are neither permitted nor required
- Formula for each year of DB-SRP service is 1.75% of best average pensionable earnings
- Pensionable earnings are determined as the amount of base salary plus actual annual variable pay in excess of the annual earnings threshold under the DB provision of the Registered Plan
- Best average pensionable earnings is the average of the pensionable earnings in the five consecutive calendar years in which pensionable earnings are the highest
- Members are entitled to receive DB-SRP benefits after two years of service from date of hire
- Normal retirement is the later of age 55 and the attainment of 85 points, but not later than age 65. Early retirement is age 55. The early retirement reduction is 3% for each year that the member retires prior to the attainment of age 65 or the date when the member has 85 points under the Registered Plan

BENEFIT PLANS

All of our permanent employees, including ENMAX's NEOs, have a flexible benefits plan which allows for the ability to choose the levels of extended health & dental, group life insurance, short- and long-term disability, Critical Illness Insurance, and accidental death and dismemberment insurance that meet their family's needs.

Employees also have a health spending account. The benefit plan year resets every July and members may re-enroll and update their coverage levels.

FLEXIBLE PERQUISITE ACCOUNT

Our executives are provided with a flexible perquisite account that they can allocate annually to one, or a combination, of the following items: a vehicle allowance, or a health spending account (in addition to the amount provided under the core benefits plan).

The value of the flexible perquisite account is \$20,000 per year for the CEO and \$15,000 per year for other NEOs.

DETAILED COMPENSATION DISCLOSURE

SUMMARY COMPENSATION TABLE

POSITION / NAME	YEAR	SALARY (A)	OTHER COMP ¹ (B)	VARIABLE PAY PAID (EARNED IN PREVIOUS YEARS)		PENSION VALUE ⁴ (E)	TOTAL COMP ⁵ (A+B+C+D+E)	AVPP EARNED IN 2014, PAID 2015 ⁶
				AVPP ² (C)	LTVPP ³ (D)			
President & CEO Gianna Manes ⁷	2014	\$650,000	\$20,582	\$700,000	\$450,000	\$92,000	\$1,912,582	\$692,250
	2013	\$620,000	\$20,576	\$486,000	\$275,000	\$88,480	\$1,490,056	\$700,000
	2012	\$450,000	\$100,383	\$0	\$0	\$44,000	\$609,383	\$486,000
EVP Finance, CFO & CRO David Halford	2014	\$418,100	\$15,582	\$212,286	\$550,000	\$50,431	\$1,246,399	\$271,347
	2013	\$402,000	\$15,576	\$247,500	\$604,500	\$51,960	\$1,321,536	\$212,286
	2012	\$390,000	\$15,510	\$209,000	\$437,500	\$47,888	\$1,099,898	\$247,500
EVP Generation, SC & IT David Rehn	2014	\$437,600	\$15,582	\$223,980	\$397,500	\$66,158	\$1,140,820	\$290,566
	2013	\$429,000	\$15,576	\$274,900	\$435,250	\$70,390	\$1,225,116	\$223,980
	2012	\$420,200	\$15,510	\$191,000	\$320,000	\$61,120	\$1,007,830	\$274,900
EVP, Regulatory & Legal Services Robert Hemstock	2014	\$364,000	\$15,582	\$181,676	\$440,000	\$86,425	\$1,087,683	\$220,147
	2013	\$350,000	\$15,576	\$212,400	\$523,600	\$74,013	\$1,175,589	\$181,676
	2012	\$339,500	\$15,510	\$158,000	\$410,000	\$85,789	\$1,008,799	\$212,400
EVP, T&D Services Dale McMaster	2014	\$408,100	\$15,582	\$203,825	\$402,500	\$61,192	\$1,091,199	\$272,733
	2013	\$385,000	\$15,576	\$228,300	\$340,250	\$61,330	\$1,030,456	\$203,825
	2012	\$370,000	\$15,510	\$147,000	\$130,000	\$51,650	\$714,160	\$228,300

¹ All Other Compensation reflects the premiums for company-paid critical illness insurance coverage and the value of executive perquisite accounts. For Gianna Manes, the value in All Other Compensation for 2012 includes a \$100,000 relocation bonus.

² Annual Variable Pay Plan (AVPP). Reflects amounts earned based on performance in previous year and paid in March of year indicated.

³ Long-term Variable Pay Plan (LTVPP) Paid. Reflects amounts earned as part of previous year's LTVPP that have vested and paid in year indicated.

⁴ Pension Value reflects the compensatory components of the Registered Plan and the Supplemental Plan.

⁵ Total Compensation Paid in Year, regardless of year earned, includes salary, other compensation and amounts from previous year's AVPP and LTVPP programs vesting and paid in year indicated.

⁶ Reflects amounts earned based on performance during the year indicated and to be paid in March of the following year.

⁷ Gianna Manes commenced employment with ENMAX in April 2012; 2012 compensation is reflective of the amount earned during that year.

LTVPP OPPORTUNITY GRANTS TABLE

The table below summarizes LTVPP Opportunity Grants over the last three years. LTVPP Opportunity Grant amounts listed are broken out into their respective performance periods.

NAME	YEAR	LTVPP OPPORTUNITY / GRANT (FUTURE PAYMENT)		
		MINIMUM	TARGET	MAXIMUM
Gianna Manes	2014 Grant ¹	\$0	\$715,000	\$1,430,000
	2013 Grant ²	\$0	\$682,000	\$1,364,000
	2012 Grant ³	\$0	\$550,000 ⁴	\$1,100,000
David Halford	2014 Grant ¹	\$0	\$340,000	\$680,000
	2013 Grant ²	\$0	\$345,000	\$690,000
	2012 Grant ³	\$0	\$400,000	\$800,000
David Rehn	2014 Grant ¹	\$0	\$290,000	\$580,000
	2013 Grant ²	\$0	\$280,000	\$560,000
	2012 Grant ³	\$0	\$300,000	\$600,000
Robert Hemstock	2014 Grant ¹	\$0	\$310,000	\$620,000
	2013 Grant ²	\$0	\$300,000	\$600,000
	2012 Grant ³	\$0	\$320,000	\$640,000
Dale McMaster	2014 Grant ¹	\$0	\$320,000	\$640,000
	2013 Grant ²	\$0	\$290,000	\$580,000
	2012 Grant ³	\$0	\$300,000	\$600,000

¹ Grant for 2014 - 2016 performance period, paid in 2017

² Grant for 2013 - 2015 performance period, paid in 2016

³ Grant for 2012 - 2014 performance period, paid in 2015

⁴ Pro-rated based on April 1, 2012 hire date

PENSION PLAN TABLES

ENMAX Pension Plan – Defined Contribution Plan

The table below presents the benefits accumulated under the DC provision. The actual benefit payable upon retirement or termination will be the value of the employee's DC account at the time of transfer.

NAME	ACCUMULATED VALUE AT START OF YEAR	COMPENSATORY CHANGE ¹	ACCUMULATED VALUE AT END OF YEAR ²
Gianna Manes	\$61,968	\$16,620	\$92,623
David Halford	\$159,607	\$16,620	\$206,769
David Rehn	\$140,551	\$17,807	\$166,879
Robert Hemstock ³	\$172,334	\$15,425	\$224,458
Dale McMaster	\$97,808	\$17,807	\$135,604

¹ Compensatory change includes contributions made by ENMAX on the NEO's behalf

² Includes employee and employer contributions with investment earnings accumulated to December 31, 2014

³ As Robert Hemstock participates in the DB provision of ENMAX's Supplemental Retirement Plan, his pensionable earnings under the Registered Plan is lower than for members in the DC provision of the Supplemental Plan.

Defined Contribution Supplemental Retirement Plan (DC-SRP)

The table below presents the benefits accumulated under the DC-SRP. The actual benefit payable upon retirement or termination will be the value within the employee's notional DC account at the time of transfer.

NAME	ACCUMULATED VALUE AT START OF YEAR	COMPENSATORY CHANGE ¹	ACCUMULATED VALUE AT END OF YEAR ²
Gianna Manes	\$105,158	\$75,380	\$190,184
David Halford	\$149,384	\$33,811	\$196,896
David Rehn	\$303,579 ¹	\$48,351	\$379,775
Dale McMaster	\$110,672	\$43,385	\$164,209

¹ Amount was incorrectly stated last year at \$305,379

Defined Benefit Supplemental Retirement Plan (DB-SRP)

The table below presents the projected annual retirement benefits payable from the DB-SRP at year end and upon normal retirement. The table also includes the total accrued benefit obligation along with the change to the obligation in 2013.

NAME	NUM-BER OF YEARS OF CREDITED SERVICE	ANNUAL BENEFITS PAYABLE AT YEAR END ¹	ANNUAL BENEFITS PAYABLE AT AGE 65 ²	OPENING PRESENT VALUE OF ACCRUED BENEFIT OBLIGATION ³	COMPEN-SATORY CHANGE ⁴	NON-COM-PENSATORY CHANGE ⁵	CLOSING PRESENT VALUE OF ACCRUED BENEFIT OBLIGATION ³
R. Hemstock	8.8384	\$56,000	\$142,000	\$521,000	\$71,000	\$89,000	\$681,000

¹ Pension earned to December 31, 2014 payable at normal retirement age (i.e., the later of age 55 and 85 points, but not later than age 65) based on best average pensionable earnings and service in the DB-SRP

² Amounts payable on retirement at age 65, assuming that service continues to age 65 and the best average pensionable earnings remain unchanged from December 31, 2013

³ Determined using the methods and assumptions consistent with ENMAX's financial statements

⁴ Includes the service cost for the year and the impact on the accrued benefit obligation of the difference between actual and expected pensionable earnings for 2014

⁵ Includes all other changes in the accrued benefit obligation not included within the compensatory change such as interest on the accrued benefit obligation and 2014 service costs and the impact of changes in assumptions including the discount rate

EMPLOYMENT AGREEMENTS AND TERMINATION PROVISIONS

Ms. Manes and Mr. McMaster have employment agreements with ENMAX; employment of the other NEOs is covered by employment offer letters and annual Terms & Conditions of Variable Pay Programs. Severance in the event of termination without cause or constructive dismissal is outlined in the agreements.

NAME	TERMINATION WITHOUT CAUSE
Gianna Manes	<p>Salary: if employed less than 3 full years: 15 months' base salary + 20% of that sum in lieu of employment benefits and pension benefit; if employed more than 3 full years: 15 months' base salary + 2 months' base salary per full or partial year of service in excess of 3 full years, to a maximum of 24 months' base salary + 20% of that sum in lieu of employment benefits and pension benefits</p> <p>AVPP: target AVPP pro-rated to the date of termination</p> <p>LTVPP: if termination is prior to the end of the performance period, entitlements to payout will be forfeited; if termination follows the end of the performance period, payouts will be made if they would have been payable during the notice period</p>
David Halford	<p>Salary: 12 months' base salary</p> <p>AVPP: fixed at 40% of base salary pro-rated to months of service provided in the performance period</p> <p>LTVPP: any payment of long-term variable pay awards that would otherwise be payable in the 12 months following the date of termination</p>
Robert Hemstock	<p>Salary: 12 months' base salary</p> <p>AVPP: fixed at 40% of base salary pro-rated to months of service provided in the performance period</p> <p>LTVPP: any payment of long-term variable pay awards that would otherwise be payable in the 12 months following the date of termination</p>
Dale McMaster	<p>Salary: if employed less than 3 years: 12 months' base salary + 20% of base salary in lieu of employment benefits and pension benefit; if employed more than 3 years: 12 months' base salary + 2 months' base salary per full or partial year of service in excess of 3 years, to a maximum of 24 months' base salary + 20% of base salary in lieu of employment benefits and pension benefits</p> <p>AVPP: equal to the value of 40% of base salary pro-rated to the date of termination</p> <p>LTVPP: the value of all awarded but unpaid LTVPP payments that otherwise would have been payable if executive remained employed by ENMAX</p>

Additional amounts to which the NEOs would be entitled upon various termination scenarios are outlined below, as per program documents or other agreements.

	RETIREMENT	RESIGNATION	TERMINATION WITH CAUSE	TERMINATION WITHOUT CAUSE	TERMINATION FOLLOWING A CHANGE OF CONTROL
Severance (per Employment Agreement or Offer Letter)	N/A	N/A	N/A	Per Employment Agreement / Offer Letter	N/A
AVPP (per program Terms and Conditions)	Prorated to the date of termination at actual performance, subject to meeting retirement eligibility criteria	Forfeited	Forfeited	Prorated to date of termination at target performance	Forfeited
LTVPP (per program Terms and Conditions)	At the discretion of the Board of Director	Forfeited	Forfeited	Forfeited if termination is prior to the end of the performance period; paid out if termination follows the end of the performance period and is within the notice period	Payout of all unvested opportunities based on performance to the most recent completed quarter

THE INFORMATION CONTAINED WITHIN THIS DISCLOSURE IS AS OF DECEMBER 31, 2014 UNLESS OTHERWISE SPECIFIED.

IF YOU HAVE ANY QUESTIONS REGARDING THE ENMAX CORPORATION REPORT ON EXECUTIVE COMPENSATION OR ENMAX CORPORATION REPORT ON GOVERNANCE, PLEASE CONTACT DIANA STEPHENSON, CORPORATE SECRETARY AT GOVERNANCE@ENMAX.COM