

Scorecard - Oakville Hydro Electricity Distribution Inc.

Performance Outcomes	Performance Categories	Measures	2015	2016	2017	2018	2019	Trend	Target		
									Industry	Distributor	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time	94.60%	81.20%	97.03%	95.16%	94.72%	↑	90.00%		
		Scheduled Appointments Met On Time	100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%		
		Telephone Calls Answered On Time	80.60%	72.80%	80.62%	85.20%	85.90%	↑	65.00%		
	Customer Satisfaction	First Contact Resolution	98.5%	96.8%	96.6%	96.5%	96.3%				
		Billing Accuracy	99.91%	99.92%	99.99%	99.99%	99.96%	↑	98.00%		
		Customer Satisfaction Survey Results	92%	92%	90%	92%	94%				
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness	80.00%	80.00%	83.00%	83.00%	82.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹	C	C	C	C	C	→		C	
		Serious Electrical Incident Index	Number of General Public Incidents	0	0	0	0	1	↓		0
			Rate per 10, 100, 1000 km of line	0.000	0.000	0.000	0.000	0.522	↓		0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²	0.48	0.50	0.50	0.62	0.74	↓		0.63	
		Average Number of Times that Power to a Customer is Interrupted ²	0.58	0.90	0.79	0.80	1.19	↓		0.94	
	Asset Management	Distribution System Plan Implementation Progress	On Track	On Track	On Track	On Track	Above target				
	Cost Control	Efficiency Assessment	3	3	3	3	3				
		Total Cost per Customer ³	\$732	\$720	\$695	\$719	\$736				
		Total Cost per Km of Line ³	\$26,730	\$26,324	\$25,630	\$27,071	\$28,134				
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Conservation & Demand Management	Net Cumulative Energy Savings ⁴	23.00%	42.41%	75.87%	97.00%	109.00%			92.39 GWh	
	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time	100.00%	100.00%							
		New Micro-embedded Generation Facilities Connected On Time	100.00%	100.00%	100.00%	100.00%		↻	90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)	1.53	1.48	1.56	1.42	1.25				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio	1.08	1.06	1.02	0.95	0.92				
		Profitability: Regulatory Deemed (included in rates)	9.36%	9.36%	9.36%	9.36%	9.36%				
		Return on Equity Achieved	9.35%	10.71%	9.69%	10.65%	9.31%				

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
 2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
 3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
 4. The CDM measure is based on the now discontinued 2015-2020 Conservation First Framework. 2019 results include savings reported to the IESO up until the end of February 2020.

Legend:

5-year trend
 ↑ up ↓ down ↻ flat

Current year
 ● target met ● target not met



2019 SCORECARD MANAGEMENT DISCUSSION AND ANALYSIS (2019 SCORECARD MD&A)

2019 HIGHLIGHTS

Oakville Hydro is the Town of Oakville’s electricity distribution company. We strive to provide the best energy and conservation solutions to our more than 70,000 customers. We are committed to delivering safe, reliable and affordable electricity to our residential and business customers. In 2019, we delivered strong results in all four scorecard performance categories. While reliability measures declined slightly, residences and businesses in Oakville experienced significantly fewer power outages than the average Ontario customer.



Customer Focus

In 2019 we made it easier for our customers to do business with us online and through our new Live Chat feature

94% of our customers are satisfied with our service



Operational Efficiency

Delivering reliable electricity at a reasonable cost

On average, our customers were without power for just 0.74 hours or 44 minutes in 2019 while our operating costs remained stable



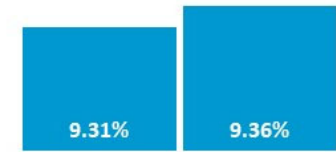
Public Policy

Although the Ontario Government ended the six-year Conservation First Framework two years ahead of schedule, we have achieved savings of 101 GWh

109% of our original target



Regulated Rate of Return



Achieved Approved

Financial Performance

We strive to provide service excellence at a reasonable cost

Our regulated rate of return of 9.31% was just slightly below our approved regulated rate of return of 9.36%

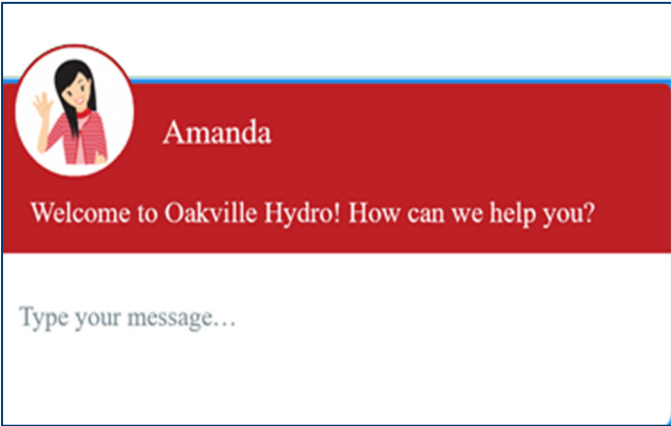


For more information about the scorecard, please visit the Ontario Energy Board’s website to access “Scorecard - Performance Measure Descriptions”. This document provides the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2019 Scorecard MD&A:
http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

1. CUSTOMER FOCUS

Customer service excellence is a critical component of Oakville Hydro’s business. In 2019, we introduced service improvements to make it easier for our customers to do business with us through the following initiatives:

- We integrated our Interactive Voice Response (IVR) with our outage management system to enable us to provide our customers with convenient, real-time self-service options to inquire about and/or report outages.
- Our new LiveChat web service allows our customers to communicate, or chat, in real-time with Customer Service Representatives (CSR).
- Our online forms provide customers 24/7 self-serve capabilities to register for service.
- Our new queue notification and call-back features provide customers with choices to minimize their wait time. Customers can choose to wait in the queue knowing how many customers are ahead of them or they can leave a message and receive a callback when a CSR is available.



These digital customer engagement initiatives enhance and simplify the customer experience. During outages, the IVR provides timely information to our customers, while gathering information for unreported outages. The IVR allows customers to make informed decisions, while introducing a reporting stream to assist with outage troubleshooting. While browsing the website, LiveChat allows customers to instantly engage CSRs through digital channels, a new form of communication that our society is embracing.

Online forms enable customers to apply for service at a time and place that is convenient for them, while removing manual processes through systems integration. Queue notification empowers the customer to minimize their wait time by informing them of their place in the queue and the option to receive a call back. These digital initiatives simplify the customer experience, while empowering customers to access Oakville Hydro how and when is convenient for them.

Our Customer Service Vision
‘Leading the way in creating superior customer experiences in Ontario’



1.1 SERVICE QUALITY MEASURES

The Ontario Energy Board (OEB) has set industry targets in the areas of Service Quality and Customer Satisfaction that measure whether our services are provided in a manner that responds to customer identified preferences. Oakville Hydro's performance against each of those targets is discussed in this section.

1.1.1 NEW RESIDENTIAL/SMALL BUSINESS SERVICES CONNECTED ON TIME

In 2019, the Town of Oakville experienced continued customer growth. Our field staff connected approximately 950 new services for residential and small business customers under 750 volts. We are required to complete these connections within the five-day timeline prescribed by the OEB, 90% of the time. Despite the large number of new connections, we were able exceed the target and connect over 94% of our new customers within the five-day timeframe required by the OEB.

1.1.2 SCHEDULED APPOINTMENTS MET ON TIME

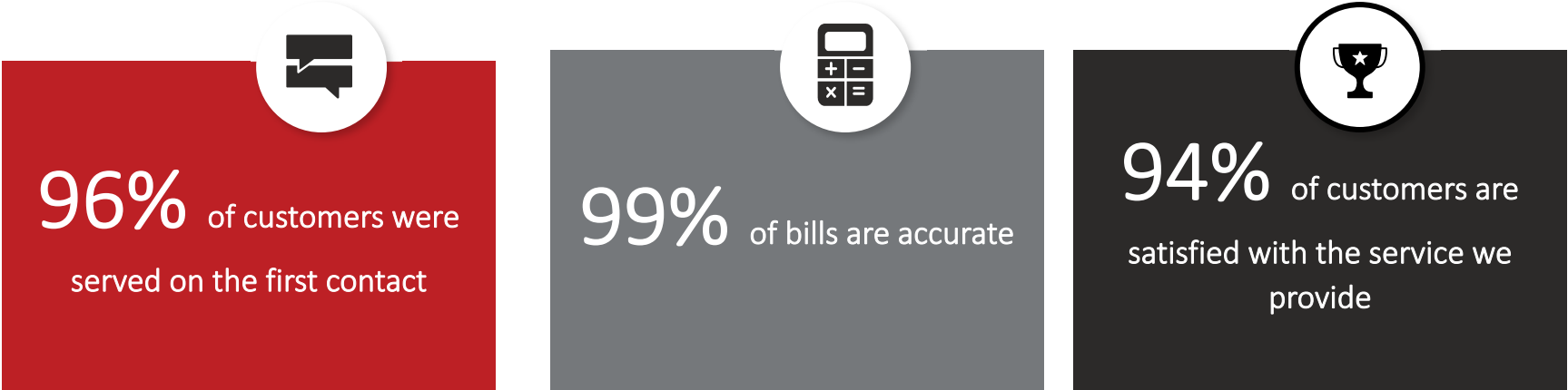
In 2019, we scheduled approximately 720 appointments with our customers to complete requested work, read meters or reconnect services. For the five-year period from 2015 through 2019, we have consistently met 100% of our scheduled appointments, a significant accomplishment. Our customers are important to us and we are committed to being on time, every time.

1.1.3 TELEPHONE CALLS ANSWERED ON TIME

In 2019, we answered approximately 42,500 calls from our customers – that equates to more than 200 calls per day. Our customers are important to us and we strive to provide them with personalized interaction with our customer care staff when they need us. In 2019, we answered more than 85% of the calls within 30 seconds. That is well above the OEB's requirement to answer 65% of the calls that it receives within 30 seconds. For the period 2015 through 2019, we have consistently provided a higher quality of service than the industry target.



1.2 CUSTOMER SATISFACTION MEASURES



1.2.1 FIRST CONTACT RESOLUTION

We strive to resolve customer inquiries during the initial contact. If there is a need to call a customer back or to escalate the question or complaint, the event is logged. The measure for First Contact Resolution is calculated as the number of customer contacts not resolved with the first contact, divided by the total number of customer contacts. In 2019, we served 96.3% of customers on the first contact.

1.2.2 BILLING ACCURACY

We know that providing our customers with accurate and timely bills is essential. Since we started tracking our billing accuracy in 2014, we have consistently achieved a score of 99.9% accuracy. In 2019, we introduced rigorous quality control processes to ensure that our customers are billed accurately the first time.

1.2.3 CUSTOMER SATISFACTION SURVEY RESULTS

Our Customer Satisfaction Survey provides us with valuable feedback to support future customer education programs and identify areas where there is room to improve our level of customer engagement, communication and service. Through the survey, our customers told us that we are highly trusted, provide an excellent quality of service and deliver on our service commitments.

In our 2019 Scorecard, we reported on the number of customers that were “very or fairly satisfied with Oakville Hydro”. Our customers gave us a score of 94% on this measure compared with an average score of 93% nationally and 92% provincially. Our attention to customer service has enabled us to achieve a higher score than the average of our peers in Ontario and across Canada.

2. OPERATIONAL EFFECTIVENESS MEASURES

Electricity is an essential service – our customers expect that electricity supply will be there when they need it 24 hours a day, 365 days per year. We are committed to leveraging new technologies and demonstrating a commitment to a brighter future for everyone that depends on a **safe, reliable** and **efficient** electricity supply. The operational effectiveness measure demonstrates our success in delivering safe and reliable electricity to the residences and businesses across Oakville at a reasonable price.

At Oakville Hydro, we have been incorporating grid intelligence into the distribution system for a number of years. Field equipment with enhanced intelligence automatically responds to changing electricity grid conditions without manual intervention and restores electricity to our customers in seconds through algorithms and sensors.

This innovative concept maximizes the value of asset renewal investments by incorporating the deployment of smart grid intelligence into the distribution system as assets reach the end of their useful lives.

In 2019, we accelerated the development and modernization of Oakville’s historic downtown core through the deployment of distribution automation. This distribution automation equipment automatically reconfigures the distribution system after a fault and quickly restores service to segments of the feeder not affected by the fault. In addition, it provides grid visibility which increases operational awareness and improved decision making within the Control Centre and can further be utilized when siting, sizing, communicating with and controlling Distributed Energy Resources (DER), storage and other Smart Grid technologies

This operational data also provides asset insights that can be leveraged when optimizing asset maintenance and renewal cycles and be utilized as critical inputs into the asset management program for improved asset health indexing and degradation analytics.



The Grid Intelligence Team

We have one of the most pervasive, automated distribution systems in the province with 230 automated (remotely controllable) switches across the system. Throughout 2019, Oakville Hydro avoided 1,201,287 customer outage minutes due to system automation.

The OEB has established distributor specific targets that measure our ability to achieve continuous improvement in productivity and cost performance while delivering on system reliability and service quality objectives. Those measures include public safety, system reliability, asset management and cost control, each of which is discussed in the following section.

2.1 PUBLIC SAFETY

2.1.1 PUBLIC AWARENESS OF ELECTRICAL SAFETY

We have been active in raising awareness of powerline safety hazards in the Town of Oakville. Through various media, we communicate to residents with public electrical safety messages.

We conduct a public safety awareness survey every two years to measure the level of awareness in Oakville. In 2019, approximately 400 people, over the age of 18, were asked six safety related questions that correspond to the most frequent incidents involving electrical equipment. Our residents achieved a score of 82%.

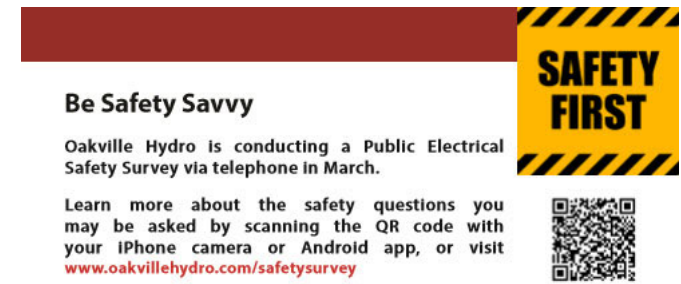
Visit our YouTube channel for more information about how you can protect you and your loved ones from injury.

<https://www.youtube.com/channel/UCLV60O4HmueHAXBRFDTRO9g>

2.1.2 COMPLIANCE WITH ONTARIO REGULATION 22/04

Ontario Regulation 22/04 - Electrical Distribution Safety, establishes electrical safety requirements for the design, construction, and maintenance of electrical our distribution system. The regulation requires the approval of equipment, plans and specifications, as well as the inspection of electrical equipment before it is put into service. Each year, we engage an independent auditor to conduct an audit of our compliance with the regulation.

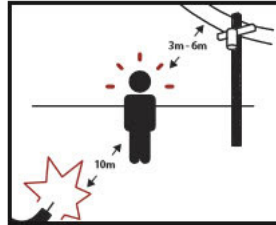
We are committed to ensuring that our distribution system is safe and that it complies with all electrical safety requirements. In 2019, we received a “Compliant” rating for the fifth consecutive year.




Be Safety Savvy

Oakville Hydro is conducting a Public Electrical Safety Survey via telephone in March.

Learn more about the safety questions you may be asked by scanning the QR code with your iPhone camera or Android app, or visit www.oakvillehydro.com/safetysurvey



DID YOU KNOW
You need to maintain a distance of **10 metres** from a **downed power line** and **3 to 6 metres** away from **overhead power lines?**



2.1.3 SERIOUS ELECTRICAL INCIDENT INDEX

The Serious Electrical Incident Index measures the number and rate of serious electrical incidents involving the public and occurring on our distribution assets. Our first priority is safety.

In 2018, a serious electrical incident occurred when a vehicle hit a pole causing an overhead distribution line to fall to the ground. Fortunately, no one was injured as a result of this incident. Although the incident occurred in 2018, it was reported by the ESA in 2019. This incident reinforces the need for electricity distributors like Oakville Hydro to promote public safety in their communities.

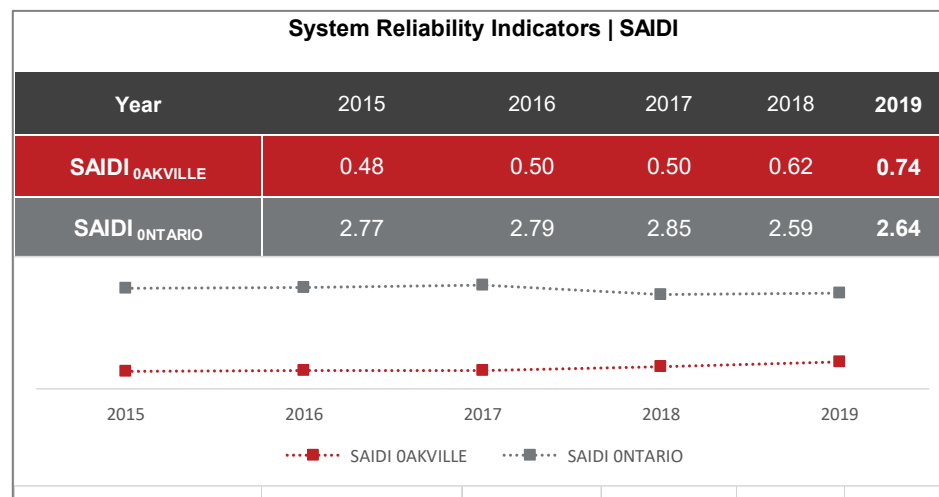
2.2 SYSTEM RELIABILITY

2.2.1 SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)

Average Number of Hours That Power Is Interrupted

In 2019, our customers were without power for an average of 0.74 hours or 44 minutes. The number of hours that an average customer was without power in Oakville was significantly lower than that of the average customer in Ontario who were, on average, without power for more than two and one-half hours.

We have consistently performed better than the provincial average throughout the five-year period covered by the scorecard. Much of this success can be attributed to our ability to restore power remotely and quickly through our intelligent grid.

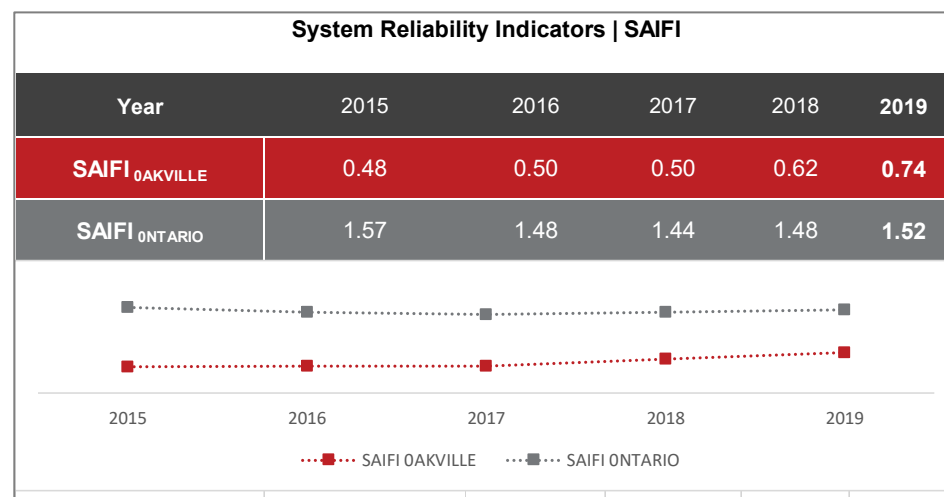


2.2.2 SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)

Average Number of Times that Power to a Customer is Interrupted

In 2019, our customers experienced, on average, 0.74 power interruptions. The average customer in Ontario experienced 1.52 power interruptions – more than double that of an Oakville residence or business.

We have consistently performed better than provincial average throughout the five-year period covered by the scorecard. Our ability to keep the lights on is a clear indicator of the effectiveness of our asset management planning.



2.3 ASSET MANAGEMENT

DISTRIBUTION SYSTEM PLAN IMPLEMENTATION PROGRESS

The distribution system is capital-intensive; it is an ever-changing and evolving scheme. It is critical that Oakville Hydro make prudent capital investments and have effective maintenance plans to ensure a sustainable and safe distribution system. Oakville Hydro’s DSP reflects an integrated approach to planning, selecting, prioritizing and managing assets. It includes regional planning, renewable generation connections, impacts of climate change, grid modernization, CDM and smart grid considerations.

In 2019, Oakville Hydro invested additional capital funding to support an upgrade at one of the transmission stations located in the Town of Oakville. Upgrades to transmission stations happen infrequently and, as such, are not part of a typical DSP. The condition of the obsolete, non-

standard assets at the station was directly affecting the operability and reliability of the transmission system and delaying the upgrade may have resulted in declining reliability for customers in the area.

In 2019, Oakville Hydro also invested additional capital funding to support three road widening projects initiated by the Town of Oakville and Region of Halton:

- Speers Road from west of Third Line to Fourth Line
- William Halton Parkway
- Trafalgar Road

In order to facilitate the completion of these road-widening projects, the Town and Region requested that Oakville Hydro relocate its distribution assets. Oakville Hydro is required to complete this work under the Public Service Works on Highways Act (“PSWHA”).

As a result of these four unplanned capital projects, Oakville Hydro’s investments in 2019 were higher than planned. Therefore, Oakville Hydro has reported its DSP measure as “above target”. Oakville Hydro will prioritize its capital investments in future years to minimize the impact of these projects on future rates.



Transmission Station Upgrade

To learn about how we are investing in our renewing and expanding our infrastructure, visit our website at www.oakvillehydro.com



2.4 COST CONTROL

A total cost benchmarking evaluation is used to assess the efficiency of Ontario’s electricity distributors. The model is used to calculate an electricity distributor’s total operating and capital costs and compare those costs to the costs predicted by the model, based on business conditions in each electricity distributor’s service area. These business conditions include the number of customers, kilometres of line, peak demand and the price of inputs such as labour and capital.

Actual costs are then compared to those predicted by the model to assess an electricity distributor’s efficiency. The total cost per customer and per kilometre of line allows for further benchmarking between electricity distributors. Our performance under each of these measures is discussed in the following section.

2.4.1 EFFICIENCY ASSESSMENT

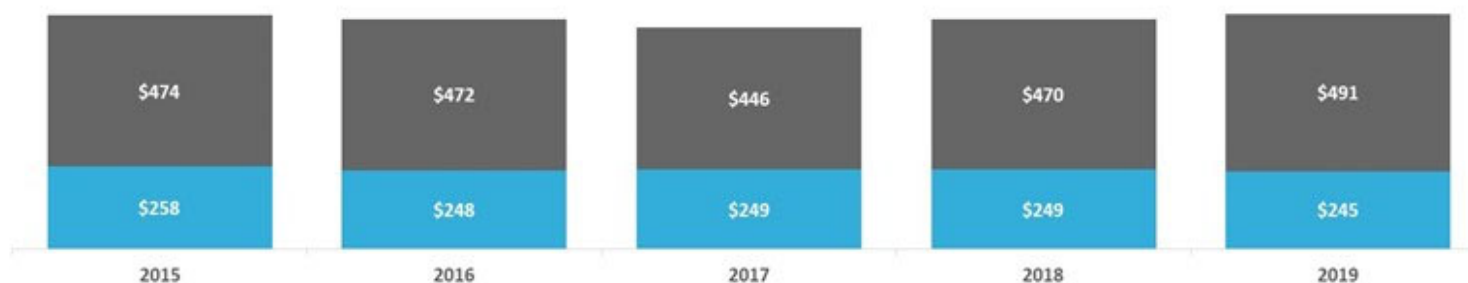
Electricity distributors are assigned to one of five efficiency groups based upon the comparison of their actual costs to their predicted costs. Electricity distributors whose actual costs are close to or lower than their predicted costs are considered more efficient. In Ontario, the majority of electricity distributors are in group 3, with actual costs within 10 % of their predicted costs. Oakville Hydro moved to group three in 2015 and, since then, we have been improved our performance within that group.

2.4.2 TOTAL COST PER CUSTOMER

The total cost per customer is calculated as the sum of our capital and operating costs divided by the total number of metered customers that we serve. In 2019, our Operating, Maintenance and Administration (OM&A) costs per customer of \$245 was lower than the provincial average of \$329 per customer, while our capital cost per customer of \$491 was higher than the provincial average of \$374.

Like other electricity distributors in the province, we have experienced cost pressures associated with the delivery of reliable services to our customers. Inflationary pressures, as well as investments in new information systems technology and the renewal and growth of the distribution system, have all contributed to increased costs.

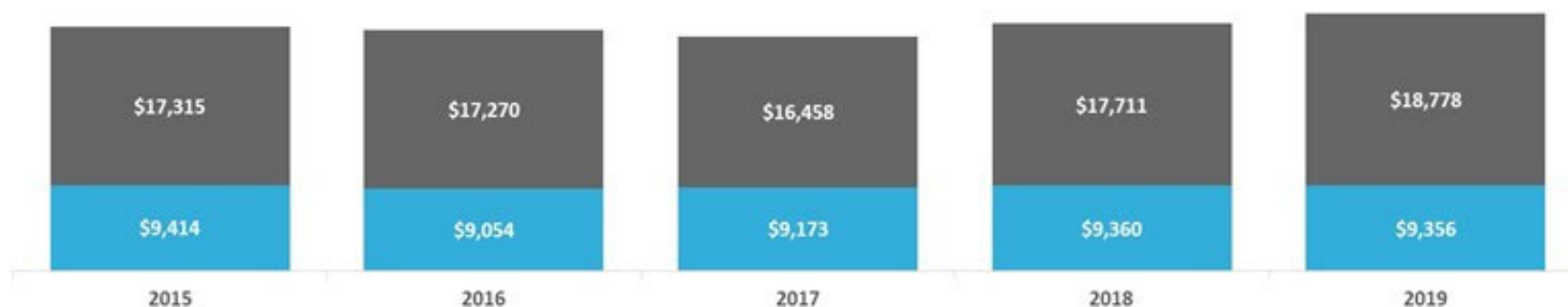
Despite these pressures, our OM&A and capital cost per customer has remained relatively stable over the five-year period covered by the scorecard. We have been able to achieve this through the successful implementation of innovative solutions and efficiency initiatives.



2.4.3 TOTAL COST PER KM OF LINE

This measure uses the same total cost that is used in the Cost per Customer calculation above. The total cost is divided by the kilometres of distribution lines that we maintain and operate to serve our customers. Our operating cost per kilometre of \$9,356 was lower than the provincial average of \$12,101 per kilometre while our capital cost per kilometre of \$18,778 is higher than the provincial average of \$13,669. Electricity distributors that serve densely populated areas typically will have a lower cost per kilometer than those that serve rural or remote territories.

As with our cost per customer, our OM&A and capital cost per kilometer of line has remained relatively stable over the five-year period covered by the scorecard.



3. PUBLIC POLICY & RESPONSIVENESS

The Ontario Energy Board (OEB) regulates Oakville Hydro. The OEB's objectives include requirements to promote electricity conservation and demand management and to promote the use and generation of electricity from renewable energy sources in a manner consistent with the policies of the Government of Ontario.

The Public Policy and Responsiveness measures assess our success in promoting conservation and demand management and responding to requests for the connection of renewable energy to our distribution system. For the five-year period 2015 to 2019, the OEB has required that electricity distributors report on their progress towards conservation targets set by the Ontario Government, their performance in providing connection impact assessments for large generation facilities and connection standards for smaller generation facilities. Oakville Hydro's performance under these measures is discussed in this section.

3.1 NET CUMULATIVE ENERGY SAVINGS

In 2018, the Ontario Government announced the termination of its six-year conservation framework. This framework, the Conservation First Framework (CFF), was designed to reduce electricity consumption in Ontario by seven terawatt-hours (TWh) or seven million gigawatt-hours (GWh) by December 31, 2020. Oakville Hydro was assigned a target of 92.39 GWh over the six-year period.

Although the Ontario Government ended the CFF, Oakville Hydro achieved savings of 101 GWh or 109% of its six-year target.



Public Policy

Although the Ontario Government ended the six-year Conservation First Framework two years ahead of schedule, we have achieved savings of 101 GWh

109% of our original target



3.2 CONNECTION OF RENEWABLE GENERATION

Renewable energy, also referred to as clean or alternative energy, is electricity produced from renewable sources with a lower impact on the environment and our health. This includes power generated by wind, geothermal, solar, biomass and low-impact hydroelectric sources that produce little or no noxious emissions. Alternative energy is used to replace non-renewable sources of energy production such as coal, nuclear and natural gas.

As of December 31, 2019, there were 122 solar energy installations in the Town of Oakville. Oakville Hydro installed solar panels on the roof of its building a number of years ago.

In addition, the Town of Oakville has installed solar panels on four Town facilities and, in 2019, Oakville Hydro partnered with the Town of Oakville to build a LEED-certified energy efficient building that includes rooftop solar panels, geo-thermal heating and cooling, and car charging stations.



Oakville Trafalgar Community Centre

3.2.1 RENEWABLE GENERATION CONNECTION IMPACT ASSESSMENTS COMPLETED ON TIME

As an electricity distributor, we are required to conduct Connection Impact Assessments (CIAs) within 60 days of receiving authorization from the Electrical Safety Authority. In 2019, Oakville Hydro did not receive any requests to complete a CIA.

3.2.2 NEW MICRO-EMBEDDED GENERATION FACILITIES CONNECTED ON TIME

In 2019, there were no new micro-embedded generation facilities (projects less than 10 kW) connected in the Town of Oakville.

4. FINANCIAL PERFORMANCE

Since 2014, we have consistently performed within the within the OEB’s range of +/- 3% of the deemed regulated rate of return of 9.36% that was established in our cost of service application. This means that we have achieved our financial objectives within the OEB’s annual inflationary adjustments to our rates. Our goal is to balance the needs of our growing community and our commitment to provide the value of service that our customers require and expect.

Among the OEB’s objectives, is the requirement to promote economic efficiency and cost effectiveness in the generation, transmission, distribution, sale and demand management of electricity and to facilitate the maintenance of a financially viable electricity industry. The distributor scorecard includes measures of financial health and performance including liquidity, leverage and profitability. Our performance in these categories is discussed in the following section.

4.1 FINANCIAL RATIOS

4.1.1 LIQUIDITY: CURRENT RATIO (CURRENT ASSETS/CURRENT LIABILITIES)

As an indicator of financial health, a current ratio that is greater than one indicates that the company can pay its short-term debts and financial obligations. Companies with a ratio of greater than one are often referred to as being “liquid”. The higher the number, the larger the level of assurance that that the company is able to meet its short-term financial obligations. We continue to be in a strong financial position with a current ratio of 1.25 in 2019.



Financial Performance

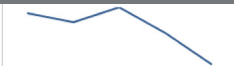
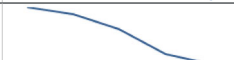
We strive to provide service excellence at a reasonable cost

Our regulated rate of return of 9.31% was just slightly below our approved regulated rate of return of 9.36%



4.1.2 LEVERAGE: TOTAL DEBT (INCLUDES SHORT-TERM AND LONG-TERM DEBT) TO EQUITY RATIO

The OEB uses a deemed capital structure of 60% debt, 40% equity when establishing electricity distribution rates. This deemed capital mix is equal to a debt to equity ratio of 1.5 (60/40). A debt to equity ratio of more than 1.5 indicates that a distributor is more highly leveraged than the deemed capital structure. Since 2015, we have maintained a debt to equity structure of less than 1.5.

Financial Ratios	2015	2016	2017	2018	2019	2020
Current Ratio	1.53	1.48	1.56	1.42	1.25	
Leverage	1.08	1.06	1.02	0.95	0.92	



4.1.3 PROFITABILITY

REGULATORY RETURN ON EQUITY – DEEMED (INCLUDED IN RATES)

In 2014, the OEB approved our current deemed regulatory return on equity of 9.36% through a cost of service application process. The OEB permits distributors to earn within +/- 3% of the deemed return on equity. When a distributor performs outside of this range, the OEB may initiate a regulatory review of the distributor's revenue and cost structure.

REGULATORY RETURN ON EQUITY – ACHIEVED

In 2019, we earned a regulatory return on equity of 9.31%, which is well within the OEB's range of +/- 3% of the deemed rate of 9.36%. We strive to control our costs, as a result, we were able to achieve a regulated rate of return just slightly below the deemed rate. We are well positioned to meet the needs of our growing community and continue to provide the value of service that our customers expect.

Regulated Rate of Return	2015	2016	2017	2018	2019	Trend
Deemed ROE	9.36%	9.36%	9.36%	9.36%	9.36%	
Actual ROE	9.35%	10.71%	9.69%	10.65%	9.31%	

NOTE TO READERS OF 2019 SCORECARD MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard and could be markedly different in the future.