



SUBJECT: Board Mandate & Responsibility		
Department: Board of Directors		No:
President/Secretary: W. DYCE	Board Chair: Keith Roszell	
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Background:

The business of Centre Wellington Hydro Ltd. (CWH) is integral to the well-being and the infrastructure of the Township of Centre Wellington. It is in the best interests of the Community and Customers and the Residents of Centre Wellington, whom the business affects, that CWH conducts its affairs on a commercially prudent and sustaining basis.

Centre Wellington Hydro Ltd. will provide a reliable, safe and efficient electricity distribution system.

Distribution rates will be set by the Ontario Energy Board and according to the rules of the Ontario Energy Board. The Board of Directors of CWH will be apprised of rate applications and provide guidance to Management.

CWH is at all times subject to such licences, codes, policies, rules, orders, interim orders, approvals, consents and other actions of any regulator.

CWH will provide its services with regard for customer satisfaction, energy conservation and social and environmental responsibility.

Board Mandate:

The Board of Directors is responsible for ensuring CWH conduct its affairs in accordance with the above, and all legal requirements.

The Shareholders' Agreement in effect from time to time between Centre Wellington Energy (CWH Holding Corporation), and Centre Wellington Hydro outlines in broad terms the expectations of the Shareholders relating to the principles of corporate governance and the management of the business and affairs of Centre Wellington Hydro.

In accordance with direction to the Board of Centre Wellington Hydro from time to time, the Shareholders expect that CWH, through the Board of Directors and senior management for Centre Wellington Hydro Ltd. will:



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1. Establish appropriate reserves consistent with sound financial principals, all with the intention of providing the shareholders with a reasonable rate of return on their investment while maintaining just and reasonable rates for customers.
2. Manage all risks related to the business through the adoption of appropriate risk management strategies and internal controls.
3. Develop a long-term Strategic Plan, consistent with the maintenance of a viable, competitive business and preservation of the value of the business.
4. Declare any dividend or distribution of capital.

Major Responsibilities and Functions:

- a. Establish governance structures and committees required by the Shareholders agreement and other committees as deemed appropriate by the Board from time to time
- b. Choosing the President & Secretary, approving other key executive appointments and ensuring a succession plan.
- c. Monitoring and assessing the performance of the President and setting compensation accordingly
- d. Overseeing management in the competent and ethical operation of the corporation and advising management on significant issues
- e. Overseeing the strategic planning process and monitor alignment of operations;
- f. Approve the Business Plan, Budgets and other Reports
- g. Ensuring a formal process for selecting and reviewing the



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performance of directors and to create a skills matrix to assist with Director recruitment

- h. Monitoring the effectiveness of governance practices; and Oversee the process of disclosure to shareholders and to the public.
- i. Provide adequate orientation and continuing education for Directors
- j. Periodically review Director's compensation
- k. Take corrective action as necessary.

Signature of Director

Date

Name (please print)