

OAKVILLE HYDRO CORPORATION

HUMAN RESOURCES COMMITTEE

MANDATE AND CHARTER

The Board's Mandate for the Human Resources Committee

Adopted: November 18, 2010

Revised: December 8, 2011

1. OBJECTIVE

The Board of Directors ("Board") of Oakville Hydro Corporation is responsible for overseeing and monitoring all significant aspects of the management of the business and affairs of Oakville Hydro Corporation and its affiliates (collectively, the "Corporation"). With respect to Oakville Hydro Electricity Distribution Inc. ("OHEDI"), this responsibility is shared with the Board of Directors of OHEDI.

Human Resources are critical to the success of the Corporation.

To assist the Board in fulfilling its responsibilities, the Board has established a Committee of the Board known as the Human Resources Committee (r the "Committee") to advise the Board with respect to

- (a) succession planning, performance management plan, compensation and benefit programs for the executive officers and management of the Corporation;
- (b) compensation and benefit programs for all other employees of the Corporation;
- (c) human resources strategic plan;
- (d) organizational development plan;
- (e) Human Resources policies, and

The Committee shall develop and present to the Board, for its approval, a Charter which includes a description of the activities in which the Committee will engage for the purpose of advising and making recommendations to the Board with respect to clause (a) to (e) mentioned above.

2. COMPOSITION OF THE HRC

The Committee shall consist of Board members and external individuals with knowledge and expertise in Human Resources matters and executive compensation plans. The Committee shall consist of a minimum of three (3) and a maximum of five (5) members, and who shall be appointed annually by the Board. The Committee Chair and the members of the Committee shall be nominated by the Advisory and Nominating Committee of the Board, and approved by the Board. The Chair shall be a Board member. In addition, the Board Chair and President and CEO shall be ex-officio non-

voting members. The Committee may seek the assistance of the Corporation's Senior Human Resources Personnel and other Corporation Officials and require them to attend the meetings of the Committee without voting rights.

HRC Charter

The Committee's Charter outlines how the Committee will satisfy the requirements set forth by the Board in its Mandate. This Charter comprises:

- Operating Principles
- Operating Procedures
- Specific Responsibilities and Duties

3. OPERATING PRINCIPLES

The Committee shall fulfill its responsibilities within the context of the following principles:

3.1 Committee Values

The Committee members will act in accordance with Board policies and industry best practices, as applicable.

3.2 Communications

The Chair and members of the Committee expect to have direct, open and frank communications throughout the year with the Board Chair, other Committee Chairs and Management, as applicable.

The Board Chair shall communicate on behalf of the Committee and the Board directly with the President and CEO with respect to the President and CEO's performance, compensation, development and succession.

3.3 Committee Work Plan

The Corporate Secretary in consultation with the Committee and Management shall develop an annual Committee Work Plan responsive to the Committee's responsibilities as set out in this Charter and update it every 12 months.

The Committee will review its annual work plan at its third quarter meeting in each fiscal year.

3.4 Meeting Agenda

The Committee meeting agendas shall be the responsibility of the Committee Chair. The Corporate Secretary will develop meeting agendas in consultation with the Committee Chair, Committee members, the Board Chair and Management.

3.5 Committee Expectations and Information Needs

The Committee shall communicate its expectations to Management with respect to the nature, timing and extent of its information needs. The Committee expects that written material supporting agenda items will be received from Management at least seven days in advance of the meeting dates.

3.6 In Camera Meetings

At each meeting of the Committee, the members of the Committee shall meet at their discretion in private sessions that allow the Committee to discuss matters (a) amongst themselves, and (b) with management. Actionable items resulting from these sessions will be recorded in the minutes.

3.7 Adequate Resources

The Committee should have adequate resources to discharge its duties as mentioned in this mandate subject to prior budget provision. Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may determine from time to time consistent with its remuneration policies for all Board and Committee members. The Committee may hire external consultants to assist with specific matters to fulfill its responsibilities, subject to prior budget approval.

4. OPERATING PROCEDURES

The Committee shall fulfill its responsibilities within the context of the following procedures:

4.1 Committee Self-assessment

The Committee shall annually review, discuss and assess its own performance and individual member's performance. In addition, the Committee shall annually review its role and responsibilities.

4.2 Frequency and Calling of Committee Meetings

The Committee shall meet every quarter or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair of the Committee or upon the request of two members of the Committee or management.

4.3 Quorum

A quorum shall be a majority of the voting members of the Committee. Each voting member will be entitled to one vote and the Committee Chair will not have a second or casting vote in the case of an equality of votes. No proxies shall be permitted.

4.4 Secretary of Committee Meetings

Unless the Committee otherwise specifies, the Corporate Secretary shall act as secretary of all meetings of the Committee. In the absence of the Secretary, the Chair of the Committee shall designate a person to act as the Secretary of the meeting.

4.5 Chair of Committee Meetings

In the absence of the Chair of the Committee at any meeting of the Committee, the Chair of the Committee may delegate a Committee member to perform the duties of the Chair or the Committee members present may elect one among them to perform the duties of the Chair.

4.6 Minutes of Committee Meetings

A copy of the Minutes of each meeting of the Committee shall be provided to each member of the Committee within twenty (20) calendar days from the meeting date.

5. ROLES & RESPONSIBILITIES

5.1 Specific Responsibilities and Duties

The Committee will advise and make recommendations to the Board relating to the following matters, in consultation with the President and CEO,:

- (a) consider and review the human resources strategic plan and monitor its implementation at least annually;
- (b) consider and review the organization development plan;
- (c) consider and review the succession plans for the senior management of the Corporation, namely the President and CEO and all Vice Presidents;
- (d) consider and approve the performance management plan for the senior management of the corporation;
- (e) consider and approve the fixed compensation program for the senior management of the Corporation;
- (f) consider and approve the benefit program for the senior management of the Corporation;
- (g) review with the President and CEO the total compensation program for the senior management of the Corporation before any decision or approval is made concerning such or any recommendation is made to the Board on changes to the compensation program;

- (h) review and approve any new, significant or special employment contracts or arrangements for senior management of the Corporation that may be different in principle from those already in place and used by the Corporation;
- (i) report to the Board on the factors considered by the Committee in approving the total compensation program for the senior management of the Corporation;
- (j) review and approve the Corporation's compensation and benefit plans;
- (k) review and approve the Corporation's Human Resources Policies, including the Employee Code of Conduct;
- (l) provide input to the Board Chair in conducting the annual performance review of the President and CEO by the Board Chair and the Committee Chair; and
- (m) perform such other duties as may from time to time be assigned to it by the Board and accepted by the Committee as appropriate duties for it to undertake.

The Committee shall have the right, for the purposes of discharging the powers and responsibilities as defined in its Charter, Mandate and Work Plan, to inspect any relevant records of the Corporation with the exception of any documentation held by the Corporation containing private and confidential information with respect to the senior management of the Corporation or any other employee.

5.2 Maintaining Integrity

The Committee shall ensure that senior management review its systems and documentation, and monitors the controls and procedures within the Corporation in order to maintain its integrity including its internal controls and procedures for human resources reporting and compliance with privacy legislation and all relevant employment related legislation.

5.3 Key Performance Indicators

The Committee shall receive and regularly review reports of specified performance indicators.

5.4 Communication Process

The Committee shall ensure an effective process is established and applied for the communication of the executive compensation and Human Resources programs between the Board and the Corporation.

5.5 Other Business

The Committee shall consider any other relevant matters relating to the discharge of its Mandate and Charter or referred to it by the Board.

6. ACCOUNTABILITY:

- 6.1** The Committee will report on its deliberations to the Board through verbal reports by its Chair at regular Board meetings.
- 6.2** The Committee will review its Mandate and Charter each year at its third quarter meeting to assess its adequacy and endeavour to keep Committee members abreast of “best practices” for a Human Resources Committee. Any proposed amendments to the Mandate and Charter will be submitted to the Board through the Governance and Risk Committee and if agreed to by the Board, will thereafter be put into effect.