

Name:	Approved by:	Last Approval Date:
CU Corporate Governance, Nomination, Compensation and Succession Committee Mandate	CU GOCOM Committee CU Board of Directors	October 28, 2021 November 10, 2021
	Owned by: Committee Chair	

PURPOSE

The purpose of this Mandate is to establish the terms of reference of the Corporate Governance, Nomination, Compensation and Succession Committee ("GOCOM" or the "Committee") of Canadian Utilities Limited (the "Corporation"). GOCOM is appointed by the Board of Directors (the "Board") of the Corporation. GOCOM is responsible for contributing to the effective stewardship of the Corporation by assisting the Board in fulfilling its oversight of corporate governance, nomination, compensation and succession matters.

COMPOSITION

GOCOM shall be comprised of a minimum of three non-employee directors, a majority of whom are "independent directors" (within the meaning of section 1.4 of Multilateral Instrument 52-110 *Audit Committees*), all named by the Board with one director named as Chair, and a majority of members constituting a quorum at meetings.

MEETINGS

- **Meetings** - The Committee will meet at least semi-annually and at such other times as necessary to fulfill the mandate of the Committee or at the request of a Committee member. A meeting of the Committee may be held at the call of the Chair or upon the request of another member of the Committee, whenever a quorum is present. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting.
- **Quorum** - A majority of the Committee, present in person or by telephone or other communication device, shall constitute a quorum for the transaction of business. All actions taken by the Committee at any meeting shall be by the affirmative vote of a majority of those present at such meeting.
- **Minutes** - Minutes of the matters considered and decisions taken by the Committee at each meeting will be prepared by a person designated by the Committee Chair to act as secretary.
- **Notice** - Reasonable advance notification for meetings of the Committee which may be held in person, by telephone, or other communication device, shall be provided wherever practicable.

RESPONSIBILITIES

With respect to corporate governance matters, GOCOM's responsibilities will be:

- (a) to review the mandates of the Board and its committees on an annual basis and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
- (b) to monitor requests from directors or committees of the Board for the engagement of special advisors from time to time;
- (c) to prepare and recommend to the Board annually the disclosure of corporate governance practices required to be included in the Corporation's public disclosure pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*;

- (d) to assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including to solicit and receive comments from individual directors as to the foregoing matters and to report annually, or from time to time as appropriate, to the Board on such matters; and
- (e) to review how the mandates of other committees of the Board are being discharged and complied with.

With respect to nomination, compensation and succession matters, the Committee's responsibilities will be to:

- (a) annually review and determine executive compensation packages for the senior executive officers of the Corporation and its wholly-owned subsidiaries (collectively with the Corporation, hereinafter referred to as "CU"), including short, mid and long term incentives, pension and benefits, perquisites and other compensation;
- (b) consider the implications of the risks associated with the Corporation's compensation policies and practices and oversee risk management in the context of the Corporation's compensation programs;
- (c) make determinations regarding the administration, interpretation and operation of the Corporation's incentive plans, subject to the provisions of such plans and the rules of any applicable stock exchange;
- (d) make recommendations to the Board with respect to potential successors to the Chief Executive Officer and other senior executive officer positions within CU;
- (e) review and recommend directors' compensation from time to time, as appropriate;
- (f) periodically review CU's executive benefit plans to ensure the appropriateness thereof;
- (g) prepare and review, as required, public or regulatory disclosure respecting compensation and the basis on which performance is measured;
- (h) review the status of each director and new nominee to determine whether he or she is independent for the purposes of applicable securities laws, and provide a recommendation to the Board regarding such status;
- (i) review the size and composition of the Board from time to time and to consider persons as nominees for directors for the approval of the Board and election by the shareholders from time to time;
- (j) review and, where appropriate, assist in management succession planning and professional development planning for the senior executive officers of CU; and
- (k) ensure that an orientation program is available for new directors and continuing education opportunities are available for all director.

REPORTING

The Committee will report to the Board on a regular basis, or as requested by the Board. The Committee will develop procedures to assist it in carrying out its duties.

OTHER

- **Authority to Engage Advisors** - The Committee shall be authorized to retain and compensate any outside advisor as it determines necessary to permit it to carry out its duties.



- **Delegation** - The Committee shall be authorized to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.
- **Record Keeping** - Compensation should be demonstrably fair to the Corporation and its executive officers and key employees. The Committee should maintain files that establish:
 - (a) comparable remuneration packages for similar corporations in related industries; and
 - (b) individual, formalized written officer performance reviews of the Direct Reports to the CEO of the Corporation.