

## **TERMS OF REFERENCE CAPITAL PROJECTS COMMITTEE**

### **Purpose**

Primary responsibility for the Corporation's overall capital budget and the planning and development of capital projects is vested in management and overseen by the Board of Directors.

The purpose of the Capital Projects Committee (the "Committee") is to assist the Board of Directors in fulfilling its obligations and oversight responsibilities relating to the Corporation's long-term capital plans, capital budgets and capital projects, including risk identification and management. Unless otherwise directed by the Board, the Committee will review and recommend for Board approval any projects which require approval of the Board in accordance with the Corporation's financial responsibility policies.

In addition to its responsibilities relating to the Corporation's capital projects, the Committee will assist the Board of Directors in fulfilling its obligations and oversight responsibilities relating to dam safety and aboriginal relations and negotiations.

In the process of carrying out its duties, the Committee will have access to such officers and employees of the Corporation, and will be provided with the resources, necessary to carry out its responsibilities, including the authority to engage engineering, financial, legal or other advisors as part of this resource requirement.

### **Composition**

The Committee will be composed of at least three independent Directors. Determination as to whether a particular Director satisfies the independence requirements for membership on the Committee will be made by the Board of Directors.

The Corporate Secretary will be secretary to the Committee.

### **Duties and Responsibilities**

Subject to the powers and duties of the Board, the Committee will perform the following duties.

#### **1. Capital Planning**

The Committee will review the Corporation's long-term capital plans, including underlying assumptions and methodologies and management's assessment of how such projects impact the corporation's risk profile.

#### **2. Capital Budgeting**

The Committee will review and recommend for Board approval the Corporation's capital budgets and any material amendments to the Corporation's capital expenditure forecasts.

#### **3. Project Oversight**

The Committee will:

- a) review the status of capital projects identified by management during the identification or definition phases, including management's assessment of how such projects impact the corporation's risk profile;

- b) review and recommend for Board approval capital projects that have been presented by management, including consideration of the business case and strategic value to the Corporation and project alternatives;
- c) review management's assessment and analysis of project risk, including assumptions and sensitivities;
- d) review management's project development plans, including project scope, structure, timetable and financial models;
- e) review management's assessment of the impact of capital projects on ratepayers;
- f) review project status with management during construction, including expected completion schedule;
- g) review updates provided by management comparing budget forecasts with actual project expenditures and outlining the causes of any material variances;
- h) review and recommend for Board approval any changes in the total authorized expenditure amount for a capital project;
- i) review with management capital projects on a post-implementation basis.

#### **4. Dam Safety**

The Committee will:

- a) periodically review the Corporation's key dam risk management activities;
- b) review priorities and plans for risk mitigation, including dam safety monitoring structures and processes for risk identification; industry standards, risk reduction projects and deficiency investigations; and
- c) discuss technical aspects related to identified deficiencies.

#### **5. Aboriginal Relations and Negotiations**

The Committee will:

- a) periodically review the status and progress of the Corporation's aboriginal relations and negotiations, including long-term goals, strategies, consultations and other initiatives; and
- b) review priorities and plans for risk mitigation.

#### **6. Other Responsibilities**

The Committee will:

- a) at least annually, review the decision making process for capital projects;
- b) review and reassess the Terms of Reference at least annually; and
- c) review such other matters relating to capital projects that the Committee or the Board of Directors deems advisable.

#### **Accountability**

At every quarterly meeting of the Board, or more often if required, the Committee shall provide a report on its deliberations and recommendations since its last such report. Minutes of the Committee's meetings will also be made available to all Directors on request.

### Committee Timetable

The timetable below outlines the Committee's schedule of activities during the year. The Committee will also meet more frequently on an as needed basis.

<b>COMMITTEE TIMETABLE</b>				
	<b>Q1 (May)</b>	<b>Q2 (Sept)</b>	<b>Q3 (Nov)</b>	<b>Q4 (Feb)</b>
Review the Corporation's long-term capital plans, including underlying assumptions and methodologies				✓
Review and recommend for Board approval the Corporation's capital budgets				✓
Review the status of the Corporation's capital projects	✓	✓	✓	✓
Review the Corporation's key dam risk management activities	✓	✓	✓	✓
Review the status and progress of the Corporation's aboriginal relations and negotiations	✓	✓	✓	✓
Review the decision making process for major projects	✓			
Review progress report related to the Project Management Services Partnership			✓	
Review report from Management illustrating the Company's risk profile with respect to those risks related to the Committee's mandate and convey report to the Board	✓	✓	✓	✓