



ENMAX CORPORATION

Annual Report on Governance and Compensation

MAY 22, 2020



I am pleased to present ENMAX's Annual Report on Governance and Compensation. This report marks ENMAX's tenth year of publishing reports on our governance and compensation practices and reflects our commitment to transparency and good corporate governance.

Good governance and leadership

Strong and effective governance practices are at the core of what ENMAX does. Our board of directors and executive team work closely to optimize our approach to governance and to ensure we are keeping abreast of industry trends and best practices. In addition, we are continually developing and recruiting ENMAX leaders to enable us to provide the best services possible to our customers.

Our pledge to ethical conduct

Our strong ethical conduct is the foundation of our business and is vital to our success. At ENMAX, we are committed to both preserving and enhancing the confidence and trust of our shareholder and customers.

Creation of shareholder value

ENMAX has a proud history with our shareholder, The City of Calgary. From 1998 to 2020, we have contributed more than \$1.1 billion in dividends to The City of Calgary. Our dividends help bolster The City of Calgary's revenues, which enables growth and supports a number of services that benefit Calgarians. This year, ENMAX declared a total shareholder dividend of \$54 million, which is comprised of a dividend of \$48 million plus a \$6 million special dividend. The special dividend was declared in response to the unprecedented times in Alberta and globally with the COVID-19 pandemic, and to extend ENMAX's support to The City of Calgary.

Material Developments

2020 is a year of transformation for ENMAX. In March 2020, ENMAX successfully completed the acquisition of Versant Power (formally Emera Maine), a regulated electricity transmission and distribution company operating in the State of Maine. This transaction represents a unique opportunity to create a stronger ENMAX, while delivering on commitments to our 159,000 new customers in northern and eastern Maine and creating significant value to our shareholder.

In addition, on May 20, 2020, ENMAX announced Wayne O'Connor as ENMAX's new President and CEO, effective June 22, 2020. Wayne will succeed Gianna Manes who is retiring as President and CEO, following her successful eight-year leadership of ENMAX. Gianna will remain on the board of ENMAX until July 31, 2020 to assist with the transition and integration of ENMAX's new President and CEO. Finally, in connection with several director retirements over the last few years, ENMAX welcomed two new directors to the board effective May 22, 2020: William (Bill) Taylor and Bruce Williamson.

Significant time and effort was required by the ENMAX board of directors and executive team on these strategic and transformational matters. The successful acquisition of Versant Power and executive and director succession planning is a reflection of the commitment by ENMAX's board of directors and executive team to good corporate governance and continued success.

Looking forward

This is a unique and challenging time at ENMAX, in Canada and globally. As in everything we do, the health and safety of our employees and communities is paramount during this difficult time prompted by the COVID-19 pandemic. As an essential service, we are committed to not only meeting the needs of our customers today but also their demands of tomorrow. ENMAX has been successful throughout our history at adapting to changes. Our board of directors and executive team are confident that ENMAX will continue to meet the challenges we face today, while continuing to create near and long-term shareholder value.

I thank you for your continued support.



Greg Melchin
Chair of the Board of Directors

Table of Contents

Good governance and leadership	2	Board Operations	18
Our pledge to ethical conduct	2	Board Oversight Of CEO	18
Creation of shareholder value	2	Board Oversight of the Executive and Employees	18
Material Developments	2	Strategic Planning	18
Looking forward	2	Managing and Assessing Risk	19
Table of Contents	3	Internal Controls	19
About ENMAX	5	External Auditors	19
About This Document	5	Board Compensation Practices	20
Our Governance Approach	5	Director Compensation Framework	21
Our Corporate Governance Philosophy and Practices	5	Director Expenses	21
Ethical Business Conduct	6	2019 Total Compensation	21
Sustainability and Environment, Social and Governance Matters	6	Director Total Compensation¹	22
Our Board of Directors	7	Our Approach to Executive Compensation	23
Governance Structure	13	Compensation Principles	23
Director Independence	13	Pay Positioning	23
Audit Committee	13	Executive Peer Group	23
Audit Committee	13	Compensation Components	26
Governance Committee	13	Pay Mix	27
Safety & Human Resources Committee	13	Compensation Governance at ENMAX	27
Governance Committee	13	Mandate of the Safety & Human Resources Committee	27
Safety & Human Resources Committee	14	Compensation Approval Process	27
Directors' Attendance	14	Compensation Approval Process for President & CEO	27
Director Education, Evaluation and Succession Planning	15	Compensation Approval Process for President & CEO's Direct Reports	28
Director Orientation	15	Compensation Risk Mitigation	28
Director Education	15	Compensation "Claw-Backs"	29
Director Evaluation and Board Performance Assessment	15	Compensation Advisors	29
Skills & Expertise	15	Our Named Executive Officers	30
Director Succession Planning	16	2019 Executive Compensation	33
Diversity	16	Setting Each Compensation Component	33
ENMAX Director Skills Matrix	17	Annual Variable Pay Program	34

Long Term Incentive Plan	36
Pension Plans	37
ENMAX Defined Contribution Pension Plan	38
Defined Contribution Supplemental Retirement Plan	38
Defined Benefit Supplemental Retirement Plan	38
Additional Benefits	39
<i>Detailed Compensation Disclosure</i>	39
Summary Compensation Table	39
LTIP Grants Table	40
Pension Plan Tables	41
ENMAX Pension Plan – Defined Contribution Plan	41
Supplemental Retirement Plan – Defined Contribution	41
Supplemental Retirement Plan – Defined Benefit	42
Employment Agreements & Termination Provisions	42

About ENMAX

ENMAX Corporation (“**ENMAX**”) makes, moves and sells electricity to residential, small business and large commercial customers, and is headquartered in Calgary, Alberta. Our mission is to power the potential of people, businesses and communities by safely and responsibly providing electricity and energy services in ways that matter to them today and tomorrow.

ENMAX Power Corporation owns and operates transmission and distribution infrastructure in Calgary, and ENMAX Energy Corporation owns diverse generation facilities throughout Alberta. Through its subsidiaries, ENMAX offers a range of innovative energy solutions to over 670,000 customers across Alberta, including electricity, natural gas, renewable energy and other services. In addition to ENMAX’s operations in Alberta, ENMAX acquired Versant Power in March 2020, a regulated electricity transmission and distribution company located in the State of Maine and provides energy services to approximately 159,000 customers in northern and eastern Maine.

About This Document

As our sole shareholder is The City of Calgary (the “**Shareholder**”), and as an essential part of the communities we serve, ENMAX is committed to providing transparency regarding its operations, finances, governance and executive compensation. This document is part of delivering on that transparency and is provided in addition to our annual and interim financial reports. Although ENMAX is not required to publicly file an annual information circular of a type that publicly listed companies do for their annual meetings, ENMAX strives to provide disclosure regarding governance and executive compensation that is comparable to public company disclosure, and the disclosure is informed by the requirements applicable to public companies.

INFORMATION CONTAINED WITHIN THIS REPORT IS DATED AS OF MAY 22, 2020, UNLESS OTHERWISE SPECIFIED.

Our Governance Approach

Our Corporate Governance Philosophy and Practices

At ENMAX, our board of directors (the “**Board**” or “**Directors**”) and executive team (the “**Executive**”) are committed to the highest standards of ethical conduct and corporate governance. We believe that sound corporate governance practices contribute to Shareholder value, trust, and confidence in ENMAX. Ultimately, our governance practices are built on the belief that how we earn profits is equally as important as the level of profits we earn.

ENMAX’s governance practices are key in how we make decisions. Our governance framework guides how we assign accountability, delegate authority and determine resources to support and enhance our decision-making process. Our framework also helps us to ensure our corporate values are always reflected in the work we do.

Our approach to governance and the disclosure of our practices is informed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Our governance framework is based on the following principles:

- Diverse expertise-based Board that promotes continued responsible growth and success;
- Clear definition of roles and responsibilities making for effective decision-making;
- Delegation to committees of the Board (the “**Committees**”) to ensure the Board’s mandate is appropriately carried out;
- Accountability through annual evaluation of the Board, Directors and our President & CEO;
- Established enterprise risk management system; and
- Commitment to clear communications with our Shareholder and other stakeholders.

Ethical Business Conduct

The Board expects all Directors, officers and employees of ENMAX to act with honesty, integrity and impartiality. This allows ENMAX to earn and maintain the trust of our Shareholder, employees, stakeholders, customers and the communities in which we operate. Our [principles of business ethics policy](#) ("**Business Ethics Policy**") contains principles and guidelines for ethical behaviour and describes the governance and corporate culture we want to develop and preserve. The Board reviews and approves the Business Ethics Policy at least once every three years and works closely with the Executive to promote a strong governance culture that influences ENMAX at every level. All employees sign an acknowledgment that they have read, understand and will comply with the Business Ethics Policy.

ENMAX has a confidential ethics hotline where employees can anonymously express concerns about inappropriate business conduct through a confidential third party. Every report made is reported to ENMAX's Governance Committee. In accordance with the Business Ethics Policy, the Directors and officers of ENMAX are also required to disclose conflicts of interest and declare outside business interests on an annual basis. This assists in ensuring Directors exercise independent judgment when considering transactions and agreements. The Board ensures that a Director does not participate in discussions or vote on matters when he or she is conflicted.

Members of the public can obtain a written copy of our Business Ethics Policy by contacting the Corporate Secretary at governance@ENMAX.com or can view a copy on our [website](#).

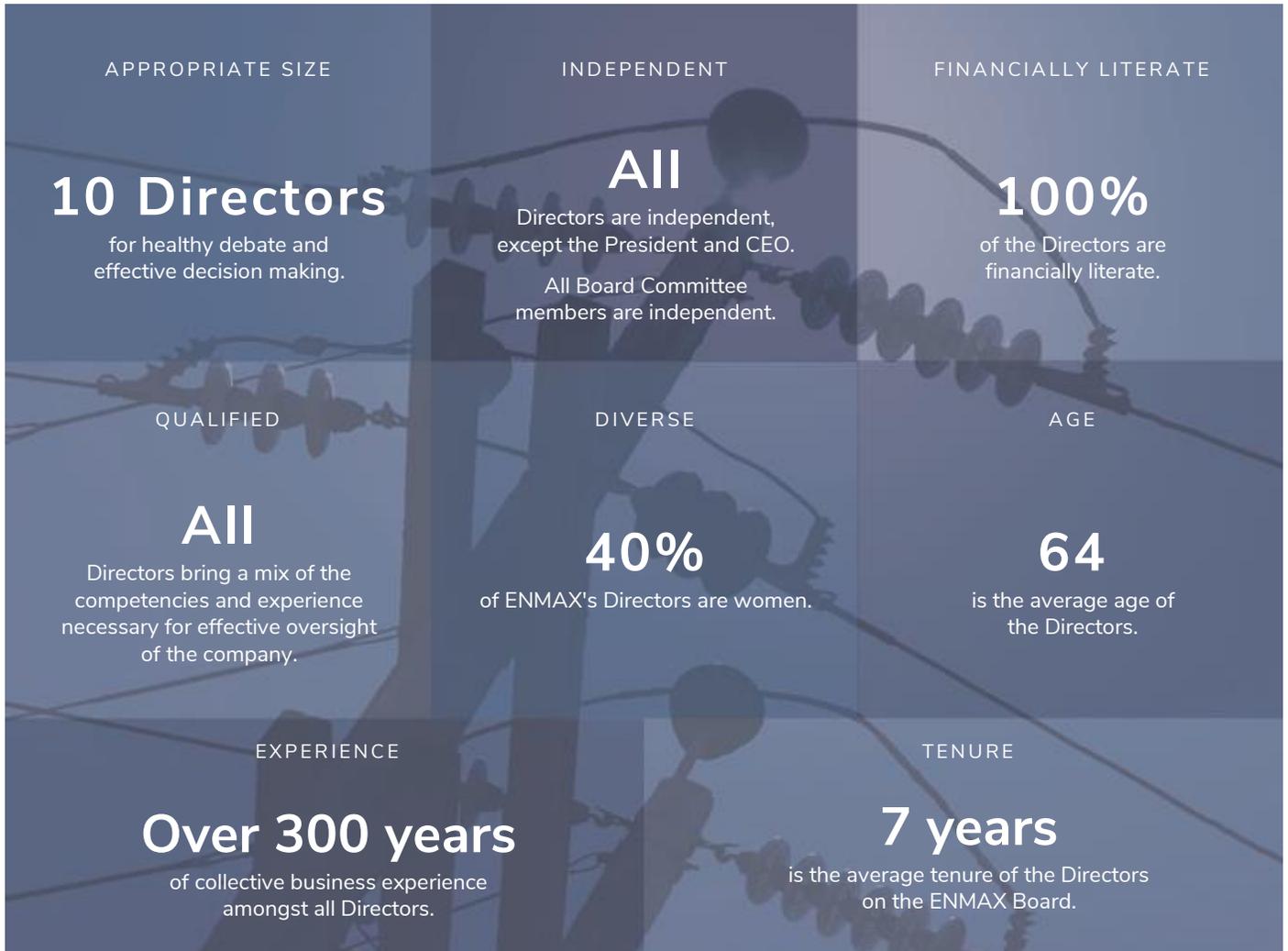
Sustainability and Environment, Social and Governance Matters

Throughout our history, ENMAX has held a commitment to building a sustainable future through our operating practices. For 13 years, ENMAX has publicly disclosed its environmental, social and governance performance in alignment with the Global Reporting Initiative's ("GRI") Standards.

ENMAX continuously strives to enhance the robustness of our disclosures and currently reports on over 100 environment, safety, social and governance indicators. In May 2020, ENMAX published a [Report on Sustainability](#) containing an overview of its sustainable business practices, a summary of its GRI reporting for 2019 and access to the full suite of performance indicators that are reported on annually.

Our Board of Directors

As of May 22, 2020, ENMAX's Board consists of ten Directors. These Directors have the necessary mix of skills, experience and qualifications for proper oversight and effective decision-making. A full biography of each Director can be found on **pages 7 to 11**. The full set of skills each Director brings to ENMAX's Board is set out in the Director Skills Matrix on **page 16**.



Board Chair, Greg Melchin, FCPA, FCA

Calgary, AB

Age 66

Independent

Financially Literate

Ex-Officio Member:

Audit Committee
Governance Committee
Safety & Human Resources Committee

Education and Designation:

- Bachelor of Science (Accounting)
- Chartered Accountant Designation
- ICD.D Designation

Areas of Expertise:

- Community Building and Leadership
- Corporate Governance / Legal
- Energy Sector
- Environmental
- Financial
- Human Resources
- Political and/or Government
- Risk Management

Public Board Memberships:

- Baytex Energy Corporation
- Total Energy Services Inc.



Greg Melchin joined the ENMAX Board in 2008 and assumed the role of Board Chair in 2011. Greg was a Member of the Legislative Assembly ("MLA") of Alberta (Calgary-North West Constituency) from 1997 to 2008. Prior to his position as MLA, he served in various management positions for 20 years in the Calgary business community, including Chief Financial Officer and Vice President of Finance. Greg previously served as Chair of PPP Canada, a federal Crown corporation and as a director on the board of STARS. Among his many positions within the Government of Alberta, Greg was Minister of Energy, Minister of Seniors and Community Supports, and Minister of Revenue.

2019 Meeting Attendance:

Meetings Attended: 45 / 45 | Attendance Record: 100%

Gianna Manes, President & CEO*

Calgary, AB

Age 55

Not Independent

Financially Literate

Committee Memberships:

Gianna is not a member of any ENMAX Committees

Education and Designation:

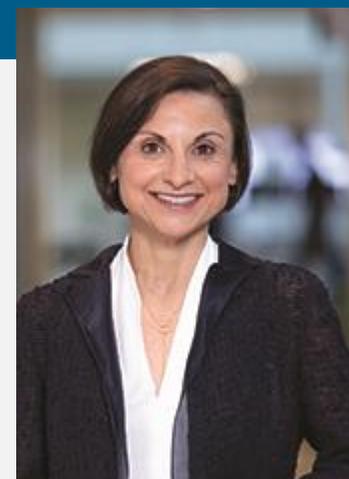
- Bachelor of Science (Industrial Engineering)
- Master of Business Administration
- Harvard School of Advanced Management Program
- ICD.D Designation

Areas of Expertise:

- Commodities / Wholesale Electricity Trading
- Community Building and Leadership
- Corporate Governance / Legal
- Electricity Utility Sector
- Energy Sector
- Environmental
- Financial
- Human Resources
- Political and/or Government
- Project Management, Engineering or Construction
- Retail Industry
- Risk Management
- Technology

Public Board Memberships:

- Keyera Corp.



Gianna Manes has held the position of President & CEO of ENMAX since 2012. She is a director of a publicly traded company, Keyera Corp., and a director of the Canadian Electricity Association. Gianna previously served as the Co-Chair of the Calgary United Way campaign and was a director of the Calgary United Way from 2015 to 2018.

Gianna has 30 years of experience in the energy sector in Canada, the United States and Europe. Before joining ENMAX, she served as the Senior Vice President and Chief Customer Officer of Duke Energy from 2008 to 2012, a large North American power company based in Charlotte, North Carolina.

Gianna has been recognized for her leadership and accomplishments throughout her career: as Electricity Human Resources Canada's CEO of the Year in 2013, one of Alberta Venture's Top 50 Most Influential People in 2015, and twice-recognized as one of Canada's Most Powerful Women by the Women's Executive Network.

2019 Meeting Attendance:

Meetings Attended: 28 / 28 | Attendance Record: 100%

* Ms. Manes will retire from the Board on July 31, 2020.

Laura Formusa

Toronto, ON

Age 65

Independent

Financially Literate

Committee Memberships:

Audit Committee

Safety & Human Resources Committee (Chair)

Education and Designation

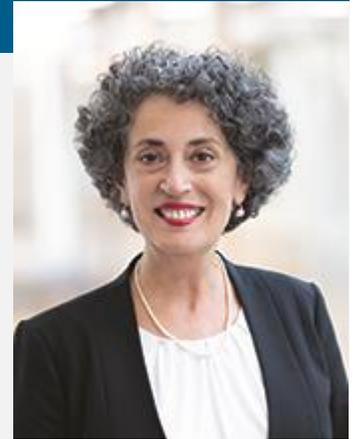
- Bachelor of Laws
- ICD.D Designation

Areas of Expertise:

- Community Building and Leadership
- Corporate Governance / Legal
- Electricity Utility Sector
- Energy Sector
- Environmental
- Financial
- Human Resources
- Political and/or Government
- Project Management, Engineering or Construction
- Risk Management
- Technology

Public Board Memberships:

None



Laura Formusa joined the ENMAX Board in 2017 and is the Chair of the Safety & Human Resources Committee. She is currently a director of the following companies: 407 International Inc., Equitable Life Insurance Company of Canada, the Institute for Clinical Evaluative Sciences, and Tantalus Systems Corp. (Chair). Laura served on the Board of Governors of York University, in addition to other directorships.

Laura has over 30 years of experience in the utilities industry. She served as Vice President, General Counsel and Corporate Secretary of Hydro One Inc. (formerly Ontario Hydro), and later as President and Chief Executive Officer from 2007 until her retirement at the end of 2012.

Laura was inducted into the Top 100 Most Powerful Women in Canada's Hall of Fame by the Women's Executive Network. She is also a founding member of the Women of Energy group, which seeks to advance women's issues and to create critical networking opportunities for high potential women in the energy sector.

2019 Meeting Attendance:

Meetings Attended: 35 / 38 | Attendance Record: 92%

Eric Markell

Bellevue, WA

Age 68

Independent

Financially Literate

Committee Memberships:

Audit Committee

Governance Committee

Education and Designation:

- Bachelor of Economics
- Master of Public Administration

Areas of Expertise:

- Commodities / Wholesale Electricity Trading
- Community Building and Leadership
- Electricity Utility Sector
- Energy Sector
- Environmental
- Financial
- Human Resources
- Political and/or Governmental
- Project Management, Engineering or Construction
- Risk Management

Public Board Memberships:

None



Eric Markell joined the ENMAX Board in 2016. Eric is a member of the Board of Governors of the United States Eventing Association and a director of The Hudson Renewable Energy Institute in New York.

Eric has over 35 years of experience in the utility and power industry which includes experience in corporate finance, accounting, regulatory relations and rate-making, asset acquisition, generation operation and construction, project finance and project development.

Before joining ENMAX, Eric held various senior executive positions, including Chief Financial Officer, Chief Resource Officer and Chief Strategy Officer of Puget Energy Inc. and Puget Sound Energy. In addition, Eric served as Vice President and Chief Financial Officer of United American Energy Corp. Eric is also a past Treasurer and Controller of Central Hudson Gas & Electric Corporation and the past Vice President and Treasurer of the New York State Energy Research & Development Authority.

2019 Meeting Attendance:

Meetings Attended: 34 / 35 | Attendance Record: 97%

Elise Rees, FCPA, FCA

Vancouver, BC

Age 61

Independent

Financially Literate

Committee Memberships:

Audit Committee
Governance Committee

Education and Designation:

- Bachelor of Arts (Hons)
- BC Chapter of the Institute of Corporate Directors (Executive Member)
- ICD.D Designation

Areas of Expertise:

- Community Building and Leadership
- Corporate Governance / Legal
- Financial
- Human Resources
- Political and / or Government
- Project Management, Engineering or Construction
- Retail Industry
- Risk Management

Public Board Memberships:

- Great Panther Mining Limited



Elise Rees joined the ENMAX Board in 2016. She is a director of Great Panther Mining Limited and Westland Insurance Group Limited, in addition to several not-for-profit organizations.

Elise has over 35 years of experience in public accounting. She spent 18 years as a partner with Ernst & Young, LLP and 14 of those years focused on acquisitions, mergers and corporate restructuring. Elise has also been the global client-coordinating partner for services to the BC Credit Union Industry.

Elise has been recognized many times during her career. She was awarded the Influential Woman in Business Award in 2007 and the Ernst & Young Rosemarie Meschi Award for Advancing Gender Diversity in 2007. In addition, she has been recognized for her leadership with the designation of Fellow Chartered Professional Accountant and Fellow Chartered Accountant in 2010, and received the Community Builder Award from Association of Women in Finance in 2012. She was also recognized as a Top 100 Most Powerful Women in Canada by the Women's Executive Network in 2015.

2019 Meeting Attendance:

Meetings Attended: 24 / 24 | Attendance Record: 100%

Charles Ruigrok

Calgary, AB

Age 63

Independent

Financially Literate

Committee Memberships:

Audit Committee (Chair)
Safety & Human Resources Committee

Education and Designation:

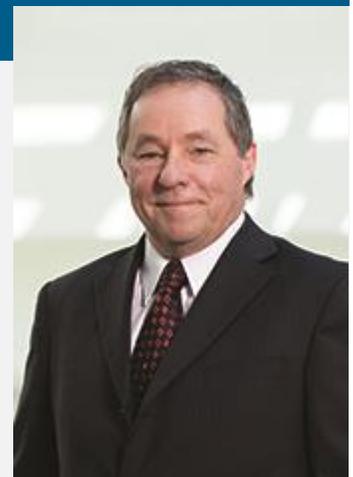
- Bachelor of Science (Civil Engineering)
- ICD.D Designation
- Master of Engineering (Civil Engineering)
- Professional Engineers Ontario (Member)

Areas of Expertise:

- Community Building and Leadership
- Corporate Governance / Legal
- Electricity Utility Sector
- Energy Sector
- Environmental
- Financial
- Human Resources
- Political and/or Government
- Project Management, Engineering or Construction
- Retail Industry
- Risk Management
- Technology

Public Board Memberships:

None



Charles Ruigrok joined the ENMAX Board in 2010 and is currently the Chair of the Audit Committee. He served as Interim President and CEO from February 2011 to April 2012. He is currently a director of Soane Energy LLC.

Charles has over 35 years of experience in the energy industry. Charles previously held the position of CEO of Syncrude Canada Ltd. He also spent 26 years at Imperial Oil, where he held various senior executive positions, including Vice President of Oil Sands Development and Research.

Charles is a past director of Syncrude Canada Ltd., Rainbow Pipeline Company, Progas Limited, the Alberta Chamber of Resources, and Petroleum Technology Alliance Canada. He also served as a member of the Board of Governors of the Canadian Association of Petroleum Producers.

2019 Meeting Attendance:

Meetings Attended: 40 / 40 | Attendance Record: 100%

Kathleen Sendall

Calgary, AB

Age 67

Independent

Financially Literate

Committee Memberships:

Governance Committee
Safety & Human Resources Committee

Education and Designation:

- Bachelor of Science (Mechanical Engineering)
- Ivey Executive Program

Areas of Expertise:

- Community Building and Leadership
- Corporate Governance / Legal
- Energy Sector
- Environmental
- Financial
- Human Resources
- Political and/or Government
- Project Management, Engineering or Construction
- Retail Industry
- Risk Management

Public Board Memberships:

None



Kathleen Sendall joined the ENMAX Board in 2011. She is also a member of the Sustainable Development Technology Canada Member Council.

Kathleen has over 30 years of experience in the engineering and energy sectors. Previously, Kathleen led Petro-Canada's Natural Gas Business Unit and she was a director of CGG, a public company based in Paris. She was the President and a former director of the Canadian Academy of Engineering, as well as a former Governor and Board Chair of the Canadian Association of Petroleum Producers.

Kathleen has received many acknowledgments during her career: the YWCA Women of Distinction Award, an honorary Bachelor of Applied Industrial Ecology degree, twice named one of Alberta's 50 Most Influential People by Alberta Venture, four times named as one of Canada's Top 100 Most Powerful Women in the Corporate Executive category, and inducted into Canada's Most Powerful Women Hall of Fame. She was awarded the 50 Key Women in Energy Global Award, the Women Who Make a Difference Award from the International Women's Forum and the Queen's Jubilee Medal. Kathleen is appointed to the Order of Canada and is an Honorary Lieutenant Colonel of the Department of National Defense. She is the recipient of an Honorary Doctor of Laws from the University of Calgary and named a Jarislowsky Fellow at the Haskayne School of Business.

2019 Meeting Attendance:

Meetings Attended: 30 / 30 | Attendance Record: 100%

Richard Shaw

Calgary, AB

Age 74

Independent

Financially Literate

Committee Memberships:

Audit Committee
Governance Committee (Chair)

Education and Designation:

- Bachelor of Science
- Bachelor of Laws
- ICD.D Designation
- Queen's Counsel (1992)

Areas of Expertise:

- Community Building and Leadership
- Corporate Governance / Legal
- Electricity Utility Sector
- Energy Sector
- Financial
- Human Resources

Public Board Memberships:

- Inter Pipeline Ltd. (Chair)



Richard Shaw joined the ENMAX Board in 2011 and is currently the Chair of the Governance Committee. He is also Board Chair of Inter Pipeline Ltd.

Richard was a senior partner of the Business Law Group of McCarthy Tétrault LLP in Calgary for more than 35 years. He continues a legal advisory practice through his professional corporation, pertaining to corporate governance, boards of directors, independent and special committees, director and officer liabilities, indemnification and insurance and executive compensation. Richard has extensive experience with respect to corporate governance practices in Canada, having served as a director on the national board of the Institute of Corporate Directors and the chair of its Calgary Chapter. He is a former lecturer in the Director Education and Executive MBA Programs at the Haskayne School of Business at the University of Calgary, past Chair of the Board of Governors of Mount Royal University, and was the lead independent member and Chair of the Governance Committee of the Alberta Securities Commission.

2019 Meeting Attendance:

Meetings Attended: 38 / 39 | Attendance Record: 97%

William Taylor

Boston, MA

Age 55

Independent

Financially Literate

Education and Designation:

- Bachelor of Applied Science (Civil Engineering)

Areas of Expertise:

- Commodities / Wholesale Electricity Trading
- Community Building and Leadership
- Corporate Governance / Legal
- Energy Sector
- Human Resources
- Political and/or Government
- Project Management, Engineering or Construction
- Retail Industry
- Risk Management

Public Board Memberships:

None



William (Bill) Taylor joined the ENMAX Board in 2020. He has over 30 years of experience in the energy sector.

Before joining ENMAX, Bill spent 21 years at TransCanada Corporation (now TC Energy) where he held various senior executive positions. Bill held the position of Executive Vice-President and Division President, Energy at TransCanada Corporation and prior to that, held various senior executive positions, including Senior Vice-President, Power. He was responsible for profitability and growth of the company's power business, non-regulated gas storage and its non-regulated joint ventures in Canada and the United States.

Bill has extensive experience in renewable power, having developed large scale solar projects in Ontario as well as wind facilities in Quebec and Maine. Bill also oversaw operations of one of New England's largest hydropower systems for TransCanada.

Bill is a past director of Canadian Electricity Association, Independent Power Producers of New York, Independent Market Operator in Ontario, TransCanada Turbines, Bruce Power, and the Portlands Energy Centre.

2019 Meeting Attendance:

Not applicable. Bill joined the ENMAX Board in 2020.

Bruce Williamson

The Woodlands, TX

Age 61

Independent

Financially Literate

Education and Designation:

- Bachelor of Arts (Business Administration)
- Master of Business Administration

Areas of Expertise:

- Commodities / Wholesale Electricity Trading
- Corporate Governance / Legal
- Electricity Utility Sector
- Energy Sector
- Financial
- Human Resources

Public Board Memberships:

None



Bruce Williamson joined the ENMAX Board in 2020. He has over 30 years of extensive experience in the energy sector. Prior to joining ENMAX, Bruce held many senior executive positions, including President and CEO of Southcross Energy Partners, Cleco Corporation and Dynegy Corporation. Prior to these roles, Bruce was the President and CEO of Duke Energy Global Markets. Bruce also spent 4 years with PanEnergy Corp as SVP, Finance and Corporate Development and prior to that, he spent 14 years with Shell Oil and various Shell affiliates in a variety of positions, primarily in exploration and production and finance where he rose to be Assistant Treasurer of Shell Oil Company.

Bruce was previously Board Chairman and CEO of Southcross Energy Partners, Southcross Holdings and Cleco Corporation. He was an independent board member of Questar Corporation, and was Chairman of the Board and CEO of Dynegy Inc. He serves on the University of Houston Bauer School of Business Dean's Advisory Board and the UH Chancellor's National Advisory Council and Energy Advisory Board. He serves on Houston Methodist The Woodlands Hospital's Patient and Family Advisory Council and also assists in the stroke rehabilitation and recovery program with the Houston Methodist Neurology and Neurosurgery departments.

2019 Meeting Attendance:

Not applicable. Bruce joined the ENMAX Board in 2020.

Governance Structure

The Board consists of ten directors and includes ENMAX's President & CEO. Directors are elected by the Shareholder at an annual Shareholder meeting. The Board is chaired by Greg Melchin, an independent Director, and the Board assigns responsibility to ENMAX's three Committees: the Audit Committee, the Governance Committee and the Safety & Human Resources Committee ("SHRC"), to maintain an effective balance of duties and use of resources.

The mandates of the Board, each Committee, individual Directors and those in Board leadership roles can be found on our website under [Corporate Governance - ENMAX Corporation Board, Committee, and Policy Information](#). The composition of the Audit Committee, the Governance Committee and SHRC is detailed below. Committee membership will be adjusted during 2020 to reflect the addition of two new directors (William Taylor and Bruce Williamson) and the retirement of one director (Neil Camarta) effective May 22, 2020.

Director Independence

Independent Directors bring a fundamental benefit to a corporation – objectivity. Having a majority of independent Directors helps provide assurance that decisions are made in the best interests of ENMAX. The Governance Committee and the Board review the independence status of the Directors annually to ensure that the Board is composed of a majority of Directors who can provide independent, varied and experienced perspectives. The independence of potential Board nominees is also reviewed when considering nominations.

Directors' independence is determined in accordance with National Instrument 52-110 – Audit Committees. A Director is considered independent only when she or he has no direct or indirect material relationship with ENMAX. Board members must provide information about their business and other relationships with ENMAX or our employees. They must also advise the Board if there are any material changes to their circumstances or relationships that could affect the assessment of independence.

The only non-independent Director on the Board is ENMAX's President & CEO.

Audit Committee

ENMAX's Audit Committee consists of six Directors and is chaired by Charles Ruigrok, who is an independent Director.

The Board ensures that financial expertise resides in the Audit Committee. Members must be financially literate or become financially literate within a reasonable period after appointment.

Financial literacy is determined in accordance with National Instrument 52-110 – Audit Committees. Members of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by ENMAX's financial statements. In addition, the Audit Committee Mandate requires that at least one member of the Audit Committee have accounting or related financial management expertise.

Currently, all Audit Committee members are financially literate. Audit Committee members demonstrate financial literacy through previous senior executive and leadership experience, work in the financial sector and/or through extensive directorship experience.

Governance Committee

ENMAX's Governance Committee consists of five Directors and is chaired by Richard Shaw, who is an independent Director. The Board ensures that governance expertise resides in the Governance Committee. Such expertise is gained through previous senior executive and leadership experience and/or extensive legal or directorship experience.

Audit Committee

Charles Ruigrok (Chair)
Laura Formusa
Eric Markell
Elise Rees
Richard Shaw
Greg Melchin (Ex-Officio)

Governance Committee

Richard Shaw (Chair)
Eric Markell
Elise Rees
Kathleen Sendall
Greg Melchin (Ex-Officio)

Safety & Human Resources Committee

Laura Formusa (Chair)
Charles Ruigrok
Kathleen Sendall
Greg Melchin (Ex-Officio)

Safety & Human Resources Committee

ENMAX's SHRC consists of four Directors and is chaired by Laura Formusa, who is an independent Director. The Board ensures that human resources and compensation expertise resides in the SHRC. Such expertise is gained through previous senior executive and leadership experience and/or through extensive directorship experience.

Directors' Attendance

The Directors strive to attend all Board meetings and meetings of Committees of which they are members. In 2019, an overall attendance rate of 97% was achieved for scheduled meetings by our Directors. The Board values the practice of Board members attending Committee meetings of which they are not members and issues a standing invitation to all members to attend all Committee meetings. As a result, Board members can both contribute to and gain comfort with the level of knowledge, engagement and participation of those on other Committees.

As a matter of good governance, each Board and Committee meeting agenda includes dedicated time for in-camera sessions with and without the President & CEO present. In the instance of the Audit Committee, in-camera sessions are also held separately at each meeting with the external and internal auditors.

Outside of formally scheduled meetings, the Board and Committee chairs attend planning meetings with the Executive and periodic informal briefings with the Shareholder.

DIRECTORS' ATTENDANCE DURING 2019 (BOARD & COMMITTEE MEETINGS)			
Director	Meetings Attendance	Meetings Held	Attendance Record
Neil Camarta ¹	21	24	88%
Laura Formusa	35	38	92%
Gianna Manes	28	28	100%
Eric Markell	34	35	97%
Greg Melchin	45	45	100%
Elise Rees	24	24	100%
Charles Ruigrok	40	40	100%
Kathleen Sendall	30	30	100%
Richard Shaw	38	39	97%
TOTAL	295	303	97%

¹ Neil Camarta retired from the ENMAX Board on May 22, 2020.

Director Education, Evaluation and Succession Planning

Director Orientation

The Board fosters a culture that encourages incoming Directors to fully participate in Board activities as soon as possible. All new Directors undergo a comprehensive orientation which addresses ENMAX's governance structure, the Board's mandate and the nature and scope of our operations.

The orientation program is designed to ensure that incoming Directors can assume responsibilities quickly, maximizing their contribution and the capacity of the Board. Our orientation program includes one-on-one meetings with members of the Board, Executives, and others such as our internal and external auditors. Each new Board member is paired with a long-standing Board member to provide onboarding support. New Board members are invited to attend all Committee meetings, and site visits are also arranged to enable direct knowledge of our operations.

All Board materials, which includes key governance, financial and policy information, are available for Directors at all times via our confidential board portal.

Director Education

Our ongoing education program provides Directors with the opportunity to continuously enhance their knowledge of governance practices, ENMAX's operations, and the electricity industry.

The program has various components which include attendance at conferences and seminars, internal and external speakers during meetings, visiting ENMAX facilities, and accessing different parts of our operations. Each Director is entitled to be reimbursed by ENMAX, up to a set value annually, for attending continuing education courses and conferences that are of benefit to them as a Director.

Director Evaluation and Board Performance Assessment

On an annual basis, the Board undertakes an evaluation process to assess its performance and overall effectiveness, as well as that of the Board Chair, its Committees, and individual Directors.

The Governance Committee uses the results to identify actions for improvement and to determine education opportunities, in order to ensure Director expertise is utilized to the fullest extent. This process also helps the Board to build and maintain the collective set of skills, abilities and experiences needed to effectively oversee ENMAX's long-term performance and strategy execution.

Skills & Expertise

The Board believes a strategic, diverse mix of skills and expertise is critical to ensuring effective oversight of ENMAX's complex operations. The Board has developed a matrix of essential skills collectively required for effective Board operations ("**Director Skills Matrix**"). The Director Skills Matrix is kept current to reflect ENMAX's strategy and to support Board efforts to ensure an optimal balance of skills in the event of Director retirement or succession requirements and changing business requirements.

Each year, the Governance Committee and the Board review the Director Skills Matrix and individual Directors' input is gathered to populate it. The Director Skills Matrix is found on **page 16** of this Report and lists the 13 categories of skills and experience essential to the performance of ENMAX's Board overall.

Director Succession Planning

When reviewing the Director Skills Matrix, the Governance Committee assesses the needs of the Board to ensure the range of skills is reflective of the industry and markets in which ENMAX operates. If the Governance Committee determines the Board would benefit from changes or adjustments to its composition, or in the event of Director retirements, the recruitment process may be initiated as follows:

1. The Governance Committee retains an external, independent recruitment advisor to identify individuals with required skills and experience;
2. The Governance Committee reviews the advisor's list of potential appointees taking into account, among other things, skills and experience of each individual and their ability to fit with the existing Board;
3. The Governance Committee determines a shortlist for an interview process;
4. After the interview process, the Governance Committee determines the potential appointees that are best suited to become members of the Board;
5. The Governance Committee requests approval of the above-noted potential appointees by the Board; and
6. ENMAX puts the Board approved potential appointees forward for election by the Shareholder.

In preparation for the anticipated Director retirements, the Board initiated a formal Director search process in 2019 and external independent recruitment advisors were engaged to identify a pool of qualified candidates. As a result of the Director search process that was conducted over the course of 2019 and early 2020, two additional Directors joined the ENMAX Board in May 2020.

Diversity

ENMAX recognizes that having a mix of highly qualified Directors from diverse backgrounds brings different perspectives and experience to the boardroom to generate healthy discussion, debate, and effective decision-making.

As a reflection of ENMAX's commitment to diversity, in 2017 ENMAX became a signatory to the Leadership Accord on Gender Diversity, headed by Electricity Human Resources Canada. In addition, ENMAX has recently become a member of the 30% Club Canada, an organization that supports businesses having an aspirational goal of maintaining or exceeding a board and executive composition in which at least 30 percent are women.

The Board has recently adopted a Board-level diversity policy (the "**Diversity Policy**"). The Diversity Policy provides that, when selecting Director candidates, the Governance Committee will give consideration to the following diversity criteria: gender, age, visible minorities, geographic residence, and other factors that may enhance ENMAX's ability to deliver value to our Shareholder. The Diversity Policy also includes an aspirational gender diversity goal whereby at least 30 percent of ENMAX's Directors are women.

The Governance Committee is responsible for monitoring the implementation and effectiveness of the Diversity Policy on an annual basis and will report its findings to the Board and recommend any changes to the Diversity Policy, as appropriate.

Currently, four of the ten Directors (40%) are women and three of the five Named Executive Officers (60%) are women.

ENMAX Director Skills Matrix

KEY SKILLS	Laura Formusa	Gianna Manes ¹	Eric Markell	Gregory Melchin	Elise Rees	Charles Ruigrok	Kathy Sendall	Richard Shaw	Bill Taylor	Bruce Williamson
Commodities / Wholesale Electricity Trading		✓	✓						✓	✓
Community Building and Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Corporate Governance / Legal	✓	✓		✓	✓	✓	✓	✓	✓	✓
Electricity Utility Sector	✓	✓	✓			✓		✓		✓
Energy Sector	✓	✓	✓	✓		✓	✓	✓	✓	✓
Environmental	✓	✓	✓	✓		✓	✓			
Financial	✓	✓	✓	✓	✓	✓	✓	✓		✓
Human Resources	✓	✓		✓	✓	✓	✓	✓	✓	✓
Political and/or Government	✓	✓	✓	✓	✓	✓	✓		✓	
Project Management, Engineering or Construction	✓	✓	✓		✓	✓	✓		✓	
Retail Industry		✓			✓	✓	✓		✓	
Risk Management	✓	✓	✓	✓	✓	✓	✓		✓	
Technology	✓	✓				✓				

¹ Gianna Manes will retire from the ENMAX Board on July 31, 2020.

SKILL AREA	SKILL DESCRIPTOR	SKILL AREA	SKILL DESCRIPTOR
Commodities / Wholesale Electricity Trading	Senior executive or consulting experience in commodity or whole electricity trade operations.	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.
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 non-profits and the public sector.		
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.
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.)		
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).	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.
		Project Management, Engineering or Construction	Senior executive experience in large-scale infrastructure projects or capital investment programs. May include formal education in this regard.
Environmental	Thorough understanding of environmental and sustainability frameworks (legal, regulatory and policy) applicable to business and broader energy industry.	Retail Industry	Senior executive or consulting experience in retail operations.
		Risk Management	Senior executive experience in analyzing exposure to risk and successfully determining appropriate mitigants to best handle such exposure.
		Technology	Senior executive or consulting experience with technology applicable to electricity system. May also include Information Technology.

Board Operations

When making decisions, the Board acts with the best interests of ENMAX in mind. To ensure balanced business decisions are reached, the Board also carefully weighs the interests of the Shareholder, customers, employees, suppliers, and communities in which we operate, including the environment, governments, regulators and the general public.

Board Oversight Of CEO

The Board is responsible for selecting and retaining ENMAX's President & CEO, and when hiring a CEO, designates a Committee to actively manage the selection process. Once appointed by the Board, the President & CEO is responsible for managing ENMAX's affairs. Key responsibilities involve articulating the vision for ENMAX, developing and implementing a strategic plan consistent with ENMAX's vision, mission and values, all the while creating value for the Shareholder. The SHRC reviews the President & CEO's annual objectives before recommending them to the Board for approval.

The President & CEO is accountable to the Board and the SHRC, and the Board conducts a formal review of performance once a year. The Board has also established a job description for the President & CEO, and places limits on contracting and spending authority under ENMAX's delegation of authority and employee spending policy.

Board Oversight of the Executive and Employees

The SHRC and Board formally review the performance of the overall organization, President & CEO, and the Executive on an annual basis. In addition, the SHRC and Board receive assurance that the Executive and appropriate levels of management engage in talent management and development and succession planning for employees. They also review and approve ENMAX's compensation and benefit programs. The SHRC and Board consider compensation and benefits in alignment with similar companies and market practices, to ensure the attraction and retention of the talent required to achieve the organization's business objectives.

Variable compensation is a useful tool and the SHRC and Board periodically evaluate ENMAX's variable compensation programs to ensure they are appropriately balanced and provide recognition for individual and team effort and corporate performance. The SHRC and Board actively oversee the development and operation of variable compensation policies, systems, and related control processes, and has access to external expertise in compensation practices appropriate for the nature, scope, and complexity of ENMAX's activities.

Talent management and succession planning are critical for business success. The SHRC conducts quarterly reviews on human resource development matters, and the Board sets aside dedicated time each year to review and consider succession and workforce development strategies.

Strategic Planning

The President & CEO and the Executive are responsible for developing ENMAX's strategic plan and presenting it to the Board for approval. The Board holds a special meeting each year to review and test the plan and consider the strategic opportunities and risks facing ENMAX's business.

The Executive also develops and presents a multi-year operating plan and annual budget to the Board for approval.

Managing and Assessing Risk

The Board has overall responsibility for the oversight of risk at ENMAX. Risk takes different forms for ENMAX given the complexity and breadth of our operations and can include safety, physical security, IT security, people, customers, external environment, financial, operational, policy/government and regulatory, among other risks.

ENMAX uses a formalized enterprise risk management system to effectively manage and assess risk, which includes an Enterprise Risk Management Policy that was adopted by the Board in 2016. The Board receives regular updates on emerging areas of risk or changes to ENMAX's risk profile. The enterprise risk management system involves a systematic approach to identifying, assessing, reporting and managing significant risks. Defined principles are approved by the Board to help identify and mitigate uncertainties that can negatively affect ENMAX's ability to achieve corporate and business objectives. In addition, the Governance Committee has specific risk management responsibilities including a quarterly review of the enterprise risk management programs and processes.

Internal Controls

The Board and its Committees are responsible for monitoring the integrity of ENMAX's internal controls and management information systems. The Audit Committee is responsible for overseeing the internal controls, including controls over accounting and financial reporting systems.

ENMAX's Executive is responsible for establishing and maintaining an adequate system of internal control over financial reporting to provide reasonable assurance that public reporting of financial information is reliable and accurate, that ENMAX's transactions are appropriately accounted for and that ENMAX's assets are adequately safeguarded. The Internal Auditor reports directly to the Chair of the Audit Committee and provides quarterly reports to the Audit Committee.

External Auditors

Deloitte LLP are ENMAX's external auditors and are appointed by the Shareholder annually. The Audit Committee is responsible for reviewing the auditor's performance, fees, qualifications, independence and the audit of ENMAX's financial statements. To ensure independence, the Audit Committee pre-approves all services the external auditors provide. On an annual basis, the Committee recommends the appointment of the external auditor to the Board, who then recommends approval to the Shareholder for the ensuing year.

The following summarizes fees paid to the external auditors for the years ending December 31, 2019 and 2018.

EXTERNAL AUDITOR FEES	2019	2018
Audit Fees	\$726,100	\$678,100
Non-Audit Fees	\$179,225	\$116,768
Total Fees	\$905,325	\$803,868

Board Compensation Practices

ENMAX provides its independent Board members with a compensation package of cash retainers and meeting fees. The package provides competitive remuneration for the increasing responsibilities, time commitments and accountability of Board members. The non-independent Director does not receive compensation for their role on the Board.

The Board maintains a list of industry peers (the “**Board Peer Group**”) by which to benchmark appropriate Director compensation levels, and compensation is targeted at the 50th percentile of the Board Peer Group.

ENMAX’s Board Peer Group includes the following:

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 Producer and Energy Traders	Limited Liability Partnership
Capital Power Corporation	Alberta	Independent Power Producers and Energy Traders	Autonomous / Publicly Traded
Chevron Canada Resources	Alberta	Multi-Sector Holdings	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 / Publicly Traded
Inter Pipeline Ltd.	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
Saskatchewan Power Corp.	Saskatchewan	Electric Utilities	Government
Saskenergy Incorporated	Saskatchewan	Gas Utilities	Government
TransAlta Corp	Alberta	Independent Power Producer and Energy Trader	Autonomous / Publicly Traded

Director Compensation Framework

Ensuring that qualified, focused and talented Directors comprise the Board is essential in order to achieve ENMAX's strategic objectives, and to provide effective guidance to and oversight of management. The Governance Committee is responsible for reviewing Director compensation and recommending any compensation adjustments to the Board. In reviewing Director compensation, the Governance Committee considers the following matters:

- The complexity of ENMAX's business and corporate strategy;
- The expected time commitment of the current Directors;
- The overall expertise and experience required for Directors on ENMAX's Board; and
- The need for compensation that is fair and is in alignment with ENMAX's Peer Group, to allow ENMAX to attract highly qualified individuals.

In 2018, the Governance Committee retained an independent consultant, Hugessen Consulting ("**Hugessen**"), to assess the competitiveness of the compensation of the independent Directors and to provide advice regarding market positioning. Hugessen advised that Director compensation at ENMAX had fallen below the median of the Board Peer Group. Following a comprehensive review of the advice provided by Hugessen, the Governance Committee and, as per the authority granted by the Shareholder, the Board approved adjustments to the annual retainers of the independent directors. As a result of the adjustments, the compensation for the independent Directors is approximately at the median of ENMAX's Board Peer Group.

The Board compensation framework is as follows:

TYPE	REMUNERATION
Board Chair Annual Retainer	\$187,200 Paid as \$46,800 per quarter
Committee Chair Annual Retainer	\$114,600 Paid as \$28,650 per quarter
Individual Director Annual Retainer	\$98,300 Paid as \$24,575 per quarter
Board, Committee, or Shareholder Meeting Fee	\$1,500 Paid per meeting attended

Director Expenses

ENMAX reimburses Directors for costs associated with attending meetings or functions including travel, hotel accommodation and meals. Directors keep records of expenses, including receipts. The Board Chair approves all Director expenses and the Audit Committee chair approves Board Chair expenses. ENMAX's Internal Audit team audits all Director and Board Chair expenses on an annual basis and the audit results are reported to the Audit Committee each May. No matters of concern were identified for the year ending December 31, 2019.

2019 Total Compensation

The table on **page 21** details the total amount ENMAX paid to each independent Director in 2018 and 2019. Of note:

- Since her appointment in 2012, ENMAX's President & CEO Gianna Manes has served on the Board (and will do so until July 31, 2020), but she does not serve on any Committees or receive Director compensation. For details on her compensation as President & CEO of ENMAX, please see **page 38**.
- As a result of an update to ENMAX's governance framework in 2019, and as agreed to between ENMAX and our Shareholder, City of Calgary Councillors no longer sit on the Board of ENMAX. The City of Calgary Councillors that previously served on the Board did not receive Director compensation.
- "**Board and Committee Meeting Fees**" includes all compensation that each Director received in 2019 for attending regularly scheduled Board and Committee meetings.
- "**Shareholder and Special Meeting Fees**" for 2019 includes all compensation that Directors received as part of Shareholder meetings and special meetings held regarding the Versant Power transaction, CEO succession matters and Director recruitment. Directors did not receive compensation for any education sessions in 2019. For 2018, "**Shareholder and Special Meeting Fees**" includes all compensation Directors received for Shareholder meetings, Director recruitment and education sessions.

Director compensation in 2019 reflects a significant increase in the Board's workload as a result of the Versant Power transaction and CEO and Director succession matters. In light of the upcoming retirement of ENMAX's President & CEO and of one Director, the Board delegated the significant responsibility regarding the succession of ENMAX's President & CEO and Director recruitment to certain members of the Board. Each Director involved received \$1,500 per meeting attended on these matters, in recognition of their efforts on these substantial issues before the Board during this time. These fees are reflected under the "Shareholder and Special Meeting Fees" column of the below table entitled "Director Total Compensation".

Director Total Compensation¹

ENMAX DIRECTORS	ANNUAL RETAINER		BOARD & COMMITTEE MEETING FEES		SHAREHOLDER & SPECIAL MEETING FEES		TRAVEL		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Neil Camarta ²	98,300	78,300	22,500	21,000	9,000	4,500	0	0	129,800	103,800
Laura Formusa	114,600	88,525	19,500	27,000	33,000	6,000	10,500	9,000	177,600	130,525
Eric Markell	98,300	78,300	22,500	25,500	28,500	4,500	12,000	9,000	161,300	117,300
Greg Melchin	187,200	177,200	28,500	31,500	39,000	16,500	0	0	254,700	225,200
Elise Rees	98,300	78,300	22,500	27,000	13,500	4,500	10,500	9,000	144,800	118,800
Charles Ruigrok	114,600	90,600	22,500	28,500	37,500	7,500	0	0	174,600	126,600
Kathleen Sendall	98,300	78,300	22,500	25,500	22,500	6,000	0	0	143,300	109,800
Richard Shaw	114,600	90,600	22,500	25,500	42,000	19,500	0	0	171,600	135,600
Total									1,357,700	1,164,575 ³

¹ All fees noted above are paid in Canadian dollars.

² Neil Camarta retired from the ENMAX Board on May 22, 2020.

³ This number includes compensation paid in 2018 to Sarah Morgan-Silvester and Robert Page in the amount of \$55,800 and \$41,150, respectively. Ms. Morgan-Silvester and Mr. Page retired from the Board in May 2018.

Our Approach to Executive Compensation

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 strive to attract, motivate, and retain a high-performance workforce. To accomplish this, our compensation programs are designed to meet the following objectives:

- Attract and retain key talent by providing compensation that is competitive with ENMAX's peer group for ENMAX's Executives ("**Executives**"), as found on **page 24** of this report (the "**Executive 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;
- Promote responsible and transparent compensation policies and processes; and
- Provide flexibility to respond to continuously evolving market and governance practices.

Our approach to the disclosure of executive compensation is informed by National Instrument 51-102 – *Continuous Disclosure Obligations*, specifically Form F6 – Statement of Executive Compensation.

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 Executive 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; and
- Other considerations related to attraction and retention.

Executive Peer Group

We benchmark our compensation structure and its competitiveness annually relative to our Executive Peer Group. This comparison reflects the market within which ENMAX competes for executive talent with companies that have similar business operations. ENMAX's Executive Peer Group has a significant presence in Alberta, reflecting local pay practices and competitive pressures. As a result, our compensation program must be competitive to ensure we can attract and retain the executive talent required to achieve our business objectives.

We periodically review our Executive Peer Group selection criteria and the companies included within our Executive Peer Group for continued relevance and appropriateness. On an annual basis, the SHRC reviews the positioning of each Executive within the context of ENMAX's compensation structure, competitive pay levels, and internal relativity; if appropriate, adjustments are made. The last comprehensive Executive Peer Group review was conducted in 2019. Annual reviews continue to be conducted to ensure the continued suitability of the Executive Peer Group and to consider changes such as mergers or major changes in business direction.

The following criteria have been used to develop our current Executive Peer Group:

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

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

As previously noted, ENMAX's Executive Peer Group was recently reviewed in 2019. Our Executive Peer Group for Executive compensation purposes is comprised of different entities than those used for Director compensation. See our current Executive Peer Group on **page 24**.

ENMAX's Executive Peer Group includes the following:

COMPANY	PROVINCE	INDUSTRY CLASSIFICATION	OWNERSHIP STRUCTURE
Alectra Inc.	Ontario	Electric Utilities	Government
Algonquin Power & Utilities Corp.	Ontario	Multi-Utilities	Autonomous / Publicly Traded
AltaGas Ltd.	Alberta	Gas Utilities	Autonomous / Publicly Traded
AltaLink LP	Alberta	Electric Utilities	Limited Liability Partnership
ATCO Ltd.	Alberta	Multi-Utilities	Autonomous / Publicly Traded
BC Hydro & Power Authority	British Columbia	Electric Utilities	Government
Bruce Power LP	Ontario	Independent Power Producer and Energy Traders	Limited Liability Partnership
Capital Power Corporation	Alberta	Independent Power Producers and Energy Traders	Autonomous / Publicly Traded
Chevron Canada Resources Ltd.	Alberta	Oil and Gas Exploration and Production	Subsidiary
Emera Inc.	Nova Scotia	Electric Utilities	Autonomous / Publicly Traded
Enbridge Gas Inc.	Ontario	Gas Utilities	Autonomous/Publicly Traded
Enerflex Ltd.	Alberta	Oil and Gas Equipment and Services	Autonomous / Publicly Traded
EPCOR Utilities Inc.	Alberta	Electric Utilities	Government
FortisAlberta Inc.	Alberta	Electric Utilities	Subsidiary
FortisBC Energy Inc.	British Columbia	Electric Utilities	Subsidiary
Hydro One Inc.	Ontario	Electric Utilities	Government / Publicly Traded
Inter Pipeline Ltd.	Alberta	Oil and Gas Storage and Transportation	Autonomous / Publicly Traded
Keyera Corp.	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
Saskatchewan Power Corp.	Saskatchewan	Electric Utilities	Government
Toronto Hydro Corporation	Ontario	Electric Utilities	Government
TransAlta Corp.	Alberta	Independent Power Producer and Energy Trader	Autonomous / Publicly Traded
Vermilion Energy Inc.	Alberta	Oil and Gas Exploration and Production	Autonomous / Publicly Traded

Compensation Components

Our Executive compensation program is comprised of the following elements:

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 and our commitment to employee wellness ensures quality talent in order to achieve business objectives.
Perquisites	<ul style="list-style-type: none"> • Competitiveness 	Competitive perquisites ensure high quality talent in order to achieve business objectives.
VARIABLE (OR "AT RISK" COMPENSATION)		
Annual Variable Pay Program ("AVPP")	<ul style="list-style-type: none"> • Competitiveness • Pay-for-performance • Retention 	<p>Rewards the achievement of short-term objectives measured at the Corporate, Business Unit, and Individual level during the year.</p> <p>Competitive pay ensures high quality talent in order to achieve business objectives.</p>
Long-term Incentive Plan ("LTIP")	<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 business objectives.</p>

Our AVPP and LTIP 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 in Pay Positioning on page 22) and is reviewed annually by the Executive and the SHRC 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 Safety & Human Resources Committee

The SHRC is responsible for the oversight of ENMAX's compensation programs for executives. Specific compensation accountabilities of the SHRC include:

- Oversee key compensation and human resources policies and programs;
- 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;
- Oversee the pension plans; and
- Assess certain human resources-related risks, including pension risk, and workforce development and retention risks.

Compensation Approval Process

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

The SHRC 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 President & CEO

ANALYSIS	RECOMMENDATIONS	APPROVAL
Board Chair and SHRC Chair are informed by performance results and compensation consultants.	SHRC following review of recommendations of Board Chair and SHRC Chair.	Board of Directors

Compensation Approval Process for President & 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 Willis Towers Watson Information from compensation consultants 	Analysis of data collected from inputs conducted by the President & CEO	SHRC following review of President & CEO's recommendations	Board of Directors

Compensation Risk Mitigation

As noted, the SHRC 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 practices that mitigate compensation-related risks are as follows:

RISK MITIGATING PROCESS	DESCRIPTION
Oversight Responsibility	All Executive compensation-related decisions are reviewed and approved by the SHRC and the Board. The Board has ultimate oversight and accountability for Executive compensation at ENMAX. In preparing its recommendations, the SHRC 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 value any one compensation element.
Pay Mix	A significant portion of Executive compensation is delivered in variable pay, through the AVPP and LTIP. Performance is assessed over multiple time horizons (1 year through the AVPP, and 3 year through the LTIP), with a greater emphasis on long-term performance for Executives. Multiple, overlapping performance periods ensure that there is an ongoing focus on long-term sustainability of performance.
Measuring Performance	Performance is assessed in our AVPP and LTIP using a variety of measures at the Corporate, Business Unit, and Individual levels. 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 SHRC 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 LTIP 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 and intentional fraud or misconduct that caused or partially caused the need for restatement.

Compensation “Claw-Backs”

A compensation “claw-back” provision applies for our variable pay programs and applies to the President & CEO, Executive Vice Presidents, and Vice Presidents.

The determination of payments under ENMAX’s variable pay programs is based on assumptions and representations provided by the Executive. 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

ENMAX engages compensation advisors as follows:

- ENMAX participates in various compensation surveys administered by Willis Towers Watson and Mercer;
- Willis Towers Watson is ENMAX’s actuary and, as such, provides actuarial services for defined benefit pension administration and associated accounting/financial services related to ENMAX’s pension plan;
- Mercer provides investment consulting services for the defined contribution (“DC”) component of ENMAX’s pension plan;
- Willis Towers Watson has acted as a management consultant since 2007. In 2017, Willis Towers Watson provided consulting services to ENMAX in the redesign of its benefits plan to ensure market competitiveness; and
- Consulting services from Meridian Compensation Partners, LLC is provided to the SHRC.

Fees paid by ENMAX to external compensation advisors are outlined below. This reflects when fees were paid and may not align with when work commenced or ended.

COMPANY	SERVICES	2019 FEES	2018 FEES
Willis Towers Watson (Retained by management)	Executive Pension Disclosure	\$16,800	\$10,000
Willis Towers Watson (Retained by management)	Executive Compensation Consulting	\$79,023 ²	\$262,968 ¹
Mercer (Retained by management) ²	DC Pension Investment Consulting	\$35,931	\$32,500
Meridian Compensation Partners, LLC (Retained by SHRC)	Executive Compensation Consulting	\$11,942	\$108,736

¹ 2018 Fees include: Consulting Services for pension and actuarial services, group health benefits, regulatory filing support, financial reporting, and Executive employment agreements.

² 2019 Fees reflect only Executive Compensation consulting inclusive of Executive peer group review.

³ Mercer commenced as DC consultant in July 2015.

Our Named Executive Officers

ENMAX's named executive officers ("NEOs") for 2019, were as follows:

- President & CEO – Gianna Manes;
- Executive Vice President, Finance, IT and Chief Financial Officer – Helen Wesley;
- Executive Vice President, Power Supply and Delivery & Chief Operating Officer – Dale McMaster;
- Executive Vice President, Energy Services – James McKee; and
- Executive Vice President, Regulatory & Chief Legal Officer – Erica Young

The biographies for each NEO are as follows:



President & CEO

Gianna Manes has held the position of President & CEO of ENMAX since 2012. She is a director of a publicly traded company, Keyera Corp., and a director of the Canadian Electricity Association. Gianna previously served as the Co-Chair of the Calgary United Way campaign and was a director of the Calgary United Way from 2015 to 2018.

Gianna has 30 years of experience in the energy sector in Canada, the United States and Europe. Before joining ENMAX, she served as the Senior Vice President and Chief Customer Officer of Duke Energy from 2008 to 2012, a large North American power company based in Charlotte, North Carolina.

Gianna has been recognized for her leadership and accomplishments throughout her career: as Electricity Human Resources Canada's CEO of the Year in 2013, one of Alberta Venture's Top 50 Most Influential People in 2015, and twice-recognized as one of Canada's Most Powerful Women by the Women's Executive Network.

* Ms. Manes will retire as President and CEO of ENMAX upon the commencement of her successor, Mr. Wayne O'Connor.



Helen Wesley

*Executive Vice President,
Finance, Information Technology & Chief Financial Officer*

Helen Wesley is accountable for ENMAX's strategic planning, corporate development, financial management, enterprise risk management, treasury, internal controls, auditing and taxation matters. Additionally, Helen is responsible for ENMAX's information technology function.

Helen has more than 20 years of financial and senior leadership experience within the international oil & gas, chemical and electricity industries. Prior to joining ENMAX, Helen served as EVP, Corporate Services for Talisman Energy and VP and Treasurer for Suncor Energy following its merger with Petro-Canada.

Helen obtained a Bachelor of Commerce from the University of Calgary, a Master of Business Administration from Bentley College in Boston MA, and holds a designation as a chartered financial analyst. Helen also holds an ICD.D designation from the Institute of Corporate Directors. Helen currently serves on the board of Enerflex Ltd., a publicly traded energy services company, and Hospice Calgary.



Dale McMaster*

*Executive Vice President,
Power Supply and Delivery & Chief Operating Officer*

Dale McMaster is accountable for strategic direction and oversight of ENMAX's regulated transmission and distribution (wires) businesses, power generation and wholesale markets, regulated market services, safety and environment and security.

Dale has acquired more than 40 years of system operations, transmission maintenance, generation planning and market experience, working both internationally and in Canada. Prior to joining ENMAX, he served as Chief Executive Officer at the Alberta Electric System Operator, President of the Transmission Administrator of Alberta and Chief Operations Officer for the Power Pool of Alberta. Additionally, Dale gained valuable utility experience during his time at SaskPower and while consulting with SNC and Acres International.

Dale graduated from the University of Saskatchewan with a Bachelor of Engineering (Electrical Engineering).

* Dale McMaster retired from ENMAX effective January 2, 2020 but is included in this report as he was a NEO for the 2019 year.



*Executive Vice President,
Energy Services*

James McKee is our Executive Vice President, Energy Services responsible for strategy and execution of ENMAX's energy services business with an emphasis on safety and exceptional customer experience.

Since joining ENMAX in 2002, James has gained extensive leadership experience in both development and operations across ENMAX's regulated utility and competitive businesses. Key areas of achievement include customer experience, sales, marketing, business development, safety, environment and security, engineering, supply chain, project management and construction for both regulated and non-regulated businesses.

Prior to joining ENMAX, James served with Honeywell International for over a decade in various sales, projects and business development roles across Western Canada. James holds a Bachelor of Science in Mechanical Engineering and is a Registered Professional Engineer with APEGA.



*Executive Vice President,
Regulatory & Chief Legal Officer*

Erica Young is accountable for ENMAX's legal, regulatory, compliance, government relations, public policy and corporate secretarial matters. Erica has almost 20 years of legal and regulatory experience in private practice and in-house roles, primarily focused in the energy industry. Prior to joining ENMAX in 2016, Erica served as SVP, General Counsel at NaturEner Energy Canada, where she was responsible for the company's participation in business transactions, regulatory, litigation and stakeholder advocacy processes connected to the Alberta electricity industry and to cross-border transmission rights.

Erica also served as General Counsel of Total Energy Services, a TSX-listed oil and gas services company. She began her career in the Toronto office of Blake, Cassels & Graydon LLP, where she had a diverse corporate, securities and governance practice.

Erica holds a Bachelor of Arts and Education from Lakehead University, a Bachelor of Laws from Osgoode Hall Law School and an Advanced Certificate in U.S. Energy Law from the UC Berkeley School of Law. In addition to her role at ENMAX, she serves on the board of the Kids Cancer Care Foundation of Alberta.

2019 Executive Compensation

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 SHRC considers a comprehensive set of factors, which includes:

- External market data for comparable positions within our Executive 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; and
- A reflection of compensation decisions made in 2019, prior to the COVID-19 pandemic.

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.

The following table provides 2019 base salaries for each of the NEOs:

NAME / POSITION	2019 SALARY	2018 SALARY	% CHANGE
Gianna Manes, President & CEO	\$750,000	\$738,000	1.6%
Helen Wesley, EVP Finance, IT & CFO	\$511,500	\$500,000	2.3%
Dale McMaster, EVP Power Supply & Delivery & COO ¹	\$496,200	\$485,000	2.3%
James McKee, EVP Energy Services	\$414,000	\$400,000	3.5%
Erica Young, EVP Regulatory & CLO	\$339,900	\$330,000	3.0%

¹ Dale McMaster retired from ENMAX effective January 2, 2020.

Annual Variable Pay Program

Program Design

ENMAX's AVPP provides for competitive compensation that reflects ENMAX'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 performance;
- Focus business unit KPIs on key success objectives of cost control, project delivery, and 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; and
- Ensure a competitive payout opportunity at various levels of performance.

The range of payouts (expressed as a percentage of salary) based on 2019 performance of the NEOs is as follows:

POSITION	BELOW THRESHOLD PERFORMANCE (% OF SALARY)	THRESHOLD PERFORMANCE (% OF SALARY)	TARGET PERFORMANCE (% OF SALARY)	MAXIMUM PERFORMANCE (% OF SALARY)
President & CEO	0%	45.0%	90.0%	135.0%
COO	0%	27.5%	55.0%	82.5%
Other NEOs	0%	25.0%	50.0%	75.0%

The weighting of each component of performance 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.

CORPORATE PERFORMANCE	BUSINESS UNIT PERFORMANCE	INDIVIDUAL PERFORMANCE
<ul style="list-style-type: none"> • Safety (total recordable injury frequency) • Profitability as measured by EBITDA • Cost Management as measured by OM&A (Operations, Maintenance & Administration cost control) 	<ul style="list-style-type: none"> • Select KPIs that drive success at a Business Unit level in the areas of cost control, project delivery and performance 	<ul style="list-style-type: none"> • Measures success on personal performance goals
President & CEO: 80% weight	N/A	20% weight
COO & Other NEOs: 50% weight	30% weight	20% weight

The Board retains overall discretion for all AVPP payouts.

2019 Payouts

The SHRC considers a range of key factors in determining recommended compensation levels for all NEOs and such recommendations are then 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 on [page 38](#).

The following provides the targeted performance at the corporate level, and ENMAX's actual results relative to its targeted performance. The resulting payout factors for safety, profitability (EBITDA) and cost management (OM&A) are shown and are calculated based on actual performance relative to pre-established threshold, target, and maximum performance levels for 2019.

ENMAX was just slightly below target corporate KPI performance for 2019. The overall corporate performance factor for 2019 was 94%.

PERFORMANCE MEASURE	2019 TARGET PERFORMANCE	2019 ACTUAL PERFORMANCE	PAYOUT FACTOR
Safety (25% weight) – TRIF ¹	1.07	0.94	28%
Profitability - EBITDA (55% weight) ²	\$467 Million	\$447 Million	43%
Cost Management – OM&A (20% weight) ³	\$373 Million	\$367 Million	23%
Corporate Performance Payout Factor: 94%⁴			

¹ TRIF – Total Recordable Injury Frequency – the lower the result on this measure is desirable.

² EBITDA – Earnings before Interest, Tax, Depreciation and Amortization – the higher the result on this measure is desirable.

³ OM&A – The lower the result on this measure is desirable.

⁴ As approved by the SHRC and the Board on March 19, 2020.

In 2019, ENMAX's individual business units drove success by setting 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 reliability measures, 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	PERFORMANCE PAYOUT FACTOR
Power Delivery	139%
Power Supply	119%
Energy Services	110%
Customer Care	127%
Community, Communications & Brand	123%
Finance	127%
Information Technology	125%
Legal Services	126%
People and Culture	127%
Public Policy	127%
Regulatory	129%
Safety, Security & Environment	123%
Supply Chain	125%

Individual goals aligned to ENMAX's strategy are established at the beginning of the year, specific to each NEO and his or her area of responsibility. Individual performances are then assessed by the Board. For 2019, each of the NEOs, including the CEO, met or exceeded their individual performance objectives.

Based on the corporate, business unit, and individual performance achieved, the overall payout factor, target and actual AVPP payouts for each NEO, based on 2019 performance, is presented below.

Name/Position	Corporate Factor ¹	Business Unit Factor	Overall Payout Factor	AVPP PAYOUT RANGE (% OF SALARY)			PAYOUT FOR 2019 PERFORMANCE	
				Threshold	Target	Maximum	\$ Value	% of Salary
Gianna Manes President & CEO	94%	N/A	105%	45.0%	90.0%	135.0%	\$706,954	94%
Helen Wesley EVP Finance, IT & CFO ²	94%	126%	112%	25.0%	50.0%	75.0%	\$284,453	56%
Dale McMaster EVP Power Supply & Delivery & COO ³	N/A	N/A	N/A	27.5%	55.0%	82.5%	\$344,430	69%
James McKee EVP Energy Services ⁴	94%	117%	100%	25.0%	50.0%	75.0%	\$205,021	50%
Erica Young EVP Regulatory & CLO ⁵	94%	127%	114%	25.0%	50.0%	75.0%	\$192,450	57%

¹ Corporate Factor approved in March 2020 by the SHRC & Board.

² Business Unit performance payout factor is a blend between Finance (70% weight) and Information Technology (30% weight).

³ Mr. McMaster retired on January 2, 2020. AVPP paid in accordance with Executive Employment Agreement.

⁴ Business Unit performance payout factor is a blend between Customer Service (30% weight), Energy Services (60% weight) and Supply Chain (10% weight).

⁵ Business Unit performance payout factor is a blend between Legal (50% weight), Regulatory (35% weight) and Public Policy (15% weight).

Long Term Incentive Plan

Program Design

ENMAX's CEO, Executive Vice Presidents, Vice Presidents, Directors and Senior Managers are eligible to participate in the LTIP. ENMAX's LTIP focuses Executives on sustaining high performance, facilitating attraction and retention of critical talent, and aligns Executives' interests with our focus on creating value for our Shareholder over a long-term time horizon.

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

- 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, three-year performance period;
- Strengthens retention by using a vesting schedule that fully vests at the end of a three-year performance period; and
- Provides alignment with common variable pay and good governance practices in the market.

Performance under the 2017-2019 LTIP is measured based on an equal weighting between financial and strategic (non-financial) measures.

FINANCIAL PERFORMANCE (50% weight)	STRATEGIC OBJECTIVES (50% weight)
Three-year average of Return on Capital Employed	<ul style="list-style-type: none"> • Drive Profitability • Advance Safety Culture • Advance Leadership Culture • Innovation and Technology

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

In making its assessment, the SHRC 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. All LTIP payouts are capped at 200% of target.

At the outset of the performance period, LTIP 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. LTIP payments are made in the pay period after the SHRC meeting following the completion of the performance period.

The Board retains overall discretion for all LTIP payouts.

Historical LTIP grants awarded for the period 2017-2019 are reported on **page 39**. The 2019 LTIP grants can be found on **page 38** in the Summary Compensation Table.

Pension Plans

All NEOs participate in the DC provision of ENMAX's pension plan ("**Registered Plan**"). In addition, the NEOs participate in ENMAX's 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 James McKee, all ENMAX's NEOs participate in the DC provision of the Supplemental Plan. James McKee 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 Defined Contribution Pension Plan

The Registered Plan provides benefits under a 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 is provided below:

- Permanent employees are immediately enrolled upon hire and are immediately vested in the plan and, therefore, entitled to ENMAX's contributions upon termination or retirement;
- ENMAX contributes 4% of employees' base salary to the plan;
- Employees may make optional contributions between 0% to 4% of base salary, which ENMAX will match 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 \$27,230 in 2019; and
- Employees direct their own investments and may invest in various funds covering all major asset classes.

Defined Contribution Supplemental Retirement Plan

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; and
- ENMAX makes notional allocations between 6% and 10% (based on age plus service) 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.

Defined Benefit Supplemental Retirement Plan

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 (\$168,498 for 2019) will earn service for that year under the DB SRP. Other aspects of the DB SRP 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 are 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; and
- 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 normal retirement as mentioned above.

Additional Benefits

NEOs participate in ENMAX's flex benefit program which includes: extended health, dental, short-term and long-term disability, life and accidental death and dismemberment insurance, critical illness insurance, executive medicals, and health spending or wellness accounts.

Executives also receive an annual perquisite account which can be allocated annually to one or a combination of the following items: an annual perquisite 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 for the President & CEO and \$15,000 a year for the other NEOs.

Detailed Compensation Disclosure

Summary Compensation Table

NAME / POSITION	YEAR	SALARY	OTHER COMPENSATION ¹	VARIABLE PAY		PENSION VALUE ⁴	TOTAL COMPENSATION ⁵
				AVPP ²	LTIP ³		
Gianna Manes ¹¹ President & CEO	2019	\$746,677	\$20,592	\$706,954	\$1,125,000	\$138,052	\$2,737,275
	2018	\$733,016	\$32,102	\$635,524	\$959,400	\$118,369	\$2,478,411 ⁶
	2017	\$709,615	\$35,182	\$747,225	\$792,000	\$104,732	\$2,388,754
Helen Wesley EVP Finance, IT & CFO	2019	\$508,315	\$15,592	\$284,453	\$409,200	\$62,736	\$1,280,296
	2018	\$461,785	\$15,582	\$278,872	\$406,800	\$60,396	\$1,223,435
	2017	\$430,000	\$15,582	\$292,701	\$344,000	\$54,808	\$1,137,091
Dale McMaster ^{7,8} EVP Power Supply & Delivery & COO	2019	\$493,099	\$15,592	\$344,430	\$396,960	\$81,637	\$1,331,718
	2018	\$485,000	\$15,582	\$322,394	\$363,750	\$77,901	\$1,264,627
	2017	\$431,068	\$15,582	\$292,911	\$316,800	\$68,912	\$1,125,273
James McKee ^{7,9} EVP Energy Services	2019	\$410,123	\$15,592	\$205,021	\$310,500	\$171,850	\$1,113,086
	2018	\$370,649	\$15,582	\$211,603	\$272,475	\$284,399	\$1,154,708
	2017	\$337,305	\$15,582	\$230,210	\$235,950	\$148,231	\$967,278
Erica Young ¹⁰ EVP Regulatory & CLO	2019	\$337,159	\$15,592	\$192,450	\$270,640	\$42,937	\$858,778
	2018	\$327,231	\$175,582	\$200,429	\$250,000	\$43,493	\$996,735
	2017	\$320,000	\$15,582	\$217,920	\$240,000	\$31,764	\$825,266

¹ All Other Compensation reflects perquisite amounts and premiums for company-paid critical illness insurance coverage and tax planning for the President & CEO. For Ms. Manes, her tax planning amounts include: (i) \$11,520 for 2018 and (ii) \$14,600 for 2017.

² AVPP earned in year, and payable in March of subsequent year indicated.

³ Reflects amounts granted in year, payable at end of three-year performance period. Actual amount paid dependent on plan performance.

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

⁵ Total Compensation includes salary and other compensation amounts reflective of performance for year indicated. May be payable in future years.

⁶ 2018 tax planning was received following the approval of the 2018 disclosure, in the amount of \$11,520 (as noted in footnote 1). Ms. Manes' 2018 Other Compensation and Total Compensation has been updated to reflect this.

⁷ In 2017 the ENMAX Executive team was reduced by one headcount, resulting in increases to the responsibilities of Mr. McMaster and Mr. McKee which is reflected in part by the increase to Salary over this period.

⁸ Mr. McMaster retired on January 2, 2020. AVPP paid in accordance with the Executive Employment Agreement.

⁹ Mr. McKee's pension value reflects both his participation in the Defined Benefit Supplemental Retirement Plan (DB SRP) and greater than assumed pensionable earnings resulting in an increase to his compensatory changes in accrued obligation. The 2019 pension value decreased from 2018 as Mr. McKee's actual pensionable earnings increase in 2019 more closely aligned to the salary increase assumptions.

¹⁰ Amount in Other Compensation reflects a \$160,000 special effort payment in 2018.

¹¹ Ms. Manes will retire as President and CEO of ENMAX upon the commencement of her successor, Mr. Wayne O'Connor.

LTIP Grants Table

The table below summarizes LTIP grants over the last three years and the payment made for the grant following the completion of the performance period. LTIP grant amounts listed are broken out into their respective performance periods.

NAME / POSITION	YEAR OF GRANT	LTIP GRANT (FUTURE PAYMENT)			
		MINIMUM	TARGET	MAXIMUM	PAYMENT
Gianna Manes President & CEO	2019 ¹	\$0	\$1,125,000	\$2,250,000	
	2018 ²	\$0	\$959,400	\$1,918,800	
	2017 ³	\$0	\$792,000	\$1,584,000	\$1,092,960
Helen Wesley EVP Finance, IT & CFO	2019 ¹	\$0	\$409,200	\$818,400	
	2018 ²	\$0	\$406,800	\$813,600	
	2017 ³	\$0	\$344,000	\$688,000	\$474,720
Dale McMaster EVP Power Supply & Delivery & COO	2019 ¹	\$0	\$396,960	\$793,920	
	2018 ²	\$0	\$363,750	\$727,500	
	2017 ³	\$0	\$316,800	\$633,600	\$437,184
James McKee EVP Energy Services	2019 ¹	\$0	\$310,500	\$621,000	
	2018 ²	\$0	\$272,475	\$544,950	
	2017 ³	\$0	\$235,950	\$471,900	\$325,611
Erica Young EVP Regulatory & CLO	2019 ¹	\$0	\$270,640	\$541,280	
	2018 ²	\$0	\$250,000	\$500,000	
	2017 ³	\$0	\$240,000	\$480,000	\$331,200

¹ Grant for 2019-2021 performance period, payable in 2022.

² Grant for 2018-2020 performance period, payable in 2021.

³ Grant for 2017-2019 performance period, payable in 2020.

Pension Plan Tables

ENMAX Pension Plan – Defined Contribution Plan

The table below presents the benefits accumulated under the DC provision for the 2019 year. The actual benefit payable upon retirement or termination will be the value of the employee's DC account at the time of transfer.

NAME / POSITION	ACCUMULATED VALUE AT START OF YEAR	COMPENSATORY CHANGE ¹	ACCUMULATED VALUE AT END OF YEAR ²
Gianna Manes President & CEO	\$237,445	\$19,282	\$308,742
Helen Wesley EVP Finance, IT & CFO	\$83,542	\$17,914	\$125,292
Dale McMaster EVP Power Supply & Delivery & COO	\$277,921	\$19,538	\$353,296
James McKee³ EVP Energy Services	\$421,004	\$16,850	\$528,964
Erica Young EVP Regulatory & CLO	\$69,883	\$18,083	\$111,012

¹ Compensatory change includes contributions made by ENMAX on the NEOs' behalf.

² Includes employee and employer contributions with investment earnings accumulated to December 31, 2019.

³ James McKee participates in the DB provision of the Supplemental Retirement Plan; as a result, his pensionable earnings recognized under the Registered Plan for purposes of determining contribution amounts are lower than NEOs in the DC provision of the Supplemental plan.

Supplemental Retirement Plan – Defined Contribution

The table below presents the benefits accumulated under the DC SRP for the 2019 year. The actual benefit payable upon retirement or termination will be the value within the employee's notional DC SRP account at the time of termination.

NAME / POSITION	ACCUMULATED VALUE AT START OF YEAR	COMPENSATORY CHANGE ¹	ACCUMULATED VALUE AT END OF YEAR ²
Gianna Manes President & CEO	\$610,330	\$118,770	\$823,661
Helen Wesley EVP Finance, IT & CFO	\$96,006	\$44,822	\$155,720
Dale McMaster EVP Power Supply & Delivery & COO	\$413,372	\$62,099	\$539,510
Erica Young EVP Regulatory & CLO	\$39,953	\$24,854	\$71,010

¹ Compensatory changes include allocations by ENMAX to the member's DC SRP in early 2020 in respect of 2019.

² Includes notional returns on the beginning of year accumulated value and notional allocations made in early 2020 in respect of 2019. Notional returns in 2019 were positive.

Supplemental Retirement Plan – Defined Benefit

The table below presents the projected annual retirement benefits payable from the DB SRP at 2019 year end and upon normal retirement.

NAME	YEARS OF CREDITED SERVICE ¹	ANNUAL BENEFITS PAYABLE		OPENING PRESENT VALUE OF ACCRUED BENEFIT OBLIGATION	COMPENSATORY CHANGE	NON-COMPENSATORY CHANGE	CLOSING PRESENT VALUE OF ACCRUED BENEFIT OBLIGATION
		AT YEAR END ²	AT AGE 65 ³				
James McKee EVP Energy Services	17.2526	\$116,000	\$188,000	\$1,516,000	\$155,000	\$316,000	\$1,987,000

¹ Includes continuous service with ENMAX from date of entry into the Supplementary Plan.

² Pension earned to December 31, 2019 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 DB Supplemental Plan Pensionable Service as at December 31, 2019.

³ Amounts payable on retirement at age 65, assuming service continues to age 65 and that the Best Average Pensionable Earnings remain unchanged from December 31, 2019.

Please see **pages 37-40** for more information on ENMAX's pension plans.

Employment Agreements & Termination Provisions

All NEO employment agreements meet or exceed the statutory requirements for termination provisions. Amounts to which the NEOs would be entitled upon various termination scenarios are outlined on the following 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	18 or 24-months' severance depending on position	18 or 24-months' severance depending on position
AVPP (per program Terms and Conditions)	Current target award pro-rated based on service in the year of retirement and multiplied by the average prior three-year performance multiplier. Executive must provide 6 months' notice of intent to retire. Executive must be at least 55 at retirement date and have 5 years' service.	Forfeited	Forfeited	Current target award multiplied by average prior three-year performance multiplier, pro-rated based on service in the year of termination. Plus, current target award multiplied by average prior three-year performance multiplier for the severance period.	Current target award multiplied by average prior three-year performance multiplier, pro-rated based on service in the year of termination. Plus, current target award multiplied by average prior three-year performance multiplier for the severance period.
LTIP (per program Terms and Conditions)	Full payment of all outstanding awards to be paid on normal schedule based on actual performance. Executive must provide 6 months' notice of intent to retire. Executive must be at least 55 at retirement date and have 5 years' service.	Forfeited	Forfeited	Immediate pro-rated vesting of LTIP awards to be paid on termination date based on the number of months employed during each of the LTIP performance periods and based on the prior three-year average performance multiplier.	Full immediate vesting of LTIP awards granted, paid out based on the prior three-year average performance multiplier.

IF YOU HAVE ANY QUESTIONS REGARDING OUR ANNUAL REPORT ON GOVERNANCE AND COMPENSATION, PLEASE CONTACT THE CORPORATE SECRETARY AT GOVERNANCE@ENMAX.COM.