

|                                                                                                                                                                                                                     |                                    |                                                                               |                                   |          |          |          |          |       | Target   |             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------|-----------------------------------|----------|----------|----------|----------|-------|----------|-------------|
| Performance Outcomes                                                                                                                                                                                                | Performance Categories             | Measures                                                                      | 2021                              | 2022     | 2023     | 2024     | 2025     | Trend | Industry | Distributor |
| <b>Customer Focus</b><br><br>Services are provided in a manner that responds to identified customer preferences.                                                                                                    | Service Quality                    | New Residential/Small Business Services Connected on Time                     | 100.00%                           | 100.00%  | 100.00%  | 100.00%  | 100.00%  | ➡     | 90.00%   |             |
|                                                                                                                                                                                                                     |                                    | Scheduled Appointments Met On Time                                            | 99.59%                            | 100.00%  | 100.00%  | 100.00%  | 100.00%  | ⬆     | 90.00%   |             |
|                                                                                                                                                                                                                     |                                    | Telephone Calls Answered On Time                                              | 77.43%                            | 75.06%   | 80.89%   | 85.21%   | 68.64%   | ⬇     | 65.00%   |             |
|                                                                                                                                                                                                                     | Customer Satisfaction              | First Contact Resolution                                                      | 98.68%                            | 98.04%   | 97.49%   | 97.63%   | 96.89%   |       |          |             |
|                                                                                                                                                                                                                     |                                    | Billing Accuracy                                                              | 95.81%                            | 99.74%   | 99.85%   | 99.86%   | 99.83%   | ⬆     | 98.00%   |             |
|                                                                                                                                                                                                                     |                                    | Customer Satisfaction Survey Results                                          | "A"                               | "A"      | "A"      | "A"      | A        |       |          |             |
| <b>Operational Effectiveness</b><br><br>Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.                             | Safety                             | Level of Public Awareness                                                     | 82.00%                            | 82.00%   | 82.00%   | 84.00%   | 84.00%   |       |          |             |
|                                                                                                                                                                                                                     |                                    | Level of Compliance with Ontario Regulation 22/04 <sup>1</sup>                | C                                 | C        | C        | C        | C        | ➡     |          | C           |
|                                                                                                                                                                                                                     |                                    | Serious Electrical Incident Index                                             | 0                                 | 0        | 0        | 0        | 0        | ➡     |          | 0           |
|                                                                                                                                                                                                                     |                                    |                                                                               | Rate per 10, 100, 1000 km of line | 0.000    | 0.000    | 0.000    | 0.000    | ➡     |          | 0.000       |
|                                                                                                                                                                                                                     | System Reliability                 | Average Number of Hours that Power to a Customer is Interrupted <sup>2</sup>  | 1.41                              | 1.12     | 1.17     | 0.64     | 1.07     | ⬇     |          | 1.19        |
|                                                                                                                                                                                                                     |                                    | Average Number of Times that Power to a Customer is Interrupted <sup>2</sup>  | 2.10                              | 0.55     | 0.74     | 0.44     | 1.29     | ⬇     |          | 1.01        |
|                                                                                                                                                                                                                     | Asset Management                   | Distribution System Plan Implementation Progress                              | On track                          | On track | On track | 120.5%   | 111.6%   |       |          |             |
|                                                                                                                                                                                                                     | Cost Control                       | Efficiency Assessment                                                         | 3                                 | 2        | 2        | 2        | 2        |       |          |             |
|                                                                                                                                                                                                                     |                                    | Total Cost per Customer <sup>3</sup>                                          | \$543                             | \$614    | \$671    | \$688    | \$719    |       |          |             |
|                                                                                                                                                                                                                     |                                    | Total Cost per Km of Line <sup>3</sup>                                        | \$45,552                          | \$24,873 | \$27,431 | \$28,157 | \$29,307 |       |          |             |
| <b>Public Policy Responsiveness</b><br><br>Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board). | Connection of Renewable Generation | New Micro-embedded Generation Facilities Connected On Time                    | 100.00%                           | 100.00%  | 100.00%  | 100.00%  | 100.00%  | ➡     | 90.00%   |             |
| <b>Financial Performance</b><br><br>Financial viability is maintained; and savings from operational effectiveness are sustainable.                                                                                  | Financial Ratios                   | Liquidity: Current Ratio (Current Assets/Current Liabilities)                 | 1.69                              | 1.73     | 1.72     | 1.67     | 2.01     |       |          |             |
|                                                                                                                                                                                                                     |                                    | Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio | 1.10                              | 1.05     | 1.00     | 0.96     | 0.99     |       |          |             |
|                                                                                                                                                                                                                     |                                    | Profitability: Regulatory Return on Equity                                    | Deemed (included in rates)        | 9.19%    | 9.19%    | 9.36%    | 9.36%    | 9.36% |          |             |
|                                                                                                                                                                                                                     |                                    |                                                                               | Achieved                          | 8.39%    | 6.76%    | 7.92%    | 8.26%    | 8.43% |          |             |

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).  
2. 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.

Legend:

5-year trend

⬆ up ⬇ down ➡ flat

Current year

🟢 target met 🟡 target not met

## 2025 Scorecard Management Discussion and Analysis (“2025 Scorecard MD&A”)

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2025 Scorecard MD&A:

[http://www.ontarioenergyboard.ca/OEB/ Documents/scorecard/Scorecard Performance Measure Descriptions.pdf](http://www.ontarioenergyboard.ca/OEB/Documents/scorecard/Scorecard%20Performance%20Measure%20Descriptions.pdf)

### Scorecard MD&A - General Overview

Kingston Hydro delivers electricity to 28,000 homes and businesses in Central Kingston, Canadian Forces Base Kingston, and parts of Barriefield under an Ontario Energy Board (OEB) license (ED-2003-0057). While Kingston Hydro owns the wires, poles, transformers, and meters that bring electricity from the provincial transmission grid to these locations, the electrical system is proudly operated by the employees of Utilities Kingston.

By integrating electricity services with water, wastewater, and gas utilities, Utilities Kingston leverages a multi-utility model that improves operational efficiency, enhances reliability, and ensures safe, affordable service for our community. This approach not only strengthens day-to-day operations but also drives long-term performance, as reflected in Kingston Hydro’s 2025 Scorecard results.

Customer satisfaction remained exceptionally strong in 2025, with Kingston Hydro achieving a 98% customer satisfaction score. Customers also benefited from 100% of new service connections and scheduled appointments completed on time, along with strong billing accuracy. Together, these results demonstrate a consistently strong customer experience.

Kingston Hydro maintained a focus on system reliability in 2025, surpassing its target for the average duration of customer power interruptions. Customer interruption frequency was slightly below target, with results influenced by external events, including animal contacts and a severe ice storm that affected Kingston and much of eastern Ontario. The utility continues to strengthen reliability through proactive vegetation management, preventative maintenance, and ongoing infrastructure renewal investments.

Despite facing inflation and supply chain challenges, we efficiently managed capital expenditures with a focus on infrastructure renewal. Our continued efforts in efficiency maintained our position in the Group 2 efficiency assessment, reflecting our above-average performance. Although there was an increase in total cost per customer and kilometre of line, our total cost per customer remained below the industry average, reinforcing our position as an efficient, low-cost distributor.

Financially, Kingston Hydro maintained a strong financial position in 2025, supported by solid liquidity and a prudent debt-to-equity ratio. The utility achieved a return on equity slightly below the deemed rate, primarily due to inflationary pressures that were higher than anticipated.

Overall, Kingston Hydro's 2025 Scorecard demonstrates strong operational and financial performance, along with a continued focus on delivering value to customers. Looking ahead, the Kingston Hydro Strategic Plan 2026–2030 will guide our work as we continue to serve our customers, strengthen our electricity system and prepare for the future of energy. The Scorecard will remain an important way to measure our progress and share our performance with our community.

## Service Quality

### **New Residential/Small Business Services Connected on Time**

- Utilities must connect a new service for the customer within five business days, 90% of the time, unless the customer agrees to a later date.
- Kingston Hydro exceeded this target for the 163 new low-voltage (less than 750 volts) services connected in 2025. As in previous years, 100% of these services were connected within the target of five working days (from the time all required permits were issued).

### **Scheduled Appointments Met on Time**

- For appointments during the utility's regular business hours, the utility must offer a window of time that is not more than four hours long, and must arrive within that window, 90% of the time. Customers make appointments with Utilities Kingston, on behalf of Kingston Hydro, for a variety of reasons, including for meter changes, service upgrades, and utility locates. Utilities Kingston strives to complete all requested appointments within five business days.
- In 2025, all 402 scheduled appointments were met on time, exceeding the target of 90%.

### **Telephone Calls Answered on Time**

- During regular call centre hours, the utility's call centre staff must answer phone calls within 30 seconds of receiving the call directly, or having the call transferred to them, 65% of the time.
- In 2025, customer service representatives answered a total of 43,219 calls, an increase of 5.11% from 2024 call volume.
- 68.64% of calls were answered within 30 seconds. While service levels remained above target in 2025, performance declined compared to the previous year due to several temporary workforce and operational transitions. These included staffing vacancies that created temporary resource constraints, as well as the reopening of the customer service lobby, which temporarily shifted resources as the team assessed and adjusted to in-person service demand. The staffing gaps that contributed to lower service levels have since been addressed, restoring team capacity and strengthening phone coverage. Operational adjustments following the successful lobby reopening have improved resource allocation across service channels. Combined with restored staffing capacity, service levels are expected to improve in 2026.

## Customer Satisfaction

### First Contact Resolution

- Utilities should aim to address their customers' needs as quickly as possible. Ideally, their concerns and issues are resolved the first time the customer contacts the utility.
- For Utilities Kingston, this is a measure of the number of times a customer inquiry or request, related to their account, is handled by the first person to receive the contact.
- In 2025, 96.89% of contacts were answered without having to transfer to another staff member, a similar result to previous years. First contact resolution is closely monitored to ensure that front line staff members have the information and tools available so they can effectively address customer inquiries.

### Billing Accuracy

- Ensuring billing accuracy is a key aspect of delivering quality service to customers. Providing accurate information, the first time helps build trust and confidence.
- In 2025, Utilities Kingston issued 352,758 bills on behalf of Kingston Hydro Corporation, with an overall billing accuracy of 99.83%. This exceeded the industry standard, which requires at least 98% of the bills to be accurate.

### Customer Satisfaction Survey Results

- Utilities use different ways to determine how satisfied their customers are with the service they receive. Distributors are required to report their results every second year, at a minimum.
- In 2025, customer satisfaction was assessed as part of a broader customer experience engagement led by Overlap Associates. The engagement included a community-wide survey, street-team outreach, in-person engagement, and other opportunities for customers to share their experiences and perspectives.
- Overall, the findings showed strong satisfaction with electricity service, including positive perceptions of service reliability, quality and restoration following outages. The resulting customer satisfaction score was 98%.

## Safety

### Public Safety

#### • Component A – Public Awareness of Electrical Safety

In September 2024, an online public awareness survey was carried out among 415 members of the public residing in Kingston Hydro's distribution area. The survey followed the requirements established in *Appendix B: Biannual Standardized Scorecard Public Awareness of Electrical Safety Telephone Questionnaire*, published by the OEB on November 25, 2015.

The survey yielded an overall Public Safety Awareness Index Score of 84% (a slight increase from the 2022 survey result of 82%),

demonstrating that many people do have good knowledge or have received some information pertaining to the six core measurement questions. The 2024 results are used for the reporting years of 2024 and 2025, with the next survey for Public Awareness of Electrical Safety to be carried out in 2026.

- **Component B – Compliance with Ontario Regulation 22/04**

For the year 2025, as in previous years, Kingston Hydro was fully compliant with the *Ontario Electrical Distribution Safety Regulation 22/04*. This is substantiated through the annual independent *Audit of Compliance and Declaration of Compliance*, as well as the *Electrical Safety Authority Due Diligence Inspections (DDI)* and *Reports of Public Safety Concerns*.

- **Component C – Serious Electrical Incident Index**

| Results             |            |                    |                        | Target                 |
|---------------------|------------|--------------------|------------------------|------------------------|
| Number of Incidents | km of Line | Rate Default Value | Serious Incident Index | Serious Incident Index |
| 0                   | 694        | 100                | 0.000                  | 0.000                  |

For the reporting period, Kingston Hydro did not have any serious electrical incidents.

## System Reliability

The System Average Interruption Duration Index (SAIDI) of 1.07 hours was within the target of 1.19 hours and the System Average Interruption Frequency Index (SAIFI) of 1.29 didn't meet our target in 2025.

### Average Number of Hours that Power to a Customer is Interrupted

- Kingston Hydro tracks all electricity outages and strives to reduce the length of time they affect customers
- In 2025, Kingston Hydro reported an average number of hours that power to a customer was interrupted of 1.07 hours.
- The average of 1.07 hours on the scorecard includes both planned interruptions necessary to conduct work safely (0.10 hours) and unplanned/ emergency power disruptions (0.97 hours).
- Kingston Hydro's result of 1.07 hours is better than target of 1.19 hours.
- **Average Number of Times that Power to a Customer is Interrupted** Kingston Hydro tracks all electricity outages and strives to reduce the frequency of outages.
- In 2025, Kingston Hydro reported an average number of times that power to a customer was interrupted of 1.29.
- On this measure, the average of 1.29 includes both planned interruptions (0.07) and unplanned interruptions (1.22). Our result of 1.29 does not meet the distributor's target of 1.01.

- A severe ice storm hit Kingston and surrounding areas over the weekend of March 29 and 30, 2025. The event was part of a larger storm system that affected much of central and eastern Ontario. The accumulation of ice on tree branches and power lines caused many to fall, resulting in power outages for 11,008 customers in the Kingston area or 30.1% of all customer interruptions in 2025.
- Kingston Hydro has begun a vulnerability assessment of its system to certain weather related threats, including ice accumulation, as part of the Ontario Energy Board’s Vulnerability Assessment and System Hardening (VASH) initiative to help identify potential cost effective adaptation and mitigation opportunities. Recognizing the importance of system reliability, Kingston Hydro is committed to improving our performance in this area for 2025 and beyond. We continue to prioritize proactive tree trimming, preventative inspections, and infrastructure renewal programs.
- Foreign Interference was the primary cause of interruptions in 2025. Two outages caused by animal contact accounted for 35% of all interruptions classified under Foreign Interference. Foreign Interference refers to external factors such as customer owned equipment, animal contact, vehicle accidents, dig-ins, vandalism, sabotage, foreign objects, DERs not owned by distributors, and cybersecurity events.

**Asset Management**

**Distribution System Plan Implementation Progress**

Table 1 below summarizes Kingston Hydro’s 2025 Capex Variance Analysis.

**Table 1 – 2025 Capex Variance Analysis wrt 2025 DSP Plan**

| Investment Category   | \$Actual<br><br>( A ) | \$Forecast<br>per DSP<br>Plan<br><br>( B ) | \$Variance<br><br>( C ) | % Var<br>wrt<br>Category<br>Forecast<br><br>( D ) | % Actual<br>wrt<br>Gross<br>Capex<br>Forecast<br>( E ) | % Forecast<br>wrt<br>Gross<br>Capex<br>Forecast<br>( F ) | % Var<br>wrt<br>Gross<br>Capex<br>Forecast<br>( G ) |
|-----------------------|-----------------------|--------------------------------------------|-------------------------|---------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------|
| System Access         | \$ 458,963            | \$1,252,500                                | -\$ 793,537             | -63.4%                                            | 13.9%                                                  | 37.9%                                                    | -24.0%                                              |
| System Renewal        | \$2,650,332           | \$1,540,000                                | \$ 1,110,332            | 72.1%                                             | 80.3%                                                  | 46.6%                                                    | 33.6%                                               |
| System Service        | \$ 417,763            | \$ 75,000                                  | \$ 342,763              | 457.0%                                            | 12.7%                                                  | 2.3%                                                     | 10.4%                                               |
| General Plant         | \$ 193,516            | \$ 434,500                                 | -\$ 240,984             | -55.5%                                            | 5.9%                                                   | 13.2%                                                    | -7.3%                                               |
| <b>Gross Capex</b>    | <b>\$3,720,574</b>    | <b>\$3,302,000</b>                         | <b>\$ 418,574</b>       | 12.7%                                             | 112.7%                                                 | 100.0%                                                   | 12.7%                                               |
| Capital Contributions | \$ 258,464            | \$ 200,000                                 | \$ 58,464               | 29.2%                                             | 7.8%                                                   | 6.1%                                                     | 1.8%                                                |
| <b>Net Capex</b>      | <b>\$3,462,111</b>    | <b>\$3,102,000</b>                         | <b>\$ 360,111</b>       | 11.6%                                             | 104.8%                                                 | 93.9%                                                    | 10.9%                                               |

$$\% \text{ DSP Implementation} = \frac{\text{Actual Net Capex}}{\text{DSP Plan Net Capex}} = \frac{\$ 3,462,111}{\$ 3,102,000} = 111.6\%$$

**Calculation Notes:**

$$C = A - B$$

$$D = C / B \times 100\%$$

$$E = A / (\text{Gross Capex Forecast})$$

$$F = B / (\text{Gross Capex Forecast})$$

$$G = C / (\text{Gross Capex Forecast})$$

The following is a discussion of the 2025 Capex details summarized in Table 1 above.

The **System Access variance** of -\$793,537 (-63.4%) between the actual and forecast category amounts is primarily driven by the timing and scale of development-related projects, which were inherently difficult to predict with certainty at the time forecasts were prepared. All capital contributions received in 2025 were categorized as System Access. The System Access expenditure variance represents a 24% reduction with respect to the Gross Capex Forecast in Table 1.

The **System Service variance** of \$342,763 (457.0%) between the actual and forecast category amount is attributed mostly to non-

discretionary investments involving replacement of transformers containing PCBs to meet regulatory timelines, system capacity expansions related to 13.8kV voltage conversion to enable the connection of new developments and/or end-of-life replacement of substation relays to ensure safe and reliable electrical protection. The System Service expenditure variance represents a 10.4% increase with respect to the Gross Capex Forecast in Table 1.

The **General Plant variance** of -\$240,984 (-55.5%) between the actual and forecast category amounts is attributed to the timing of expenditures associated with business systems and vehicles. The timing of vehicle expenditures is becoming increasingly difficult to predict due to supply chain issues. The General Plant expenditure variance represents a 7.3% reduction with respect to the Gross Capex Forecast amount in Table 1.

The **System Renewal variance** of \$1,110,332 (72.1%) between the actual and forecast category amounts is attributed to the AMI 2.0 meter replacement program, which advanced the replacement of end-of-life meters, and the timing of capital project execution. Supply chain constraints outside Kingston Hydro's control delayed certain System Access and General Plant projects, resulting in higher-than-forecast investment in System Renewal projects that were available for execution during the year. System Renewal expenditure variance represents a 33.6% increase with respect to the Gross Capital Expenditure Forecast presented in Table 1.

Kingston Hydro's 2025 DSP implementation progress metric of 111.6% is calculated as Actual Net Capital Expenditures divided by Planned DSP Net Capital Expenditures. The actual net capital expenditures were 11.6% higher than forecast, primarily due to project timing differences and increased investment in System Renewal activities, some of which partially offset 2025 planned project expenditures under other OEB Categories that were delayed.

## Cost Control

### Efficiency Assessment

- Kingston Hydro manages its costs successfully to help ensure customers receive value for the cost of the service. Utilities' total costs are evaluated to produce a single efficiency ranking. Total costs for Ontario LDCs are evaluated by the Pacific Economics Group on behalf of the OEB, which divides LDCs into five groups based on the difference between their predicted and actual costs.
- Kingston Hydro is pleased to report that in 2025, Kingston Hydro has remained in efficiency assessment Group 2, which is above-average efficiency, meaning Kingston Hydro's actual costs are more than 10% below expected costs for the 3-year period 2023-2025.
- Kingston Hydro's total costs in 2025 were 4.7% higher than in 2024. This compares to an average increase of 4.1% for the industry. Kingston Hydro's capital costs remained unchanged while operating, maintenance and administrative (OM&A) increased 10.7%.
- Kingston Hydro's total costs were 18.1% below predicted costs, compared to an industry average of 15.7% below predicted costs. Costs related to infrastructure renewal and system access to facilitate new customer connections continue to be the focus of where funds are spent.
- For the three-year period 2023 through 2025, Kingston Hydro's actual costs have been less than predicted by an average of 17%,

better than the average of 15.1% for the industry.

- Kingston Hydro will continue to manage its expenditures to ensure efficiencies will be achieved and continue to work toward maintaining a Group 2 Efficiency Assessment.

### **Total Cost per Customer**

- Total cost per customer is the sum of all the capital and operating costs incurred by Kingston Hydro to provide service to its customers, divided by Kingston Hydro's total number of customers.
- Kingston Hydro's total cost per customer increased from \$688 to \$719 per customer, 77% of the LDCs average of \$935 per customer, the same percentage as in 2024.
- Total OM&A expenses per customer for Kingston Hydro was \$330 per customer, an increase of 11% over the 2024 amount of \$297 per customer. The industry average increase for OM&A per customer for 2025 was 4.5%. Kingston Hydro remains an efficient, low-cost, low-rate electricity distributor compared to other Ontario electricity distributors.

### **Total Cost per Km of Line**

- Total cost per km of line is the sum of all the capital and operating costs incurred by Kingston Hydro to provide service to its customers, divided by Kingston Hydro's total kilometres of line.
- Kingston Hydro's result for 2025 is \$29,307 per kilometre of line, compared to the 2024 cost of \$28,157 per kilometre of line.
- Kingston Hydro's 2023 Cost of Service rate application has outlined capital and operating costs estimates for the 2023 through 2027 period.

## **Connection of Renewable Generation**

### **New Micro-embedded Generation Facilities Connected on Time**

- In 2025, Kingston Hydro connected five micro-embedded generation facilities, all within the required timeframe established by the OEB.

## **Financial Ratios**

### **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

- A common way of measuring the financial health of a company is through financial ratios.
- This first ratio measures whether the utility has enough resources (assets) on hand at a particular point in time to pay the debts that could become due over the next 12 months. Kingston Hydro's Current Ratio is at 2.01:1.00 as at December 31, 2025, compared to 1.67:1.00 as at December 31, 2024. This indicates that for every \$1.00 of short-term liabilities due, Kingston Hydro has \$2.01 of assets available to fund those payments.
- This ratio will fluctuate somewhat on a year-to-year basis but is expected to remain above 1.4:1.0.

**Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**

- This measures the degree to which the utility is leveraging itself through its use of borrowed money compared to equity invested by the Shareholder including earnings retained within the Company for future investment.
- Kingston Hydro's debt: equity ratio is 0.99 to 1.00. This means that for every \$1.00 the company has invested in assets, 49.75% (2024 – 49%) has been funded with debt and 51.25% (2024 – 51%) has been funded with equity. Kingston Hydro has purposely reduced this ratio over the past several years in anticipation of utilizing more debt in the future to meet the demands of electrification. Kingston Hydro will continue to monitor this ratio to ensure it stays at or below 1.50:1.00.

**Profitability: Regulatory Return on Equity – Deemed (included in rates)**

- Return on equity is the rate of return that the utility is allowed to earn through its distribution rates, as approved by the OEB. Kingston Hydro's current approved deemed return on equity for 2023 was 9.36%, which was awarded in its 2023 Cost of service proceeding.

**Profitability: Regulatory Return on Equity – Achieved**

- This shows the utility's actual return on equity earned each year for the period 2021 through 2025. Kingston Hydro achieved a return on equity of 8.43% for 2025, less than the deemed rate by 0.93% due to inflationary costs that were higher than expected.

## Note to Readers of 2025 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.