

Director Safeguards

Pursuant to Article 8 of the Governance and Structure By-law, the following Safeguards have been determined by the IESO Board to be appropriate.

Disclosing Director: Christopher Henderson

Date of Determination of Safeguards:

Date for Compliance with Safeguards: Immediate

Description of Circumstances which are or are likely to be perceived to be incompatible with Disclosing Director's independence:

Mr. Henderson identified a conflict of interest in relation to his financial interest in and leadership of Lumos Energy which is a clean energy advisor to Indigenous communities including advice regarding generation, energy planning and transmission planning.

Mr. Henderson disclosed a list of First Nations in Ontario for which Lumos Energy currently acts as a clean energy advisor along with a listing of projects and related contracts; the Indigenous Clean Energy 20/20 catalysts Program, a capacity building program for Indigenous communities; a list of prior clients and projects with which Lumos Energy has no further on-going business relationship; and a description of his prior association with the Delphi Group (163904 Canada Inc) a consulting firm with which he has had no executive or staff role since 2006, nor is he privy to any information regarding electricity sector clients or projects of the Delphi Group.

- disclose on a timely basis any additional business relationships that may represent a perceived or potential conflict of interest with his role as a director of the IESO

Sections 13 and 14 of the *Electricity Act* provide that:

13. The directors, officers, employees and agents of the IESO shall comply with any provisions relating to conflict of interest contained in the Governance and Structure By-law or any procedures, rules or codes established pursuant to the By-law.

2004, c. 23, Sched. A, s. 14 - 01/01/2005

2014, c. 7, Sched. 7, s. 3 (1) - 01/01/2015

Board may establish policies, rules, etc.

14. (1) The board of directors may establish policies, rules, guidelines and codes, including codes of conduct, applicable to the directors, officers, employees and agents of the IESO and to members of panels established by the IESO.

As a result of his financial interest in and leadership of Lumos Energy Christopher may face situations where he cannot act in the best interests of the IESO.

Description of Safeguards:

To address this conflict it is proposed that in relation to the Algonquins of Ontario, the Dokis First Nation, and the Gull Bay First Nation, and associated electricity projects and contracts, the applications of the Six Nations of the Grand River Development Corporation, the Mohawk Council of Akwesasne, and Bearskin Lake Nation for funding from the IESO, Mr. Henderson:

- not participate in any discussions or votes at IESO Board or Committee meetings regarding the above noted First Nations and associated electricity projects and contracts and funding applications;
- not receive any material developed by the IESO regarding the above noted First Nations and associated electricity projects and contracts and funding applications with the limited exception of materials that are publicly available;
- maintain an ethical screen between himself and other members of Lumos Energy in relation to the business and affairs of the IESO;
- maintain an ethical screen between himself and IESO directors, management and staff in relation to the business and affairs of Lumos Energy; and
- disclose on a timely basis any additional business relationships that may represent a perceived or potential conflict of interest with his role as a director of the IESO.

When Safeguards to be Terminated:

The safeguards would be terminated on Mr. Henderson no longer having a financial interest in or association with the Lumos Group.

Disclosing Director

Chair, Human Resources and
Governance Committee

Chair, IESO Board