



ASCENDANT
group

2013 CORPORATE RESPONSIBILITY REPORT

Building on Our Strengths and Values

VISION — *To be Bermuda's trusted, preferred provider of energy and infrastructure solutions*

MISSION — *We will always meet our commitments*

VALUES — *Accountability*
Innovation
Integrity
Reliability
Respect
Safety
Stewardship



ASCENDANT GROUP LIMITED

Ascendant Group is a Bermuda-based company employing 429 people in its operating companies, 373 of whom are Bermudians.

COMPANY	TOTAL # STAFF	%BERMUDIAN
Ascendant Group (<i>Management & corporate services</i>)	46	83%
BELCO (<i>Utility operations</i>)	248	94%
Bermuda Gas	46	100%
Air Care	69	57%
iFM	11	100%
iEPC	7	71%
PureENERGY	2	100%

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TO OUR STAKEHOLDERS

Ascendant Group Limited has an impact on a wide range of stakeholders: specifically, the people of Bermuda, customers, neighbours, employees, retirees, shareholders, business partners and suppliers, the charitable organisations that we support and the Government Ministries that regulate our business. We have a responsibility, therefore, to be a good service provider, a respected business associate, an employer of choice, a sound investment and a good corporate citizen.

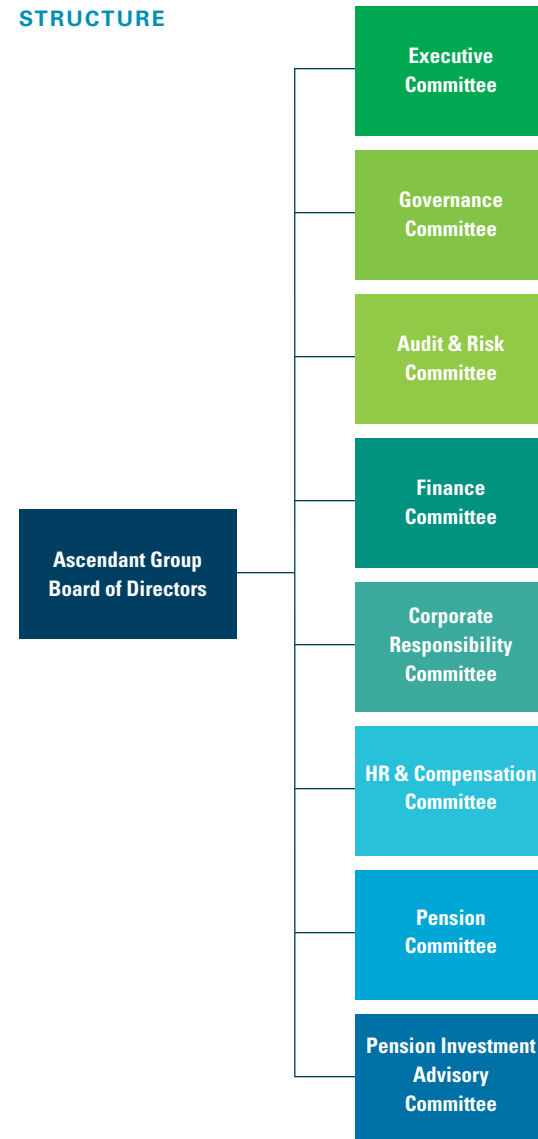
We believe there is value in sharing information about the many ways in which we fulfil our responsibilities to stakeholders and the community at large. Toward that end, we are pleased to bring you Ascendant Group’s first Corporate Responsibility Report.

Unlike Ascendant Group’s annual report to shareholders, which provides information on the Company’s financial position, the Corporate Responsibility Report attempts to convey our actions within the framework of our strengths and our values, which are: accountability, innovation, integrity, reliability, respect, safety and stewardship. Our social responsibilities do, of course, match directly with our fiduciary responsibilities. Together, the range of our responsibilities has significant implications for our stakeholders and the economy of the country.

While the name “Ascendant Group” is relatively new, the Company’s roots in the Bermuda community reach back over a century. We have always taken our responsibilities very seriously and understood the impact our actions have on our stakeholders, as well as on our brand and reputation. In recent years, our organisation has grown and changed. Ascendant Group now comprises Bermuda Electric Light Company Limited (BELCO), Bermuda Gas & Utility Company Limited and AG Holdings Limited, which is the holding company for our non-utility businesses, Air Care Limited, iFM Limited (facilities management), iEPC Limited (engineering consulting), PureENERGY Renewables Ltd. (alternative energy solutions), Ascendant Properties Limited and inVenture Limited (investment holding company).

With this Corporate Responsibility Report, we hope to provide insight into the many functions and layers that make up our organisation. Some of the ways that our operating companies have an impact on stakeholders are immediately apparent, such as our Customer Care departments and our corporate contributions. With this report, we are endeavouring to illuminate the many less apparent ways that we fulfil our commitments to stakeholders.

ASCENDANT GROUP GOVERNANCE STRUCTURE



Development of this report has been led by the Corporate Responsibility Committee of Ascendant Group's Board of Directors, which was established in 2013. The Corporate Responsibility Committee is chaired by Dr. Wilbert N.E. Warner, who is a Director of the Company and a well-respected physician with a history of commitment to the Island's social and health issues. The Committee's role is to ensure that corporate, social and community responsibility and occupational health, safety and environmental considerations are fully integrated into Ascendant Group's decision-making, reporting and accounting processes. This Committee is representative of Ascendant Group's robust governance structure, which includes Board Committees for each aspect of our business.

The Board of Directors, Executive and Officers of Ascendant Group are committed to lead by example and to be open and transparent. We have a responsibility to communicate our position on key issues by providing information about our performance with regard to those issues. Amongst the issues that are relevant to our business are community service and outreach, employment practices, standards of conduct, compliance and stewardship with respect to health, safety and environment.

Often we find ourselves balancing the conflicting demands of stakeholders. We try to do so fairly and openly to meet the needs of every stakeholder and to earn the trust of each group. Earning trust is something that we work toward every day, not only because being a responsible company is the right thing to do, but because it leads to a more productive workforce, satisfied stakeholders and, ultimately, sustainable financial outcomes.

Ascendant Group's Board of Directors, Executive, Officers and employees care about the economic impact that our Company has on Bermuda as a provider of energy and infrastructure services, a major employer of Bermudians, a significant purchaser of local goods and services and as a contributor to community activities and organisations.

Like every business on the Island, Ascendant Group recognises the challenges brought about by the effects of Bermuda's ongoing economic downturn, including rising unemployment and increasing social needs, as well as both individual and national debt. Bermuda's current economic status has deeply affected Ascendant Group's bottom line and influences our decision-making with respect to corporate contributions, staffing, refinement of our business model and infrastructure, as well as long-range planning for Bermuda's sustainable energy future. While navigating today's economic challenges, Ascendant Group must continuously take a forward-looking view, because we know that sustaining the success of our business is vital to enabling the community's progress and stability. We are working hard and are committed to fulfilling our responsibilities to all of our stakeholders, for the long-term benefit of the Bermuda community.

S. REGINALD MINORS
Chairman of the Board
Ascendant Group



CORPORATE RESPONSIBILITY

CORPORATE RESPONSIBILITY COMMITTEE

The Corporate Responsibility Committee was established in 2013, but developed in 2012 from what had been the Occupational Health, Safety & Environment (OHSE) Committee reporting to the Board of Directors. The role of the Committee is to ensure that corporate, social and community responsibility and OHSE considerations are fully integrated into corporate decision-making, reporting and accounting processes within Ascendant Group. The Committee reviews and makes recommendations concerning the Company's role, responsibilities and reputation as a good corporate citizen, including: donations, sponsorships, volunteerism, corporate participation in community organisations, scholarships, corporate values, as well as OHSE systems, policies, audits, performance, programmes, compliance and liability.

Dr. Wilbert N.E. Warner, FRCP(C), DACP, Chairman of Ascendant Group's Corporate Responsibility Committee, is a Specialist Consultant, Internal Medicine. Dr. Warner has served on our Board of Directors since 1999. He brings dedication and commitment to improving the Company's performance, especially as it relates to our social, environmental and health and safety responsibilities. Dr. Warner has provided consultative internal medicine services to Bermuda's King Edward VII Memorial Hospital (KEMH) and the community for three decades. He has served as Chairman of the Department of Medicine, twice been named Chief of Medicine and served as acting Chief of Staff at KEMH. Throughout his career, Dr. Warner has consistently championed medical service that has an impact on the community's well-being, particularly with respect to promoting endoscopy and the prevention and treatment of HIV and AIDS. Dr. Warner is a Trustee of the Bermuda Hospitals Board Charitable Trust, which encourages the community's involvement in supporting and developing a new, well-equipped, modern hospital facility for the Island. He is also on the Board of Directors of PALS, which provides care for Bermuda's cancer patients.



COMMITTEE MEMBERS

Dr. Wilbert N.E. Warner
Committee Chairman

A. David Dodwell
*President, The Reefs
and Chairman,
Bermuda Tourism Authority*

S. Reginald Minors
*President & CEO,
Tools & Equipment Unlimited Ltd.
and Chairman,
Ascendant Group*

Donna L. Pearman
*President,
People's Pharmacy Limited*

A handwritten signature in blue ink that reads "Wilbert Warner".

DR. WILBERT N.E. WARNER
*Chairman, Ascendant Group's
Corporate Responsibility
Committee*

CHALLENGES & PRIORITIES: Q&A WITH WALTER M. HIGGINS

Q How did Ascendant Group establish its Values?

A The Board of Directors, Executive and Officers of the Company engaged in a series of strategic sessions, during which we defined Ascendant Group’s Mission, Vision and Values. We are confident that the resulting statements fairly represent the best interests of the Company and our stakeholders. The leadership of the Company is accountable for working within the framework of these statements, and employees for supporting the Company’s direction. Each of our operating companies also has a Mission and Vision unique to its business, but our Values are shared.

Q How does Ascendant Group ensure that Corporate Responsibility is integrated into its decision-making, reporting and accounting processes?

A We continue to refine our organisational and internal structures and processes to support Ascendant Group’s Mission, Vision and Values to meet our commitments to stakeholder groups and the community at large. In the past year, we have established functions to oversee Risk Analysis and Management, Internal Audit & Process Improvement and Major Accounts Management across our operating companies. Our Board of Directors, Executive and Officers have responsibility for leading the way toward fulfilment of our Corporate Responsibility commitment, supported by our entire staff. As an organisation, we understand that it is vital that we treat our stakeholders as though they were paying our salaries because, in fact, they are.

Production of this report is part of our overall effort to ensure that we are integrating Corporate Responsibility into our organisation, whilst also providing our stakeholders with a clear picture of who we are, what we are doing and where we are going. We believe that transparent, open communication leads to greater understanding and collaboration to move the organisation forward in a positive direction.



WALTER M. HIGGINS
*President &
Chief Executive Officer
Ascendant Group & BELCO*



Q What are Ascendant Group's strengths?

A Although it may sound clichéd, the truth is that our employees are our greatest strength. At each of our operating companies, teams of skilled, loyal employees work to enable us to meet our stakeholders' requirements. *Employees make the difference.* We are fortunate to have employees who genuinely care about Bermuda and our Company's performance as it relates to the products and services we deliver, our overall impact on the community and our responsibility to those who invest in our business.

Another strength is the diversification of our business, a process that started with the purchase of Bermuda Gas in 1994. Since 2009, Ascendant Group has developed and changed, so that it does not rely entirely on the electricity operation of BELCO for sustainable growth. Today, we regard Ascendant Group's non-utility businesses as important contributors to Bermuda's and the Company's bottom line, and this is influencing the corporate culture in positive ways.

Q What are Ascendant Group's priorities?

A A key, overall priority for Ascendant Group is developing energy and infrastructure solutions that are reliable, safe, efficient, environmentally acceptable and economically affordable within the Bermuda context. *One of our top goals is the establishment of excellent, sustainable operations.* This is an ongoing challenge as there are no simple or singular solutions. Arriving at the best outcome requires an economically and environmentally balanced mix of traditional and alternative sources, resources and activities. There are many aspects to this, including greater awareness of energy consumption and helping customers to get the most from the products and services that we offer. For example, we have made it a priority to encourage energy efficiency because this will help customers to manage their energy use better and, therefore, their bills. It's also good for our business because we have operating companies that sell and service energy-efficient appliances and equipment, in some cases fuelled by clean energy. *We continually seek to offer new products, new services and new ways to serve our customers.* In addition to priorities relating to energy and infrastructure, we prioritise objectives specific to our stakeholders.

Where employees are concerned, our priorities include training, identifying and developing talented young people, and recognising and rewarding outstanding performance. We also have a responsibility to ensure effective performance management and succession planning for the ongoing benefit of the Company. *We have also prioritised the establishment of safe systems and practices.*

Shareholders, many of whom are our employees and retirees, and the majority of whom are Bermudian, know that one important priority is to provide them with an acceptable return on their investment in Bermuda's energy infrastructure, whilst also demonstrating that we have a vision and plan for sustainable profitability. *Our goal is a fair return for shareholders.*

With respect to the community and its charitable and helping organisations, our priorities include environmental stewardship, as well as support for education and economic development and helping those in need. This takes many forms, including donations, in-kind support and volunteerism in aid of initiatives to assist children, families, senior citizens and the community at large.

Our priority with respect to Government is to foster *constructive relationships* both for the benefit of Ascendant Group and the community. We are especially mindful of maintaining productive relationships with the Ministries to which we are accountable. We are engaged in ongoing discussion with Government about development of a comprehensive Integrated Resource Plan (IRP) for the Island's energy future. Development of the IRP involves all of our operating companies, and what results from it will have an impact on Ascendant Group and on all of our stakeholders.

Q What is Ascendant Group doing to make Bermuda's energy mix "greener"?

A With iEPC taking the lead for Ascendant Group, our operating companies are working on an IRP for the Island's future energy mix. The Plan will address sustainability, renewable resources, alternative fuels, distributed generation and affordability. These are essential elements of any IRP for Bermuda.

We support the integration of renewable energy onto the grid. In fact, since November 2010, BELCO has had a net metering programme in place for small-scale residential renewable energy installations. To date, there are about 95 participants and BELCO has bought back 247,000 kilowatt hours. At the time of writing, there is also a draft interconnection agreement for commercial installations pending before the Energy Commission. Ascendant Group is also amongst the small-scale renewable energy producers. In 2011, PureENERGY installed a 58-kilowatt solar PV system on the roof of our Serpentine Road headquarters, which augments the building's power supply.

GOALS

Safe systems and practices

Excellent, sustainable operations

More reliable services

Effective transformation to a different future

New products, new services, new ways to serve customers

Without question, renewable energy will increasingly be part of Bermuda's energy mix, as energy collection and storage technologies develop. In moving toward greater renewables adoption, we benefit from studying the experiences of others, and we are observing that technologies are improving and prices are falling. Today, energy storage technologies are limited and expensive. Many renewable energy technologies, including solar and wind systems, provide only intermittent power due to limited energy storage technology, while ocean power technologies remain in research and development with no commercial applications currently available.

Alternative fuels, likely including liquefied natural gas (LNG) will also play an important part in the Island's energy future, most probably fuelling conventional generation to meet Bermuda's base load energy requirement. At the same time, work is ongoing to include technologies that enhance energy delivery and energy efficiency. We appreciate the benefits of diversified and distributed power generation and look forward to an energy future that continues to support Bermuda's progress.

Q How is Ascendant Group addressing concerns about affordable energy?

A Ascendant Group shares our customers' and the community's interest in affordable energy, which clearly has an impact on the cost of living and doing business in Bermuda. We are working to ensure that any new initiatives for Bermuda's energy future will contribute to stabilised or reduced energy costs, as well as improved environmental performance. LNG will likely be an important part of this. *We are committed to providing better pricing to customers.*

While renewables will play a role in Bermuda's energy mix, the truth is that conventional fuel generation produces power more affordably and reliably than any currently available renewable or alternative energy resources. Incorporating renewable energy into Bermuda's energy mix can help reduce volatility and provide cleaner energy production, rather than make energy more affordable. Ascendant Group is the most experienced provider of energy solutions in Bermuda. Our people are committed to providing sustainable, reliable, safe and affordable energy and infrastructure solutions. *In everything that we do, ensuring ever more reliable services is a priority.*

We also encourage customers to take control of their energy consumption, not only to save money, but also so that fewer resources are required to meet the Island's energy needs. Energy efficiency is a very important component of Ascendant Group's energy and infrastructure planning and of Government's long-range energy targets.

Q What differentiates Ascendant Group from BELCO?

A The “Ascendant Group Limited” name was established in 2009, replacing the name “BELCO Holdings Limited”. The change was made specifically to differentiate our Bermuda Stock Exchange-listed holding company from our operating company, BELCO. The name change reflects Ascendant Group’s growth and diversification into other energy or infrastructure businesses within the Bermuda market. Ascendant Group includes providers of propane gas and appliances, space conditioning, facilities management, engineering consulting and alternative energy solutions. Our operating companies are separate and distinct. At times, they work synergistically and at other times, they are competitors.

Ascendant Group’s Vision is “to be the Island’s preferred provider of energy and infrastructure solutions”. Building our non-utility businesses enables us to create financial stability that is good for the Company, our stakeholders and for the Island as a whole. *We are making an effective transformation to a different future.*

That said, we are proud to have BELCO in our portfolio. BELCO has always taken its responsibility to the Bermuda community very seriously, both as the sole supplier of electricity and as a corporate citizen. BELCO’s commitment to the community includes service excellence, reliable and sustainable product and service delivery, as well as fair, affordable pricing. While BELCO may at times be questioned for high prices, BELCO’s rates are comparable to those of other island utilities, and its system reliability is dramatically better than most at 99.96%. In fact, BELCO is the winner of the 2012 Best Performing Utility Award, presented by CARILEC, the Caribbean association of electric utilities, based on performance with respect to efficiency, reliability, cost effectiveness and productivity.

Although BELCO has historically been the dominant company in our group, we have every intent that our other operating companies and Ascendant Group will earn our stakeholders’ respect and gain recognition in the community as responsible corporate citizens.

GOALS

Better pricing for customers

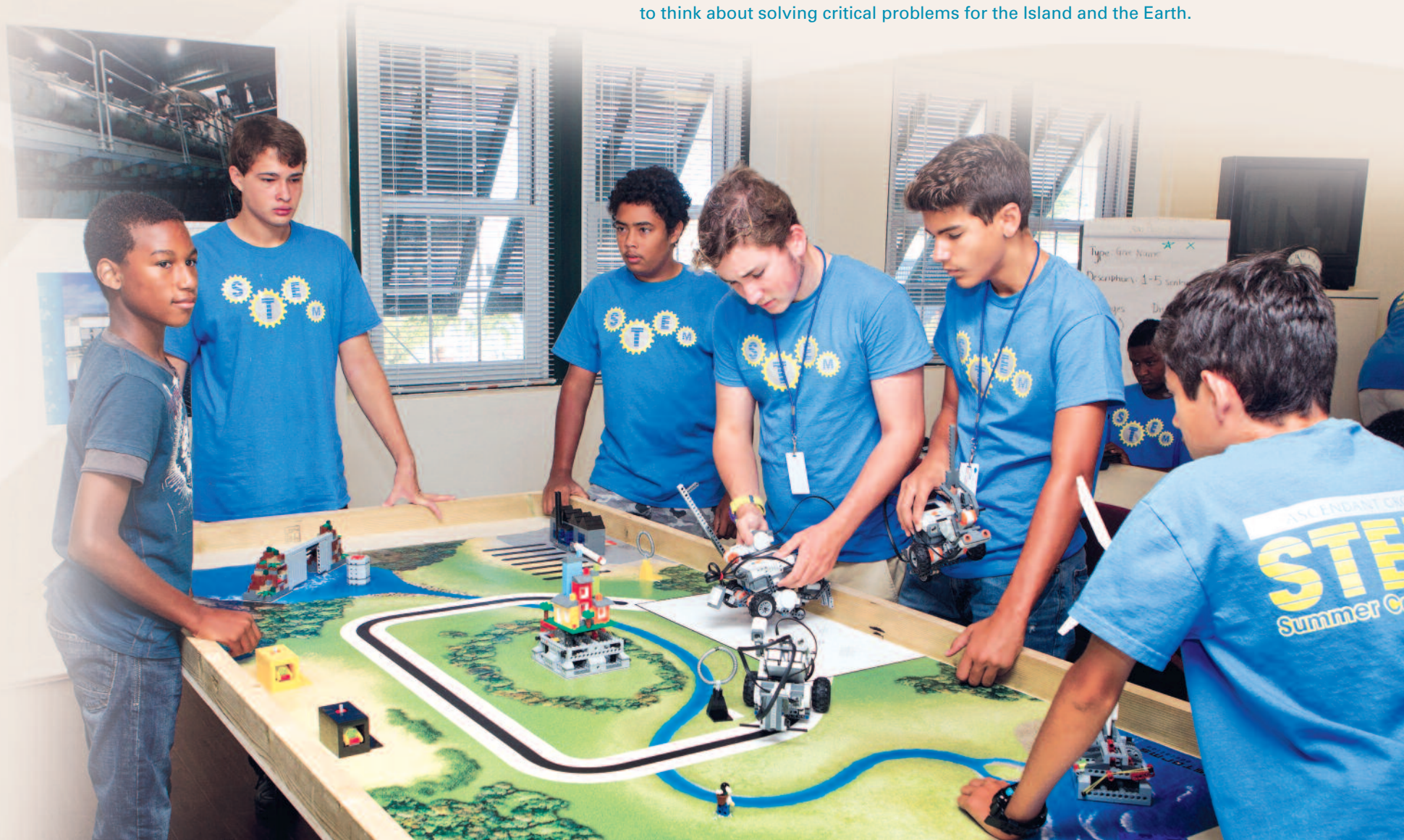
Fair return for shareholders

Employees make the difference

Constructive relationships

OUR SOCIAL & COMMUNITY RESPONSIBILITIES

We are proud of a new initiative launched in July 2013: Ascendant Group's STEM Summer Camp for middle school students, ages 12-15, who have a proven interest in and aptitude for science, technology, engineering and mathematics (STEM). The STEM curriculum includes robotics, web development and renewable energy. We recognise the need to give students STEM confidence and competence, while encouraging them to think about solving critical problems for the Island and the Earth.



INTEGRITY • RELIABILITY • RESPECT

For over a century, our business has provided jobs, served customers and developed as a valued investment for shareholders. Our companies also purchase goods and services from local vendors and support small business enterprises. We develop productive partnerships and pay Customs Duty and taxes. As a good corporate citizen, we also support local charitable organisations that help to make Bermuda a good place to live and work. We remain committed to providing products and services to Bermuda to grow and attract business and visitors which, in turn, improves the quality of life for the Island's residents.

In all of our activities, we are guided by our values, which determine and help to define our corporate policies. Driven by a desire to expand safe work practices further, about 20 years ago BELCO was the first company in Bermuda to adopt a Drug & Alcohol Policy, including random screening and substance abuse recovery support. Air Care also has an excellent Drug & Alcohol Policy that received the 2012 Caron Bermuda Award for instituting support and assistance to employees struggling with addiction. Caron Bermuda is a non-profit provider of off-Island residential addiction treatment, as well as on-Island continuing care. Over the past few years, as Ascendant Group has established and acquired new operating companies, corporate policies are reviewed with a view to extending policies across Ascendant Group, where appropriate, for consistency of operation and to adopt the best practices. The objective is to provide a safe, productive and rewarding workplace, and to ensure that all of our interactions with the people of Bermuda are safe.

Expecting, supporting and rewarding employee excellence throughout Ascendant Group is a commitment made to our employees. In addition to the annual Ascendant Impact Award recognising innovation and excellence, each operating company has its own recognition programmes acknowledging great customer service, teamwork and outstanding performance. Any employee may submit a nominee for the Ascendant Impact Award. Nominations are reviewed by a committee appointed by the Executive, who select the candidates they feel best demonstrate integrity, innovation, initiative, judgment, dependability, cooperation, work performance and productivity. The award is presented during an employee-recognition event that includes our annual Long Service Awards for staff who are celebrating milestone anniversaries of 10 years or longer.

To develop and maintain a motivated, productive workforce and to attract new employees, we emphasise training and professional development. The Ascendant Group Management Trainee Programme and Safety and Environment Training are company-wide. In addition, our operating companies have programmes specific to their lines of business.

At BELCO, for example, training and development opportunities include a long-established Apprenticeship Programme that is conducted in conjunction with the National Training Board and currently has 17 apprentices enrolled. Ascendant Group is accredited to offer a Professional Development Scheme to graduate engineers in electrical and mechanical engineering in Bermuda and the Caribbean. In addition, the Assessment for Advancement programme has four candidates participating in the Business Technology Education Council (BTEC) National Diploma Programme with the goal of moving from trade certification to earning a college degree; five candidates are pursuing Power Engineering Certification through a Canadian-based programme. Of course, iFM, Air Care, PureENERGY and Bermuda Gas also engage employees in industry-specific training and development, such as iFM's Building Environmental Systems training through Seneca College in Toronto, Canada.



OUR SOCIAL & COMMUNITY RESPONSIBILITIES

Encouraging Bermuda's Youth

We also recognise the value of encouraging and supporting Bermuda's talented young people, who will be the stewards of the Island's future energy and infrastructure developments. Ascendant Group offers young Bermudians summer student opportunities, as well as mentoring, scholarships, apprenticeships, education and training. Perhaps the most well-known of our student support initiatives are BELCO's Llewellyn Vorley, C. Eugene Cox, A.T. Oughton and Internal Scholarships. For the 2013-2014 academic year, BELCO awarded over \$200,000 in scholarship monies to undergraduate and graduate students in engineering, environmental science and business studies.



For young Bermudian students, Ascendant Group operating companies offer workplace exposure and experience to high school students, including Ascendant Group's participation in "Building My Future", which stems from Air Care's relationship with The Family Centre, supporting positive development and work readiness. Our operating

companies also participate in Warwick Academy's annual, two-day "Year-10 Work Experience Programme", the Ministry of Education's Early College Career Pathways programme for S3 students, and we conduct our own High School Work Placement programme for students in their senior year. To date, our High School Work Placement programme, which started in 2010, has given us three BELCO apprentices, four summer students and four recipients of Llewellyn Vorley Education Awards.

We are also proud of a new initiative launched in July 2013: Ascendant Group's STEM Summer Camp for middle school students, ages 12-15, who have a proven interest in and aptitude for science, technology, engineering and mathematics (STEM). The STEM curriculum includes robotics, web development and renewable energy. It is conducted by a Bermudian teacher with support from Ascendant Group staff and college summer students. In summer 2013, 41 students were selected from amongst the STEM Camp applicants, representing public and private schools with 39 boys and two girls attending. We plan to continue offering camps and may institute related maths and science programmes. We recognise the need to give students STEM confidence and competence, while encouraging them to think about solving critical problems for the Island and the Earth.

Supporting Bermuda's students is just one way that Ascendant Group fulfils our responsibility to the local community. We also contribute to Bermuda's economy as an employer, purchaser of goods and

services, taxpayer and as an investment for our shareholders, many of whom are our employees and retirees. Equally important, many of the services that our companies provide are integral to the Island's progress. BELCO, for example, provides electricity that enables businesses to thrive, schools to operate and residents to enjoy a good standard of living. BELCO's operation also includes a number of programmes that benefit the community at large. Its vegetation management programme involves trimming trees in an environmentally sustainable manner to slow re-growth, whilst also protecting native and endemic species and culling invasive plant species. BELCO's emergency response to hurricanes, oil spills and other events also represents working in the best interests of the community.

In 2013, BELCO was awarded a new Government contract for streetlight maintenance, and has proposed a forward-thinking, environmentally sensitive streetlights plan. The proposal calls for BELCO to conduct a pilot project and, if successful, to fund the replacement of streetlights with light emitting diode (LED) lamps. LED lighting uses less electricity and lasts longer than existing lights, which has the potential to save Government money, while contributing to the Island's energy-savings goals.

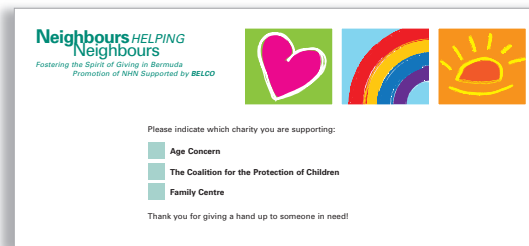
Programmes like streetlighting maintenance benefit the public and help Ascendant Group to foster a productive relationship with Government, as we strive to contribute to an improved quality of life for the Island's residents.

Community Support

Together, Ascendant Group and our operating companies support more than 100 helping organisations in Bermuda. We place particular emphasis on support to programmes and initiatives that foster education, health and environmental awareness and economic development, as well as providing support to organisations that help those in need, including senior citizens, families and children. Support is provided in a variety of ways, including corporate donations, employee “denim days” to raise funds, enabling employees to volunteer during the workday, and by making in-kind contributions.

Ascendant Group’s support for economic development includes being part of the solution to restoring Bermuda’s vital tourism industry. We are proud to be a sponsor of the annual Visitor Industry Partnership Awards that recognise excellence in the hospitality industry. The VIP Awards go to those men and women who represent the best of Bermudian hospitality, including people in transportation, hotels, restaurants, entertainment and activities. Our operating companies contribute in ways that make sense for them. Bermuda Gas, for example, hosts chef cook-offs in the Bermuda Gas test kitchens in support of the City of Hamilton’s Food Festival, and hosts The Bermudian magazine’s annual Building Design Awards, acknowledging the accomplishments of the Island’s architects and designers.

We are also proud that our operating companies often support charitable organisations synergistically, including Age Concern, The Family Centre and the Coalition for the Protection of Children. BELCO supports all three with donations, and has developed a new mechanism for broad community support of the organisations’ hardship funds. The new programme, called “Neighbours Helping Neighbours”, came about to help the charities provide emergency funds for their clients who are struggling to afford basic necessities in Bermuda’s challenging economic climate.



Bermuda Gas has entered into a three-year partnership with Age Concern to develop a discount programme for their members, while Air Care has donated an air-conditioning system, which is backed by ongoing technical support, to The Family Centre.

Another organisation that receives Ascendant Group support is Agape House, Bermuda’s only hospice. BELCO is lead sponsor of the Friends of Hospice annual Rubber Duck Derby fundraiser, while Bermuda Gas and Air Care provide raffle prizes for the event. Friends of Hospice funds enrichment programmes at Agape House.

Greenrock, which works to promote social, economic and environmental sustainability in Bermuda, also receives multi-pronged support. Bermuda Gas sponsored their 2013 student voyage onboard the Sea Dragon to learn about the importance of the Sargasso Sea. Bermuda Gas also supports Greenrock by working with their Green Building Forum, advising on the incorporation of efficient, economical propane gas into construction projects. BELCO has collaborated with Greenrock since 2009 on the annual March “Earth Hour” celebration, which is part of a global sustainability initiative led by the World Wide Fund for Nature.

Corporate Support to Help the Community

Ascendant Group makes corporate donations and supports initiatives that improve the quality of life on the Island with the following receiving support in 2012 - 2013:



COMMITMENT TO HEALTH, SAFETY & ENVIRONMENTAL STEWARDSHIP

Our Ascendant Nonsuch Island Project bridges our responsibilities to the community and our commitment to health, safety and environmental stewardship. The project, a public-private partnership between our Company and the Ministry of Environment & Planning, was launched in 2010. We made a commitment to contribute \$50,000 annually for 10 years, and to provide ongoing volunteer support to improve “Bermuda’s living museum”.

Ascendant Group volunteers work on Nonsuch Island each spring and autumn. In spring 2013, some 50 volunteers spent two weeks working alongside Conservation Services and contractors to clear land, construct the base for and install a new, resilient solar PV system to provide power for the buildings on Nonsuch Island. System design and installation was led by iEPC and PureENERGY.

Before installation of the new system, Nonsuch Island Conservation Officers relied on generators, as Hurricane Fabian destroyed the original solar PV system in 2003. The new system also powers innovative, tiny cameras that enable scientists and the public to see inside the burrows of nesting cahows, Bermuda’s national bird. The “cahow cams” were developed by LookBermuda with installation supported by Ascendant Group.

OHSE is institutionalised at Ascendant Group, involving far more than special projects. OHSE is integral to the responsible operation of our businesses. We are committed to continual improvement of our environmental and safety management systems, policies, processes and procedures. We have an obligation to comply with local and international regulation and requirements

for business licencing and permits, and a responsibility to do what’s right for our employees and the community.

Environmental Stewardship

The activities of our operating companies have an impact on the environment, and we have a responsibility to manage our environmental performance to reduce risk, ensure continual improvement and comply with legislation. Ascendant Group commits to be an environmentally responsible organisation by integrating environmental considerations into planning and decision-making, conducting regular inspections and reviews of operations to identify further improvements, and training employees and contractors on how to conduct activities in an environmentally responsible manner.

SAFETY • STEWARDSHIP

Our environmental stewardship also extends to how we serve our customers. For example, iFM, as a facilities management company, monitors its clients' energy usage and manages buildings to optimise energy efficiency. Air Care offers energy-efficient products, including the most environmentally friendly gas and refrigerants. Air Care and Bermuda Gas also reclaim materials and emphasise preventive maintenance and installation of newer, more efficient equipment. Bermuda Gas offers commercial and residential customers energy-efficient appliances and cleaner, affordable liquefied propane gas. In addition, energy audits are arranged through our Major Accounts office, often involving multiple Ascendant Group operating companies.

An energy audit of Ascendant Group's own Serpentine Road headquarters was conducted by

iEPC to establish the facility's Building Energy Quotient, as well as an energy-efficiency baseline for future building improvements. iEPC engineers evaluate, analyse and design energy solutions, whilst keeping current on new technologies and practices.

One environmental effort that reaches across Ascendant Group's operating companies is management and recycling of office supplies, including paper reduction and the recycling of tin, aluminium and glass. We operate a Central Waste Management Facility to consolidate hazardous and non-hazardous waste in preparation for transportation to the appropriate facilities for proper disposal. The Company facility accepts light bulbs, ballasts, batteries, electronics, paints, bases, acids, sludge, recyclables, wood, regular trash, scrap metal, oily rags and tyres.



Our Ascendant Nonsuch Island Project bridges our responsibilities to the community and our commitment to health, safety and environmental stewardship. The project, a public-private partnership between our Company and the Ministry of Environment & Planning, was launched in 2010. We made a commitment to contribute \$50,000 annually for 10 years, and to provide ongoing volunteer support to improve "Bermuda's living museum".

COMMITMENT TO HEALTH, SAFETY & ENVIRONMENTAL STEWARDSHIP

We have standard operating procedures for the management of hazardous and non-hazardous waste to ensure disposal that minimises negative environmental impact, while ensuring compliance with applicable legislation. We also establish procedures for our interactions with customers and vendors. For example, in the conduct of its facilities management business, iFM outlines requirements in contracts and follows client requirements with respect to chemical usage, including safe handling training for employees. At BELCO, materials management applies broadly, including site remediation at the Pembroke Central Plant to remedy oil contamination that resulted from historic practices on site that have long since been discontinued, as well as operation of an Oily Water Treatment Plant (OWTP). The OWTP treats oily waste water generated on site, as well as oily water extracted from the contaminated groundwater underlying the site. Treated water is discharged through boreholes, whilst the used oil is shipped off-Island for recycling.

Fuel management and the use of cleaner fuels are important to Ascendant Group and of particular relevance to BELCO, which continues to store and consume Heavy Fuel Oil and Light Fuel Oil at its Central Plant. In 2011, ESSO Bermuda began supplying BELCO with ultra-low sulphur diesel fuel, which exceeds the minimum requirements of the Environmental Authority's approved fuel specification. Each fuel shipment is analysed by an independent inspection agency as part of the fuel supply


contracts and again at bulk holding tanks at the ESSO Bermuda facility. This ensures compliance with BELCO's Operating Licence conditions with the Department of Environmental Protection and the Environmental Authority.

In the future, alternative fuels, likely including LNG, may be used by BELCO to operate the Central Plant. The Company is also reviewing the costs and benefits of developing a fleet of vehicles across our operating companies that would utilise cleaner fuels and more energy-efficient technologies.

BELCO's operations represent substantially more environmental impact than do the operations of our other businesses, and are subject to the most regulation. A number of acts, regulations and codes apply specifically to BELCO's activities.

BELCO's Central Plant operating licence is issued and regulated by the Department of Environmental Protection and Environmental Authority (pursuant to the Clean Air Act 1991). Licence conditions include a requirement to undertake and report on air quality, stack emissions, opacity monitoring, releases and discharges, spill prevention activities, environmental emergency preparedness and environmental training. BELCO also complies with the Water Resources Act 1975, Pembroke Marsh Canal Act 1969, and Public Health Act 1949, as well as other international best practices and standards in the absence of applicable guidelines in Bermuda, such as industrial noise standards.





Ascendant Group volunteers work on Nonsuch Island each spring and autumn. In spring 2013, some 50 volunteers spent two weeks working alongside Conservation Services and contractors to clear land, construct the base for and install a new, resilient solar PV system to provide power for the buildings on Nonsuch Island. System design and installation was led by iEPC and PureENERGY. Before installation of the new system, Nonsuch Island Conservation Officers relied on generators, as Hurricane Fabian destroyed the original solar PV system in 2003.

COMMITMENT TO HEALTH, SAFETY & ENVIRONMENTAL STEWARDSHIP

Because environmental stewardship is so integral to BELCO's operations, the decision was made to adopt the internationally recognised standard for Environmental Management Systems (EMS), called ISO 14001. In 2010, BELCO became the first company in Bermuda to achieve ISO 14001 accreditation.



Companies that are ISO 14001-certified commit to continual improvement with respect to the EMS and must be audited annually and undergo a compliance audit bi-annually. The standard sets out the management criteria for overall environmental management to reduce the organisation's environmental risk in a cycle of continual improvement. BELCO's EMS has enhanced the ability to anticipate, identify and manage interactions with the environment, meet environmental objectives and ensure ongoing compliance with applicable legal requirements. We are pleased that Bermuda's Environmental Authority has documented that BELCO's ISO 14001 EMS has made significant improvement to reduce the impact of its emissions to air, as well as noise and vibration. BELCO sets the standard for an Ascendant Group-wide approach to EMS.

Health & Safety

Ascendant Group's commitment to health and safety reflects our responsibility to our employees, customers and the community. Compliance with the Bermuda Government's Occupational Health and Safety legislation guides us, as do our own policies, processes and procedures.

Ingraining health and safety into our corporate culture is essential to continuous improvement. We were pleased, therefore, to offer employees Ascendant Group's first Wellness Fair in May 2013, inviting local health and wellness organisations and service providers to spend the morning at our Training Centre, meeting with interested employees.

Encouraging employees to take control of their well-being and maintain balanced lives is a priority. Our employees are urged to use the services of the Employee Assistance Programme and other health-care support. Air Care has been notably proactive in its drive to develop health-consciousness in the workplace, propelled by rising healthcare costs and Bermuda's high rates of diabetes and obesity. It has instituted an effective wellness initiative that has produced behaviour changes amongst employees, including a dramatic rise in employees having annual physicals.

With regard to workplace safety, Ascendant Group participated in the International Labour Organisation's "World Day for Health and Safety at Work" with special activities for employees, which extended for an entire week and included environmental awareness. The week's activities demonstrated Ascendant Group's commitment to the EMS and Safety Management System (SMS) in order to prevent negative impacts on people, property and the planet.

Safety training for staff is key across our operating companies. Bermuda Gas, for example, is working to ensure that its entire team has been through the Certified Employee Training Programme (CETP) by the end of 2013. CETP is offered in conjunction with the Propane Education & Research Council and the National Propane Gas Association. CETP is the premier training platform for those working in the propane industry. Since 1987, it has been providing assurance to customers that workers have the necessary knowledge and skills to perform their duties safely and effectively.

We are committed to public safety and safety training for contractors and vendors. Our Training department offers safety training courses to external companies and Government departments; course offerings include Confined Space and Fall-Arrest Training.

BELCO has taken the lead on development of an SMS that conforms to the British Standard OHSAS 18001, which is externally audited and accredited.

Steps taken toward accreditation include completed documentation of an Occupational Health and Safety Manual and Management Level Procedures Manual, as well as addressing the 16 elements of the OHSAS 18001 standard. BELCO's Occupational Health & Safety department has also completed an audit of the Job Safety Analysis process that is utilised by field employees to identify hazards and implement controls before engaging in work. In addition, the department is conducting a Hazard Identification and Risk Assessment to review existing and potential hazards, calculate risk levels and implement appropriate controls. This is being done to manage health and safety risks to employees, contractors and others working on BELCO's behalf, visitors and the wider community. The team will also review and update related documents, policies and procedures, as it prepares to seek OHSAS 18001 accreditation.

Continual improvement with regard to OHSE is essential, as is continued improvement with regard to fulfilling social and community commitments. Ascendant Group's Board of Directors, Executive, Officers and employees are responsible for ensuring that the Company operates as a good corporate citizen, adhering to ethical standards for the benefit of all of our stakeholders. We are responsible for monitoring and responding to issues that are relevant to our business, acting as positive agents of change, as well as to the delivery of products and services that safely and effectively enhance the quality of life for people in the Bermuda community.

HIGHLIGHTS

BELCO is ISO 14001-certified and working toward OHSAS 18001 accreditation

BELCO wins CARILEC's 2012 Best Utility Award for its performance compared to other Caribbean electric utilities

Air Care wins 2012 Caron Bermuda Award for its Drug & Alcohol Policy

Bermuda Gas enrolls entire staff in CETP training

iEPC and PureENERGY install solar PV system on Nonsuch Island

Inaugural 2013 Wellness Fair for Ascendant Group employees

ASCENDANT GROUP LIMITED

Publicly traded investment holding company
for energy and infrastructure services

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ASCENDANT PROPERTIES LIMITED

Property management company

INVENTURE LIMITED

Interim investment/acquisition holding company

inVenture



* Jointly owned with Black & McDonald Limited

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