

Name:	Approved by:	Last Approval Date:
Canadian Utilities Limited (CU) Board Pension Committee Mandate	CU Management Pension Committee	May 5, 2022
	CU Board Pension Committee	May 24, 2022
	CU GOCOM	February 15, 2023
	CU Board of Directors	February 28, 2023
	Owned By:	
	CU Board Pension Committee	

PURPOSE

Canadian Utilities Limited (the "Corporation") has established and appointed a Pension Committee of the Board of Directors (the "Committee"), which reports to the Board of Directors of the Corporation (the "Board"), to oversee the administration and operation of The Retirement Plan for Employees of Canadian Utilities Limited and Participating Companies - Plan 1* (the "Plan") in accordance with the Pension Governance Standards of the Corporation (the "Standards").

COMPOSITION

The Committee will consist of at least three (3) members. A member of the Committee selected by the Board will act as the Committee Chair. The Committee Chair is responsible for approving an agenda in advance of each meeting. If the Chair is not present at any meeting, an alternate Chair shall be appointed to act on his or her behalf.

MEETINGS

- **Meetings** - The Committee will meet at least semi-annually and at such other times as necessary to fulfill the mandate of the Committee. 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.
- **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 shall be provided wherever practicable.

RESPONSIBILITIES

The primary responsibilities of the Committee are to:

- Oversee the governance structure and risk management for the Plan;
- Approve decisions relating to benefit design and liability management, and funding and investment guidelines for the Plan; and
- Approve the selection of investment managers and investment options for the Plan.

MANDATE

The mandate of the Committee is to:

- Review and approve: benefit design guidelines; liability management guidelines; funding guidelines; investment guidelines, including the Statement of Investment Policies and Procedures (“SIP&P”) and the Statement of Investment Options and Information for the Plan; and processes to ensure compliance with the foregoing guidelines in respect of the Plan, having regard to the recommendations of the Management Pension Committee (“MPC”);
- approve the allocation of funds subject to the defined benefit (“DB”) provision of the Plan among the investment managers, and any self-administered investments;
- approve the selection of investment options for the defined contribution (“DC”) provision of the Plan, and the termination or replacement of any such option;
- approve the appointment, termination or replacement of the Actuary, investment managers, auditors, Trustees, other custodians or recordkeepers and performance measurement service for the Plan;
- delegate to the MPC, and permit the MPC to further delegate to designated management employees of the Corporation and others, designated as Functional Departments or Advisors/Service Providers, certain responsibilities for the management and day-to-day administration and operation of the Plan;
- review and approve the mandates for the MPC and the DC Pension Associates Committee;
- receive periodic reports as specified in the Checklist attached to this Mandate from the MPC, including any requested explanation or justification as to why various parameters and results are reasonable, changed or unchanged from past reports. Such reports will specify:
 - (i) confirmation of the Plan’s compliance with its terms, all applicable laws and regulatory policies and corporate processes and procedures, and confirmation that the MPC has properly performed the responsibilities that have been assigned to it;
 - (ii) the MPC's review of any errors or omissions and corrective action taken;
 - (iii) the status of the liabilities of the Plan;
 - (iv) any recommended changes for material changes to be made to the benefit design of the Plan;
 - (v) any recommendations for amended funding guidelines for the Plan;
 - (vi) the funded status of the Plan;
 - (vii) any recommendations for amended SIP&Ps for the DB provisions of the Plan and the Statement of Investment Options and Information for the DC provisions of the Plan;
 - (viii) any recommendation for changes to the investment management or the allocation of funds subject to the DB provisions of the Plan and any self-administered investments;
 - (ix) any recommendations for changes to the investment fund options for the DC provisions of the Plan;
 - (x) any changes made to the nature of the Company-sponsored communication programs for Members of the Plan, as well as the results of regular assessments of the effectiveness of such programs;
 - (xi) the fund investment returns and investment performance evaluation for the Plan;

- (xii) the administration and investment management costs for the Plan;
 - (xiii) any events, circumstances or factors known to the MPC that may have a material impact on the Plan;
 - (xiv) the MPC's conclusions resulting from its evaluation of the effectiveness of the Corporation's pension processes and procedures; and
 - (xv) any recommendations for change with respect to the Standards or the management of the Plan;
- evaluate recommendations from the MPC in respect of the Standards and the administration of the Plan, and to act on such recommendations as deemed appropriate;
 - assess the performance of the MPC;
 - request approval of the Board for the funding requirements of the Plan on at least an annual basis;
 - report at least annually (or as directed by the Board) to the Board, in the manner and form specified by the Board, in respect of those matters dealt with in the report of the MPC, its performance evaluation of the MPC, and on such other matters as may be directed by the Board.

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:

The Committee, for the purpose of performing their duties:

- may delegate specific tasks to other individuals within the Corporation;
- shall have access to all the books and records of the Corporation and its wholly-owned subsidiary entities relating to the governance and administration of the Plan and to discuss such books and records in any manner with the officers and employees of the Corporation and its subsidiaries.

The Board Pension Committee Checklist attached to this Mandate outlines the specific tasks for which the Committee is responsible.

***Plan 1 Description**

The Retirement Plan for Employees of Canadian Utilities Limited and Participating Companies – Plan 1 consists of a DB provision and a DC provision. The Defined Benefit provision was closed to new members January 1, 1997. The Plan is administered in accordance with all applicable legal requirements including, without limitation, those specified by *Employment Pension Plans Act* (Alberta) and the *Income Tax Act* (Canada) and their respective regulations.