



**The Corporation of the City of St. Catharines
CITY COUNCIL and
CITY COUNCIL as Shareholder of
ST. CATHARINES HYDRO INC.
Special Meeting of the Shareholder
AGENDA
Tuesday, December 8, 2020
Electronic Participation, 6:00 PM**

As part of the City's commitment to safety during the COVID-19 pandemic, this meeting of Council will be held electronically. This Meeting may be viewed online at www.stcatharines.ca/youtube.

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1. Call the Meeting to Order

1.1 Waiver of Notice of Special Shareholder Meeting

Be it resolved that the Notice of the Special Shareholder Meeting be waived.

2. Adoption of Agenda

2.1 Be it resolved that the agenda for the December 8, 2020, special meeting of the shareholder, be approved.

3. Declarations of Interest

4. Adoption of Minutes

There are none.

5. Chair's Report

6. Discussion Items for City Council as Shareholder

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6.1 St. Catharines Hydro Inc. By-law No. 1

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6.2 St. Catharines Hydro Inc. Shareholder Declaration

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6.3 Director Remuneration

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7. Discussion Items for City Council

48 - 54 7.1 Hydro Support Services Agreement

8. In-Camera Session

Council, as the Shareholder for St. Catharines Hydro Inc. will meet In-Camera for the following purpose(s):

9. Motion Arising from In-Camera Session

10. Adjournment



Report to: St. Catharines City Council as St. Catharines Hydro Inc. Shareholder

Meeting Date: 12/8/2020

Report Subject: St. Catharines Hydro Inc. By-law No. 1

Recommendation

That the Council of the City of St. Catharines (the "Shareholder"), acting as the sole shareholder for St. Catharines Hydro Inc. ("HoldCo"), confirm the HoldCo By-law proposed in this report.

Report

A corporate by-law establishes rules to govern the inner workings of a business, including the relationships between the corporation, its shareholder(s), directors, officers, and others. The proposed HoldCo By-law (provided in Appendix 1) will outline borrowing powers, the composition and function of the board of the directors, the appointment of officers, rules regarding liabilities and indemnity, how shares may be issued and transferred, the payment of dividends, and notice requirements. Below is an overview of what is contained in the proposed by-law.

Business of the Corporation

This section deals with various miscellaneous business matters including rules concerning the corporate seal, the Corporation's financial year, the execution of documents, banking arrangements, voting rights in other corporate bodies, and financial statements.

Borrowing and Securities

This section outlines the circumstances in which the board of directors may borrow money without the prior authorization of the Shareholder.

Directors

This section concerns rules regarding the selection and term of directors. Moreover, it provides an outline for meetings of the board of directors, including where they must take place (including by electronic means), when the first meeting of a new board must take place, notice requirements, and voting rules.

Committees

The board of directors may appoint committees to exercise any number of business functions except for those things which are barred by statute. Notably, the board of directors has the power to appoint an audit committee, whose main responsibility is to oversee the Corporation's financial reporting responsibilities.

Officers

The board may appoint any number of officers and may specify their duties in accordance with the provisions of the By-law and the *Business Corporations Act* (Ontario). A broad overview of the duties of the General Manager, Secretary, and Chief Financial Officer are outlined in this section. Further duties can be assigned by the board if required.

**Protection of Directors, Officers and Others**

This section contains indemnification and hold harmless clauses for the purpose of protecting, directors, officers and others for damages that may be caused by way of carrying on business operations in so far that the individual was acting in good faith with a view the best interests of HoldCo and, in specific circumstances, had reasonable grounds for believing their conduct was lawful.

Shares

This section deals with the registration of shares transfer and the issuance of share certificates.

Dividends

Subject to certain conditions, the board of directors may declare dividends payable to the Shareholder. Dividends may be paid in a variety of manners such as by money, property, or issuing additional fully paid shares of the Corporation.

Conclusion

It is recommended that the Shareholder confirm the HoldCo By-law as it will establish a clear set of corporate rules across a variety of issues.

Report Submitted By:

Sasha Spiteri, Assistant City Solicitor

ST. CATHARINES HYDRO INC.

BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs of St. Catharines Hydro Inc.

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XI	- Meetings of Shareholders
XII	- Notices

BE IT ENACTED as a by-law of St. Catharines Hydro Inc. (hereinafter referred to as the "Corporation") as follows:

PART I

DEFINITIONS

1.01 Definitions. In the by-laws of the Corporation, unless the context otherwise requires:

"**Act**" means the *Business Corporations Act* (Ontario) and any statute that may be substituted therefor, as from time to time amended;

"**appoint**" includes "elect" and vice versa;

"**articles**" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, letters patent or other instrument of incorporation of the Corporation, as from time to time amended;

"**board**" means the board of directors of the Corporation;

"**by-laws**" means this by-law and all other by-laws of the Corporation from time to time in force and effect;

"**director**" means a member of the board.

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"meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders;

"non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the Interpretation Act (Ontario);

"recorded address" means:

- (a) in the case of a shareholder, the address as recorded in the securities register of the Corporation;
- (b) in the case of joint shareholders, the address appearing in the securities register of the Corporation in respect of such joint holding or the first address so appearing if there are more than one; and
- (c) in the case of a director, officer, auditor or member of a committee of the board, the latest address as recorded in the records of the Corporation;

"Shareholder Declaration" means the shareholder declaration dated as of _____, 2020, and executed by The Corporation of the City of St. Catharines, as from time to time amended;

"signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 3.03 or by a resolution passed pursuant thereto;

"special meeting of shareholders" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

Section 1.02 Other Definitions. Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein. For the purposes of this by-law:

- (a) the words "include", "includes" and "including" shall be deemed to be followed by the words "without limitation";
- (b) The word "and" is an inclusive conjunction, the use of which indicates that all items or phrases in that section, subsection, article, or list in which it appears are permitted or required as the case may be. The word "or" is an alternate conjunction, the use of which indicates that alternate or optional items or phrases in the subsection, part or list in which it appears are permitted or required, as the case may be; however, notwithstanding the foregoing, where the context permits, the word "or" may also be an inclusive conjunction having the same meaning as the word "and";
- (c) the words "herein", "hereof", "hereby", "hereto" and "hereunder" refer to this by-law as a whole;

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- (d) words importing the singular number include the plural and vice versa, where appropriate;
- (e) whenever the masculine is used herein, the same shall include the feminine, and whenever the feminine is used herein, the same shall include the masculine, where appropriate; and
- (f) words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

PART II

INTERPRETATION

2.01 Interpretation. If any conflict shall appear between the by-laws of the Corporation and the provisions of the Shareholder Declaration, the provisions of the Shareholder Declaration shall govern.

2.02 Severability. If any or part of a provision of this by-law is declared by any court or tribunal of competent jurisdiction to be illegal or inoperative, in whole or in part, or inoperative on particular circumstances, the balance of this by-law, or its application in other circumstances, shall not be affected and shall continue to be in full force and effect.

PART III

BUSINESS OF THE CORPORATION

3.01 Corporate Seal. The Corporation may have one or more different corporate seals which may be adopted or changed from time to time by the board, on which the name of the Corporation appears in the language or one or more of the languages set out in the articles.

3.02 Financial Year. The financial year of the Corporation shall end on such day in each year as the board may from time to time by resolution determine.

3.03 Execution of Instruments. Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any two individuals, one being the General Manager and one being the Chair. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer, or individual which he or she may designate to perform this particular duty, may affix the corporate seal (if any) to any instrument. Any signing officer, or individual which he or she may designate to perform this particular duty, may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy thereof.

3.04 Execution in Counterpart. Any articles, notice, resolution, requisition, statement or other document required or permitted to be executed by more than one person may be executed in several documents of like form each of which is executed by one or more of such persons, and such documents, when duly executed by all persons required or

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permitted, as the case may be, to do so, shall be deemed to constitute one document and to bear date as of the date of execution thereof by the last such person.

3.05 Banking Arrangements. The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

3.06 Voting Rights in Other Bodies Corporate. The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such proxies, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers signing or arranging for them. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

3.07 Financial Statements. Financial statements of the Corporation shall be prepared and kept as required under Act. True copies of the latest financial statements of any Subsidiary shall be kept by the Corporation at its registered office and shall be open to examination by the shareholders of the Corporation.

PART IV

BORROWING AND SECURITIES

4.01 Borrowing Power. Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles and the Shareholder Declaration, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) to the extent permitted by the Act, give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

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Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

4.02 Delegation. The board may from time to time delegate to a committee of the board, a director or an officer of the Corporation or any other person as may be designated by the board all or any of the powers conferred on the board by section 4.01 or by the Act to such extent and in such manner as the board may determine at the time of each such delegation.

PART V

DIRECTORS

5.01 Number of Directors and Quorum. The board shall consist of three (3) directors. Subject to section 5.07, a majority of the directors so determined shall constitute a quorum at any meeting of the board.

5.02 Qualification. Unless otherwise provided by the Act, the directors shall be members of Council of the City of St. Catharines. A majority of the directors shall be resident Canadians; if the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. No person shall be qualified for appointment as a director if he is less than 18 years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not an individual; or if he has the status of a bankrupt. A director need not be a shareholder.

5.03 Election and Term. The directors are appointed to the Board for the length of term of the Council that appoints them, or until replaced, or a successor is appointed. The Directors serve at the pleasure of Council.

5.04 Removal of Directors. Subject to the provisions of the Act, the shareholders may by resolution passed at an annual or special meeting remove any director from office and the vacancy created by such removal may be filled at the same meeting.

5.05 Vacation of Office. A director ceases to hold office when he dies, is removed from office by the shareholders acting pursuant to the Act, or ceases to be qualified for election as a director, or earlier if he shall have submitted his written resignation to the Corporation; in which last-mentioned event he shall cease to hold office at the later of (i) the time when such written resignation is sent or delivered to the Corporation and (ii) the time, if any, specified in such written resignation as the effective time of such resignation.

5.06 Action by the Board. Subject to the Shareholder Declaration, the board shall manage or supervise the management of the business and affairs of the Corporation. Subject to sections 5.07 and 5.08, the powers of the board may be exercised by a meeting at which the quorum is present or by resolution in writing signed by all the directors who would be entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office. Where the Corporation has only one director, that director may constitute a meeting.

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5.07 Canadian Majority. Unless otherwise provided by the Act, the board shall not transact business at a meeting unless a majority of the directors present are resident Canadians, except where

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) a majority of resident Canadians would have been present had that director been present at the meeting.

5.08 Meeting by Communications Facilities. If all the directors present at or participating in the meeting consent, a meeting of the board or of a committee of the board may be held by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means shall be deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board. If a majority of the directors participating in a meeting held under this section are then in Canada, the meeting shall be deemed to have been held in Canada.

5.09 Place of Meetings. Meetings of the board shall be held at a location in Ontario.

5.10 Calling of Meetings. Meetings of the board shall be held from time to time at such time and at such place as the board, the chair of the board, the general manager or any two directors may determine.

5.11 Notice of Meeting. Notice of the time and place of each meeting of the board shall be given in the manner provided in section 12.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

5.12 First Meeting of New Board. Provided that a quorum of directors is present, each newly elected board may without notice hold its first meeting within thirty (30) days following the meeting of shareholders at which such board is elected.

5.13 Adjourned Meeting. Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

5.14 Regular Meetings. Prior to the last meeting of the year, the board shall agree to an annual schedule appointing a day or days in any month or months for regular meetings of the board at a place and hour to be named for the proceeding year. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified. Notwithstanding the foregoing, the schedule of

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meetings can be amended from time-to-time by the board, as required.

5.15 Meetings Without Notice. A meeting of the board may be held at any time and place permitted by the Act or the articles or the by-laws without notice or on shorter notice than that provided for herein, and proceedings thereat shall not be invalidated if all the directors are present in person (other than expressly to object that the meeting is not lawfully called) or if not so present have received notice, or before or after the meeting or the time prescribed for the notice thereof, in writing waive notice of or accept short notice of such meeting.

5.16 Chair. The Board shall elect a Chair of the Board and Vice-Chair, both of whom shall be chosen from among the Directors. All Directors (including the Chair and Vice-Chair) shall have the right to vote. No Director, including the Chair or Vice-Chair, shall have a casting vote at any meeting of the Board. The Chair and Vice-Chair shall serve at the pleasure of Council.

5.17 Votes To Govern. At all meetings of the board every question shall be decided by a majority of the votes cast on the question. All directors including the chair of the meeting shall have the right to vote. In case of an equality of votes the resolution is lost.

5.18 Declaration of Interest. A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided by the Act.

5.19 Expenses. The directors shall be entitled to be reimbursed only for expenses properly incurred by them in attending to the business of the board or any committee thereof.

PART VI

COMMITTEES

6.01 Committee of Board. The board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which, under the Act, a committee of directors has no authority to exercise. A majority of the members of such committee shall be resident Canadians unless the Act permits otherwise.

6.02 Transaction of Business. Subject to section 5.07, the powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would be entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Ontario.

6.03 Advisory Bodies. The board may from time to time appoint advisory bodies.

6.04 Procedure. Unless otherwise determined by the board, each committee and advisory board shall have power to fix its quorum at not less than a majority of its members,

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to elect its chair and to regulate its procedure.

6.05 Audit Committee. The Audit Committee's role is to assist the Board in fulfilling its oversight responsibilities related to the quality and integrity of financial reporting. Consistent with this function, the Audit Committee assures fair presentation of the financial position and results of operations, in accordance with International Financial Reporting Standards ("IFRS"), and ensures that appropriate systems and controls are maintained for the proper reporting of transactions and protection of assets. Where an Audit Committee has not been appointed by the board, the board shall be deemed to be the Audit Committee.

The duties of the Audit Committee shall include the oversight of financial reporting and disclosure, review of draft financial statements, reviewing and creating financial policies, monitoring financial risks, communicating with internal and external auditors, and monitor the quality and effectiveness of the performance of any external auditor.

PART VII

OFFICERS

7.01 Appointment. Subject to the Shareholder Declaration, the board may from time to time appoint a Chair of the board, a Vice-Chair of the board, one or more General Managers, a Secretary, a Treasurer (hereinafter referred to as the "chief financial officer"), and such other officers as the board may determine, including one or more assistants to any of the officers appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officer's powers to manage the business and affairs of the Corporation. One person may hold more than one office.

7.02 Chair of the Board. The board may assign to the Chair any or all powers and duties that are by any provisions of this By-Law assigned to the General Manager and the Chair shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the Chair, the duties of the Chair shall be performed and his powers exercised by the Vice-Chair.

7.03 General Manager. If appointed, the General Manager, shall be the chief executive officer and subject to the authority of the board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the board may specify.

7.04 Secretary. The secretary shall attend all sessions of the Board and all meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for committees when required. The secretary shall give, or cause to be given, notice of all meetings of the shareholders and meetings of the Board and shall have such other powers and duties as the board or the General Manager may specify.

7.05 Chief Financial Officer. The chief financial officer shall keep or cause to be kept proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as chief financial officer and of the financial position of the Corporation; and

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he shall have such other powers and duties as the board or the General Manager may specify.

7.06 Powers and Duties of Other Officers. The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the General Manager specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the General Manager otherwise directs.

7.07 Variation of Powers and Duties. The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

7.08 Term of Office. The board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the board shall hold office until his successor is appointed, or until his earlier resignation.

7.09 Terms of Employment and Remuneration. The terms of employment and the remuneration of an officer appointed by the board shall be settled by it from time to time.

7.10 Declaration of Interest. An officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with section 5.18.

7.11 Agents and Attorneys. The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the powers to subdelegate), as may be thought fit.

7.12 Fidelity Bonds. The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine.

PART VIII

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

8.01 Limitation of Liability. The directors and officers shall comply with the Standards of Care set out in the Act. No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto.

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8.02 Indemnity. Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, or an individual as permitted by the Act, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

The Corporation shall also indemnify such person in such other circumstances as the Act permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity apart from the provisions of this by-law.

8.03 Insurance. The Corporation may purchase and maintain insurance for the benefit of any person referred to in section 8.02 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

PART IX

SHARES

9.01 Registration of Transfers. Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with an endorsement, which complies with the Act, made thereon or delivered therewith duly executed by an appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 9.02.

9.02 Lien for Indebtedness. If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to the Shareholder Declaration, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

9.03 Share Certificates. Every holder of one or more shares of the Corporation shall

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be entitled, at his option, to a share certificate, or to a non-transferable written certificate of acknowledgment of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Such certificates shall be in such form as the board shall from time to time approve. Any such certificate shall be signed in accordance with section 3.03 and need not be under corporate seal; provided that, unless the board otherwise determines, certificates in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

9.04 Replacement of Share Certificates. The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share certificate or certificate of acknowledgment in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.05 Transfer Agents and Registrars. The board may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

PART X

DIVIDENDS AND RIGHTS

10.01 Dividends. Subject to the provisions of the Act, the articles and the Shareholder Declaration, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property, or by issuing fully paid shares of the Corporation.

10.02 Dividend Cheques. A dividend payable in money shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

10.03 Non-receipt of Cheques. In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a

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replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

10.04 Record Date for Dividends and Rights. The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than 7 days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

10.05 Unclaimed Dividends. Any dividend unclaimed after a period of four (4) years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

PART XI

MEETINGS OF SHAREHOLDER

11.01 Annual Resolution. As provided for by the Shareholder Declaration, annually, within the time prescribed by the OBCA, the shareholder shall make all necessary appointments to the board, appoint the auditors of the Corporation, receive the audited financial statements of the Corporation for the last completed fiscal year and complete such other business as would normally be completed at an annual meeting of shareholders under the OBCA.

11.02 Meetings. Subject to the Shareholder Declaration, the shareholder may, upon notice to the Corporation and its board of directors, convene a regular or special meeting of the shareholder with the board of directors.

PART XII

NOTICES

12.01 Method of Giving Notices. Any notice required to be given to a shareholder, director, officer, auditor or member of a committee of the board may be given in any manner, including by personal delivery, delivered by any electronic means, or by prepaid mail to the recipient's latest address as shown in the records of the corporation. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

12.02 Notice to Joint Shareholders. If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to

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one of such persons shall be sufficient notice to all of them.

12.03 Computation of Time. In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice and the date of the meeting or other event shall both be excluded.

12.05 Omissions and Errors. The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

12.07 Waiver of Notice. Any individual may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the articles, the Shareholder Declaration, the by-laws or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

PART XIII

REVOCATION

13.01 Revocation. By-Law No.1 made by the Corporation on the 17th day of May, 2017 is hereby revoked.

[remainder of page intentionally left blank; signature page follows.]

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ENACTED by the directors of the Corporation on the ●th day of _____, 20●.

by _____
Chair

by _____
Corporate Secretary

THE FOREGOING BY-LAW is confirmed by the sole shareholder of the Corporation pursuant to the Act, as evidenced by its signature hereto.

DATED as of the _____ day of _____, 20●.

THE CORPORATION OF THE CITY
OF ST. CATHARINES

by _____
Mayor

by _____
Clerk



Report to: St. Catharines City Council as St. Catharines Hydro Inc. Shareholder

Meeting Date: 12/8/2020

Report Subject: St. Catharines Hydro Inc. Shareholder Declaration

Recommendation

That the Council of the City of St. Catharines (the "Shareholder"), acting as the sole shareholder for St. Catharines Hydro Inc. ("HoldCo"), approve the HoldCo Shareholder Declaration proposed in this report.

Report

A shareholder declaration is used by the sole shareholder of a corporation to lay foundational principles to govern the corporation. Such a document is allowed by the *Business Corporations Act* (Ontario) in order to restrict the powers of the directors and manage the corporation's business and affairs. The proposed HoldCo Shareholder Declaration (provided in Appendix 1) outlines permitted business operations, set constraints on the powers of the board of directors, as well as provide a set of rules and obligations in regard to shareholder meetings. Below is an overview of what is contained in the proposed shareholder declaration.

Permitted Businesses

The permitted businesses section provides that HoldCo may engage in the business of disposing of and otherwise dealing with the shares of a corporation that generates electricity, do anything that is necessary to enhance or develop the corporation's ability to do so, and deal with shares in Alectra.

Board of Directors

Directors shall be members of St. Catharines City Council. Directors are appointed for a term equal in length to the term of Council that appoints them to the HoldCo board. In other words, the HoldCo term is contingent on the term of Council.

Shareholder Meetings

Various rules regarding shareholder meetings are provided for including duties in relation to both annual general meetings and special shareholder meetings. Notably, there are rules regarding the providing of notice for any such meetings, conduct of the meetings, and the delivery of any written resolution in lieu of a meeting.

Financial Policies and Reporting Requirements

The HoldCo Board is expected to establish policies in regard to prudent financial management, long-term strategic planning, providing the Shareholder with reasonable returns through specific mechanisms, risk management, and property disposal.

Furthermore, the HoldCo Board must present for approval, an annual report to the Shareholder which includes financial statements and a strategic business plan.



Matters Requiring Shareholder Approval

A comprehensive list of matters which require the approval of the Shareholder are also outlined in the proposed shareholder declaration. They are broken down into two broad categories: legislated approval rights, and those things which the Shareholder requires for approval.

Conclusion

It is recommended that the Shareholder approve the HoldCo Shareholder Declaration as it will set limits on the powers of its board of directors. This effectively ensures that HoldCo operates its business in accordance with the wishes of the Shareholder, and that the decisions of the board of directors are aligned with the goals that the Shareholder may from time to time set out.

Report Submitted By:

Sasha Spiteri, Assistant City Solicitor

THE CORPORATION OF THE CITY OF ST. CATHARINES

SHAREHOLDER DECLARATION

TO: ST. CATHARINES HYDRO (INCORPORATED) (the “**Corporation**”)

AND TO: All current directors and all other individuals who from time to time become directors of the Corporation (collectively, the “**Directors**”)

AND TO: All current officers and all other individuals who from time to time become officers of the Corporation

WHEREAS:

1. The Corporation is governed by the provisions of the *Business Corporations Act* (Ontario) (the “**OB**CA”); and
2. The Corporation of the City of St. Catharines (the “**City**” or “**Shareholder**”) is the sole owner of all of the issued and outstanding shares of the Corporation; and
3. The Corporation has a wholly owned operating subsidiary, St. Catharines Hydro Generation Inc. (the “**Subsidiary**”), and the Corporation directly owns outstanding shares of Alectra Inc. (“**Alectra**”); and
4. Section 108(2) of the Act provides that an otherwise lawful written declaration of the shareholder that restricts, in whole or in part, the powers of the directors to manage or supervise the management of the business and affairs of the Corporation is valid; and
5. Section 108(3) of the OB

1. Purpose of this Shareholder Declaration

This Shareholder Declaration states the expectations of the City relating to the fundamental principles and policies to govern the Corporation, including in the Corporation's capacity as a shareholder of Alectra. Except as provided in Section 10, this Shareholder Declaration is not intended to constitute a unanimous shareholder declaration under the OB

2. Effective Date

This Shareholder Declaration automatically takes effect upon its approval by the Shareholder.

3. Revocation of the Shareholder Declaration

All previous shareholder declarations are hereby revoked.

4. Permitted Businesses

- (1) Subject to the restrictions set out in Section 10 of this Shareholder Declaration, the Corporation may engage in the business activities that are permitted by any law applicable to the Corporation from time to time, including the *Energy Act*, and as the Board may authorize including, without limitation, the Authorized Businesses (defined in Section 4(2) of this Shareholder Declaration). In so doing, the Corporation shall conform to all requirements of the OEB, the IESO and all other applicable regulatory and governmental authorities.
- (2) As at the date hereof, the Corporation may engage in the following business activities (the “**Authorized Businesses**”):
 - (a) dispose of and otherwise deal with shares of a corporation that generates electricity;
 - (b) business activities that enhance or develop the ability of the Corporation to carry on the activity described in paragraph (a); and
 - (c) deal with shares in Alectra or any corporation resulting from the reorganization of Alectra.

5. Standards of Governance

As required by the OBCA, the Board shall supervise the management of the business and affairs of the Corporation and, in so doing, shall act honestly and in good faith with a view to the best interests of the Corporation and the Board shall exercise the same degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the Shareholder expects the Board to observe substantially the same standards of corporate governance as may be established from time to time by the Toronto Stock Exchange, the Ontario Securities Commission or any other regulatory or governmental authority in Canada for having jurisdiction for publicly traded corporations in Ontario, with such modifications as may be necessary to reflect the fact that the Corporation itself is not a publicly traded corporation.

6. Board of Directors and Officers

- (1) Number of Directors - The Corporation shall be managed by the Board which shall consist of three (3) directors to be selected by the Shareholder and of whom all shall be members of the St. Catharines City Council (“Council”) and shall be referred to as the Directors.
- (2) Term - The Directors are appointed to the Board for the length of term of the Council that appoints them, or until replaced, or a successor is appointed.

- (3) Vacancies - The Shareholder shall appoint Directors to fill any vacancies which may occur on the Board from time to time.
- (4) Board Committees - The Board may establish committees of the Board in the Board's discretion and may determine to operate as a committee of the whole.
- (5) Directors' Compensation - The Board may establish compensation for Directors and the Chair, which amounts shall be subject to the approval by the Shareholder, and reasonable expense reimbursement and Directors' liability insurance coverage.
- (6) Chair - The Board shall elect a Chair of the Board and Vice-Chair, both of whom shall be chosen from among the Directors. All Directors (including the Chair and Vice-Chair) shall have the right to vote. No Director, including the Chair or Vice-Chair, shall have a casting vote at any meeting of the Board.
- (7) Board Meetings - Meetings of the Board shall be at a location in Ontario as determined by the Board from time to time. Alternatively, in accordance with the provisions of the OBCA, meetings of the board may be held by electronic means. Quorum for meetings of the Board shall be a majority of the members of the Board. Written notice of a meeting of the Board must be provided to each director either personally, by electronic mail or by prepaid courier or regular mail no less than forty-eight (48) hours prior to the meeting.
- (8) Officers - The Board will have the responsibility to appoint the officers of the Corporation and to determine their duties and compensation.

7. Shareholder Meetings

- (1) Place of Meetings - All Shareholder meetings shall be in a place as required for Council meetings under the St. Catharines By-law made for the purposes of establishing Council Meeting Procedures (the "Procedure By-law").
- (2) Annual Meetings - Annually, within the time prescribed by the OBCA, the Shareholder shall make all necessary appointments to the Board, appoint the auditors of the Corporation, receive the audited financial statements of the Corporation for the last completed fiscal year and complete such other business as would normally be completed at an annual meeting of shareholders under the OBCA.
- (3) Special Meetings - Special meetings of the Shareholder for any purpose or purposes shall be called pursuant to a resolution approved by the Board or requisition by the Shareholder in accordance with the OBCA. The only business which may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting.
- (4) Adjournments - The chair presiding at a meeting of the Shareholder may, with the consent of the meeting and subject to such conditions as the meeting decides, adjourn the meeting from time to time and from place to place subject to the Procedure By-law.
- (5) Notice – Notice of Shareholder meetings shall given by the Corporation in accordance with the notice requirements under the Procedure By-law.

- (6) Quorum – A majority of Council members present at the Shareholder meeting constitutes a quorum.
- (7) Conduct of Meetings - All Shareholder meetings shall be conducted as a meeting of Council, which may be either a regular or special meeting and shall follow the appropriate procedures set out in the Procedure By-law, subject to necessary modifications.
- (8) Resolution in Writing of Shareholders - A resolution in writing signed by the Shareholder is as valid as if it had been passed at a meeting of the Shareholder unless, in accordance with the Act:
 - (a) in the case of the resignation or removal of a Director, or the appointment or election of another individual to fill the place of that Director, a written statement is submitted to the Corporation by the Director giving the reasons for his or her resignation or the reasons why he or she opposes any proposed action or resolution for the purpose of removing them from office or the election of another individual to fill the office of the Director; or
 - (b) in the case of the removal or resignation of an auditor, or the appointment or election of another person to fill the office of auditor, representations are made to the Corporation by the auditor concerning its proposed removal, the appointment or election of another person to fill the office of auditor or its resignation.
- (9) Omissions and Errors - The accidental omission to give any notice to any shareholder, Director, officer, member of a committee of the Board or auditor, the non-receipt of any notice by any such person, or any error in any notice not affecting its substance, shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice

8. Financial Policies

The Shareholder expects that the Board will establish policies to:

- (1) develop and maintain a prudent financial and capitalization structure for the Corporation consistent with OEB recommendations;
- (2) provide the Shareholder with a reasonable return:
 - (a) comparable to the return received by other comparable municipalities as permitted by the OEB pursuant to the OEB Act;
 - (b) through the payment of dividends, interest or otherwise; and
 - (c) consistent with a prudent financial investment and capitalization structure;
- (3) manage all risks related to the business conducted by the Corporation, through the adoption of appropriate risk management strategies and internal controls consistent with industry norms;

- (4) develop a long-range strategic plan for the Corporation that is consistent with the maintenance of a viable, competitive business and preserves the value of the business; and
- (5) require that any proposed disposal of property be communicated to the Shareholder, and provide the Shareholder with a right of first refusal to purchase such property from the Corporation.

9. Reporting Requirements

(1) Annual Presentation of Business Plan and Shareholder Review

- (a) Within the time prescribed by the OBCA, the Board shall present for the information of the Shareholder at a public meeting, its annual report and the financial statements of the Corporation; and
- (b) The Corporation shall present for approval, its business plan, which shall include a multi-year forecast of strategic business initiatives, anticipated major transactions and projects, and expected capital expenditures.

(2) Reporting to the City

In respect of Alectra, the Corporation shall at least once per year provide to the Shareholder, a report to the City in respect of:

- (a) The strategic plan of Alectra;
- (b) Major developments in the business of Alectra;
- (c) Significant developments in the services provided in the City or the business conducted by Alectra within the City;
- (d) Annual financial statements of Alectra; and

(3) Shareholder Information

In respect of Alectra , the Corporation shall inform the City, forthwith after becoming aware of consideration being given by the Corporation to its exercise of approval rights under the Unanimous Shareholder Agreement for Alectra (the "USA") or of any meeting called in respect of locations of Alectra's head offices and call centres addressed in section 2.18 of the USA, and shall have due regard to any comments provided by the City.

10. Matters Requiring Shareholder Approval

Without Shareholder approval given in accordance with this Section 10 of this Shareholder Declaration, the Corporation shall not:

Statutory Approval Rights

- (1) change the name of the Corporation; add, change or remove any restriction on the business of the Corporation; create new classes of shares; or in any other manner amend its Articles of Incorporation; or make, amend or repeal any by-law;
- (2) amalgamate with any other corporation(s) other than amalgamation which may, under the OBCA, be approved by a resolution of Directors;
- (3) take or institute proceedings for any winding up, arrangement, or dissolution of the Corporation or the Subsidiary;
- (4) apply to continue as a Corporation under the laws of another jurisdiction;
- (5) undertake any other action which requires the approval of the shareholders under the OBCA;

Additional Approval Rights

- (6) issue, or enter into any agreement to issue, any shares of any class, or any securities convertible into any shares of any class, of the Corporation;
- (7) redeem or purchase any of its outstanding shares;
- (8) implement, or take any step to implement, the business plan presented to the Shareholder pursuant to Section 9(1) of this Shareholder Declaration.
- (9) acquire, lease or dispose or authorize or permit the acquisition, lease or disposition of assets of the Corporation other than in the ordinary course of business or as specifically provided in the most current business plan presented to the Shareholder pursuant to Section 9(1) of this Shareholder Declaration and which would not have a negative impact on the amount of dividends payable by the Corporation to the Shareholder;
- (10) participate in or enter into or authorize any subsidiary to participate in or enter into any other joint venture, partnership, strategic alliance or other venture, including ventures in respect of the generation or co-generation of electricity, except as specifically provided in the most current business plan presented to the Shareholder pursuant to Section 9(1) of this Shareholder Declaration and which would not have a negative impact on the amount of dividends payable by the Corporation to the Shareholder;
- (11) undertake or authorize or permit any Subsidiary to undertake any business other than the permitted businesses provided in Section 4 of this Shareholder Declaration, or businesses relating to the generating of electricity, or businesses described in the most current business plan presented in Section 9(1) of this Shareholder Declaration, provided such new business would not have a negative impact on the amount of dividends payable by the Corporation to the Shareholder;

- (12) undertake or authorize or permit the Subsidiary to undertake any gas or electricity trading arrangements or derivatives strategies; or
- (13) authorize or permit the Subsidiary to authorize the borrowing of funds from any third party that is inconsistent with the most current business plan as referred to in Section 9(1) of this Shareholder Declaration.

Approval Rights

- (14) authorize or permit any of the following:
 - (i) the sale of any of the shares in the capital of Alectra owned by the Corporation;
 - (ii) purchase of any shares in the capital of Alectra (including through the acceptance of an offer under section 3.8(2) of the USA);
 - (iii) exercise any of the following approval rights set out in the USA;
 - 2.20(1)(f)(ii), approval of actions which would limit the Corporation's ability to issue 10% of shares to a Pre-approved Shareholder (as defined in the USA).
 - 2.22, Individual Shareholder Veto.
 - (iv) any transfer, whether by pledge or otherwise, of any shares in the capital of Alectra or the Subsidiary.

11. Appointment of Director to Alectra

The Corporation shall appoint a director to serve on the board of Alectra having due regard to the relevant provisions of the USA. The Corporation may consult with the Chair or the applicable committee chair of Alectra in respect of the skills and other characteristics being sought to achieve a balanced and diverse Board.

12. Appointment of Auditor

The Shareholder shall from time to time appoint the auditor of the Corporation.

13. Revisions to this Declaration

This Shareholder Declaration may be revised by the Shareholder from time to time as circumstances may require. The Shareholder will consult with the Board prior to completing any revisions and will promptly provide the Board with copies of such revisions.

14. Interpretation

In this Shareholder Declaration capitalized terms used in this Shareholder Declaration that are defined in Schedule "A" shall have the meaning given to them in Schedule "A".

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DATED at St. Catharines, Ontario, this day of _____, 20●.

**THE CORPORATION OF THE CITY
OF ST. CATHARINES**

Walter Sendzik, Mayor

Authorized by the City of St. Catharines
By-law No. 20● _____

Bonnie Nistico-Dunk, City Clerk

SCHEDULE "A"

DEFINITIONS

Definitions

In this Shareholder Declaration, the following terms will have the meanings set out below:

"Board" means the Board of Directors of the Corporation;

"Chair" means the Director of the Corporation elected as Chair of the Board by the Board;

"IESO" means the Independent Electricity System Market Operator;

"OBCA" means the Business Corporations Act (Ontario), as such statute may be amended or re-enacted from time to time;

"OEB" means the Ontario Energy Board;

"OEB Act" means the Ontario Energy Board Act;

"person" means an individual, a natural person or a body corporate;

"Subsidiary" means, with respect to the Corporation, St. Catharines Hydro Generation Inc. and any other body corporate of which more than fifty (50%) percent of the outstanding securities of any class carrying exercisable voting rights are beneficially owned, directly or indirectly, by the Corporation, and includes any body corporate in like relation to a subsidiary.

"Unanimous Shareholder Agreement" or **"USA"** means the agreement among the Shareholders and Principals of Alectra Inc. referenced in that certain Side Letter Shareholders Agreement dated March 24, 2016, as such agreement may from time to time be amended.



Report to: St. Catharines City Council as SCHI Shareholder

Meeting Date: 12/8/2020

Report Subject: Director Remuneration

Recommendation

That the report regarding Director Remuneration be received for information.

Report

At the Annual General Meeting on September 9, 2019, City Council, as Shareholder, directed the St. Catharines Hydro Inc. Board to review remuneration of Directors on other similar Boards and report back to the Shareholder with a recommendation on future remuneration. In response, the report contained in Appendix 1 was prepared and the Board received this report for information.

Report Submitted By:

Kristen Sullivan, Corporate Secretary for St. Catharines Hydro Inc.



Report to: St. Catharines Hydro Inc. Board of Directors

Meeting Date: 6/2/2020

Report Subject: Director Remuneration

Recommendation

That the report be received for information.

Background

At the St. Catharines Hydro Inc. Annual General Meeting on September 9, 2019, City Council, as the shareholder, directed the Board to review Director remuneration for other similar boards. In 2019, Directors received \$6,456 per annum plus \$205 per meeting, and the Chair received \$8,801 per annum plus \$205 per meeting. Remuneration is adjusted annually based on the change of the average earned income of all individuals filing a tax return in the City of St. Catharines; this is the same measure used for remuneration for members of City Council.

Report

Staff researched remuneration structures for hydro corporations owned by municipalities that own shares in Alectra; these are provided below.

Remuneration for Holding Companies

Mississauga (Enersource Inc.)

Enersource Inc. is a holding company that is 90% owned by the City and 10% by BPC Energy Corporation (a wholly owned subsidiary of OMERS). The City's shares in Alectra are held by Enersource Inc. The Board is composed of one councillor, one director appointed by another corporation, and two independent directors.

As part of the merger with Powerstream and Horizon in 2016 (Alectra), the City of Mississauga retained a consultant to research board compensation practices for public sector utility holding companies, particularly municipal holding companies. The report prepared for Mississauga City Council (included in Appendix 1 for reference) indicated that:

- "Most of the comparators fall within a narrow band between \$13,500 and \$14,000 for annual board retainers.
- The average chair retainer for all comparators is \$24,487. The average chair retainer for the three outside holding companies is \$18,489.
- Average meeting fees for the comparator group are \$650.
- Board compensation is driven by a number of factors at any organization, including philosophy, external factors and individual considerations."



The report identified that the main factors impacting recommendations for Enersource compensation included: ability to attract qualified individuals to serve on the board, and level of effort required to provide oversight. The report recommended the following compensation levels:

- Director: \$13,500 per year plus \$650 per meeting
- Chair: \$24,500 plus \$650 per meeting

After reviewing that report Mississauga City Council approved a resolution for board compensation to remain the same as in previous years. In 2019, however compensation levels matched those recommended in the report.

Guelph (Guelph Municipal Holdings Inc.)

Guelph Municipal Holdings Inc. (GMHI) is a holding company that is wholly owned by the City of Guelph. The City's shares in Alectra are held by GMHI. GMHI's business activities are paused and its portfolio of companies, Guelph Hydro Electric Systems Inc. and Envida Community Energy Inc., now report directly to Guelph City Council. City councillors receive no additional or direct remuneration for this role.

Barrie (Barrie Hydro Holdings Inc.)

Barrie Hydro Holdings Inc. is a holding company that is wholly owned by the City of Barrie. The City's shares in Alectra are held by Barrie Hydro Holdings Inc. All members of Council are appointed as directors and they do not receive any additional remuneration for this role.

Remuneration for Holding and Generation Companies

Hamilton (Hamilton Utilities Corp. and Hamilton Renewable Power Inc.)

Hamilton Utilities Corp. (HUC) is a holding company that is wholly owned by the City of Hamilton. The City's shares in Alectra are held by HUC. HUC also operates two business units HCE Energy which owns and operates non-LDC energy (thermal and electrical) assets as well as HCE Telecom, a facilities-based telecommunications and technology company. The Board is composed of one councillor (Mayor's designate) and five independent directors. The councillor appointed to the Board receives annual compensation of \$13,500 plus per meeting compensation which was not provided (total meeting compensation was \$3,000 for 2018). The Chair, Vice-Chair and independent directors appear to receive greater compensation however the City of Hamilton did not confirm the compensation structure for directors who are not councillors.

Hamilton Renewable Power Inc. is a generation company wholly owned by the City of Hamilton that operates three generators at two facilities. The Board is composed of three city councillors who do not receive any compensation for serving on the Board.

Hamilton Utilities Corp. and Hamilton Renewable Power Inc. are completely separate corporations.



Markham (Markham Enterprises Corp. and Markham District Energy Inc.)

Markham Enterprises Corp. (MEC) is a holding company that is wholly owned by the City of Markham. The City's shares in Alectra are held by MEC. The Board is composed of six city councillors and three regional councillors; compensation levels are as follows:

- Chair: \$7,500 plus \$325 per meeting to a maximum of 16 meetings per year
- Vice-Chair: \$6,000 plus \$325 per meeting to a maximum of 16 meetings per year
- Director: \$5,000 plus \$325 per meeting to a maximum of 16 meetings per year

Markham District Energy Inc. (MDEI) is a generation and distribution company wholly owned by MEC that operates two district energy systems. The board is composed of the Mayor, two city councillors, one regional councillor, and five independent directors; compensation levels are as follows:

- Chair: \$9,000 plus \$400 per meeting to a maximum of 16 meetings per year
- Director: \$5,000 plus \$400 per meeting to a maximum of 16 meetings per year

Councillors may only be compensated from one Board so any councillors appointed as directors of both MEC and MDEI only receive compensation from MDEI.

Other

Vaughan (Vaughan Holdings Inc. and Hydro-Vaughan Energy Corp.)

A response was not received by the City of Vaughan, however based on information on the City's website, it is believed that Vaughan Holdings Inc. (VHI) is a holding company that is wholly owned by the City of Vaughan and that the City's shares in Alectra are held by VHI. It appears that all members of Council are appointed as directors of VHI. Based on the City of Vaughan's 2019 Statement of Remuneration, councillors were compensated between \$17,000 and \$21,500 for their role on the VHI Board.

The role of Hydro-Vaughan Energy Corp. is unclear, however reports from the early 2010s indicate that it may be related to potential energy businesses, such as district energy. It appears that all members of Council are appointed as directors of the Board. Based on the City of Vaughan's 2019 Statement of Remuneration, councillors were compensated between \$5,000 and \$7,000 for their role on the Hydro-Vaughan Energy Corp. board.

Financial Implications

Any changes to remuneration would impact the annual operating costs of St. Catharines Hydro Inc. The financial impact of total board compensation is also affected by the number of members appointed to the board.

Report Submitted By:

Kristen Sullivan, Deputy City Clerk

City of Mississauga Corporate Report



Date: 2016/11/18

To: Chair and Members of Council

From: Gary Kent, Commissioner of Corporate Services and
Chief Financial Officer

Originator's files:

Meeting date:
2016/11/23

Subject

Compensation for Enersource Corporation, Board of Directors Post-Merger

Recommendation

That Council approve the compensation levels outlined in the report "Compensation for Enersource Corporation Board of Directors Post-Merger" dated November 18th, 2016 from the Commissioner of Corporate Services and Chief Financial Officer.

Background

As part of the approved merger of Enersource with Powerstream and Horizon, Council approved a new Shareholders Agreement for Enersource Corporation, being the Corporation owned 90% by the City of Mississauga and 10% Borealis. This corporation exists primarily to receive the dividends from "MergeCo" and manage the debt which remains in the corporation post-merger.

The Shareholders Agreement sets out the composition of the new Board (three Directors appointed by the City and one by Borealis). This report addresses appropriate compensation for the board members.

Comments

Brown Governance Inc. (BGI) was retained by Enersource Inc. to conduct targeted research on board compensation practices at public sector utility holding companies, in particular municipal hold companies. This information is required to confidently set board compensation levels for the new board that will provide oversight of the holding company post-merger.

Council

2016/11/18

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Board compensation research data was obtained from and for seven comparator Ontario utility holding companies, three specifically targeted by research and the four legacy hold companies of MergeCo.

The comparator data is summarized in the report (Appendix 1), the highlights are:

- Most of the comparators fall within a narrow band between \$13,500 and \$14,000 for annual board retainers.
- The average chair retainer for all comparators is \$24,487. The average chair retainer for the three outside holding companies is \$18,489.
- Average meeting fees for the comparator group are \$650.

Board compensation is driven by a number of factors at any organization, including philosophy, external factors and individual considerations.

For Enersource Inc., beyond the main generic drivers, there are these key considerations:

- The ability to attract individuals with the right level of experience and skills to serve and fit Enersource Inc. Independent board members who will bring previous board experience, financial expertise and a capacity to effectively fulfill their fiduciary duties to the corporation, its shareholders and other stakeholders.
- Commensurate with the level of effort required to provide oversight of the organization on behalf of the shareholders. Most of the board's strategic, governance and CEO employment responsibilities will be fulfilled by the shareholders directly under the Enersource Shareholders' Agreement. The Enersource Inc. board will primarily superintend the flow-through of dividends from MergeCo to the shareholders, and the servicing of debt financing in Enersource.

The recommendations for Enersource Inc. for board compensation are:

1. Annual retainer to board members of \$13,500.
2. Annual retainer to the board chair of \$24,500 (inclusive of board retainer), and
3. Per meeting fee of \$650 for each board member (including chair) attending each board meeting or other meeting where attendance is expected, and
4. Reimbursement of reasonable out-of-pocket expenses as approved from time-to-time in policy.

Council	2016/11/18	3
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It is likely that the Board will have an Audit Committee; however, given the scale of the Corporation, it is not recommended that there be separate compensation for this or any other committee formed.

The compensation levels for the existing Pre-Merger Board are set out in Appendix 2 for information only, as the duties of the existing Board far exceed the duties of the new Board and therefore compensation levels are not comparable.

The report has been shared with Borealis for their concurrence which has been received in writing.

Financial Impact

The total cost will depend on the number of Board meetings required in the first year. The annual budget for the post-merger Enersource will be adopted by the new Board and include their compensation costs.

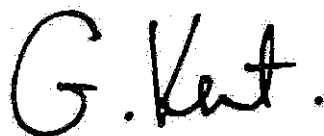
Conclusion

An independent review was conducted by Brown Governance and recommended appropriate compensation for the new post-merger Board of Enersource which is before Council for approval.

Attachments

Appendix 1: Enersource Board Compensation Report, Brown Governance

Appendix 2: Compensation levels for the existing pre-merger Enersource Board.



Gary Kent, Commissioner of Corporate Services and Chief Financial Officer

Prepared by: Gary Kent, Commissioner Corporate Services and Chief Financial Officer

Solutions For Trusted Leadership

Enersource Inc.

Board Compensation Report

P. O. Box 9
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Executive Summary

Brown Governance Inc. (BGI) was retained by Enersource Inc. to conduct targeted research on board compensation practices at public sector utility holding companies, in particular municipal hold companies. Enersource requires this analysis to confidently set board compensation levels for the new board that will provide oversight of the holding company post-merger.

Board compensation research data was obtained from and for seven comparator Ontario utility holding companies – three specifically targeted by our research and the four legacy hold companies of MergeCo.

The comparator data is summarized in Appendix 1, the highlights are:

- Most of the comparators fall within a narrow band between \$13,500 and \$14,000 for annual board retainers.
- The average chair retainer for all comparators is \$24,487. The average chair retainer for the three outside holding companies is \$18,489.
- Average meeting fees for the comparator group are \$650.

Board compensation is driven by a number of factors at any organization, including philosophy, external factors and individual considerations. These are summarized in Appendix 2, both broadly and for public sector boards.

For Enersource Inc., beyond the main generic drivers, there are these key considerations:

- The ability to attract individuals with the right level of experience and skills to serve and fit Enersource Inc. Independent board members who will bring previous board experience, financial expertise and a capacity to effectively fulfill their fiduciary duties to the corporation, its shareholders and other stakeholders.
- Commensurate with the level of effort required to provide oversight of the organization on behalf of the shareholders. Most of the board's strategic, governance and CEO employment responsibilities will be fulfilled by the shareholders directly under the Enersource Shareholders' Agreement. The Enersource Inc. board will primarily superintend the flow-through of dividends from MergeCo to the shareholders, and the servicing of debt financing in Enersource.

As with everything in governance and compensation, this is about achieving an equitable balance.

Our recommendations for Enersource Inc. for board compensation are:

1. Annual retainer to board members of \$13,500.
2. Annual retainer to the board chair of \$24,500. (inclusive of board retainer)
3. Per meeting fee of \$650 for each board member (including chair) attending each board meeting or other meeting where attendance is expected.
4. Reimbursement of reasonable out-of-pocket expenses as approved from time-to-time in policy.

Appendix 1: Board Compensation Comparator Research

Since there is (perhaps surprisingly) little publicly available reliable data on board compensation in utility holding companies, we undertook specific targeted research on behalf of Enersource.

Board compensation data was obtained from seven comparators – three municipal public sector utility holding companies and the holding company boards of the four legacy holding companies of MergeCo.

All of these are municipal holding companies in Ontario, with utilities within their portfolio, specifically power distribution. None of the three outside comparators have employees.

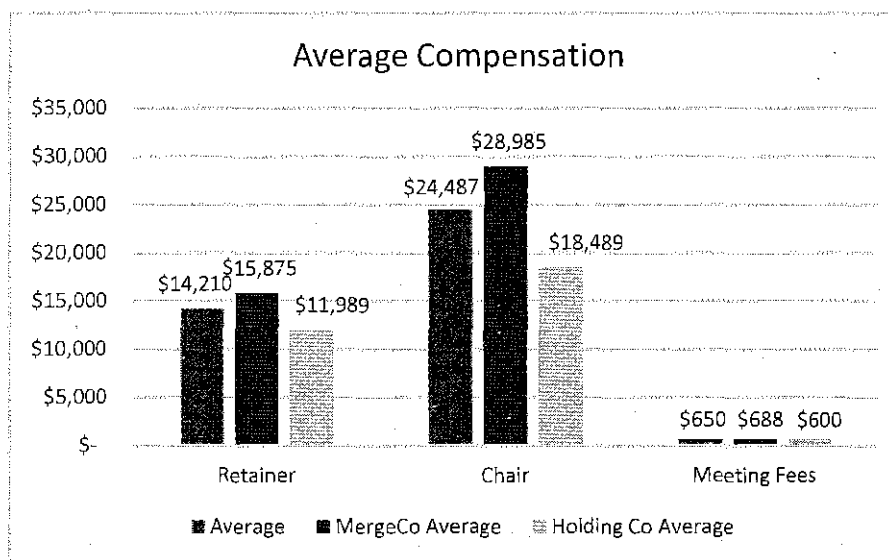
All three pay annual retainers as well as per meeting fees. Staffing provided to these holding companies is undertaken by city or municipal employees with no additional compensation.

Table One: Comparator Research Data

	1	2	3	4	5	6	7
	Municipal Holding Companies			MergeCo Founding Hold Cos			
# of Paid Employees	0	0	0				
# of Committees	1	2	1				
# of Meetings per year	5	4	4				
Duration of Meetings (hours)	3	2	2				
Annual Retainer	\$ 14,000	\$ 13,500	\$ 8,468	\$ 11,000	\$ 25,000	\$ 14,000	\$ 13,500
Chair Retainer	\$ 18,000	\$ 29,000	\$ 8,468	\$ 43,940	\$ 25,000	\$ 18,000	\$ 29,000
Per Meeting Fees	\$ 650	\$ 600	\$ 550	\$ 600	\$ 900	\$ 650	\$ 600

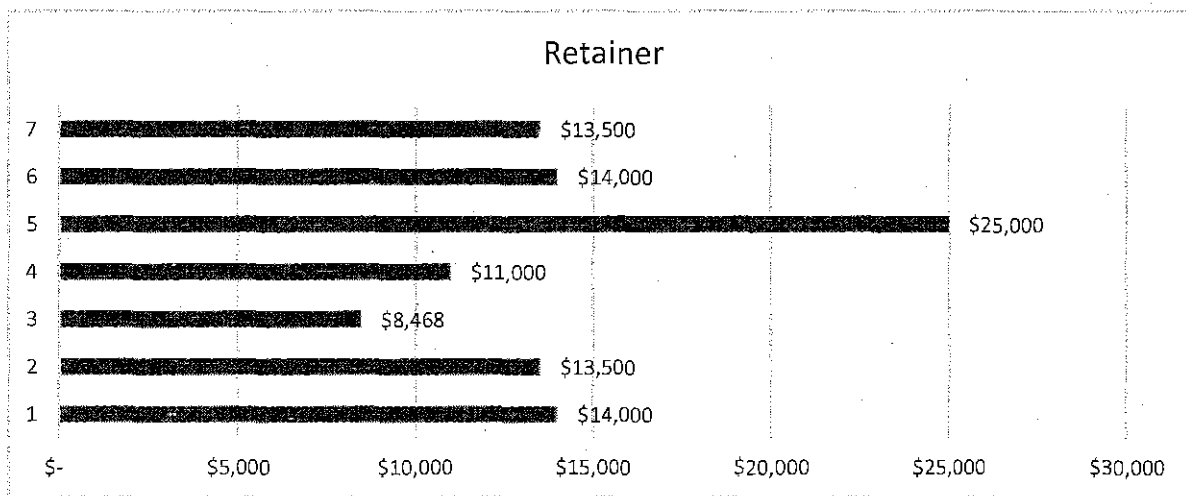
There is one out-lier here (fifth column), its board compensation being driven more by private sector and profit considerations than the others. The remainder of the comparators are reasonable fits with Enersource Inc. post-merger.

Chart One: Average Compensation

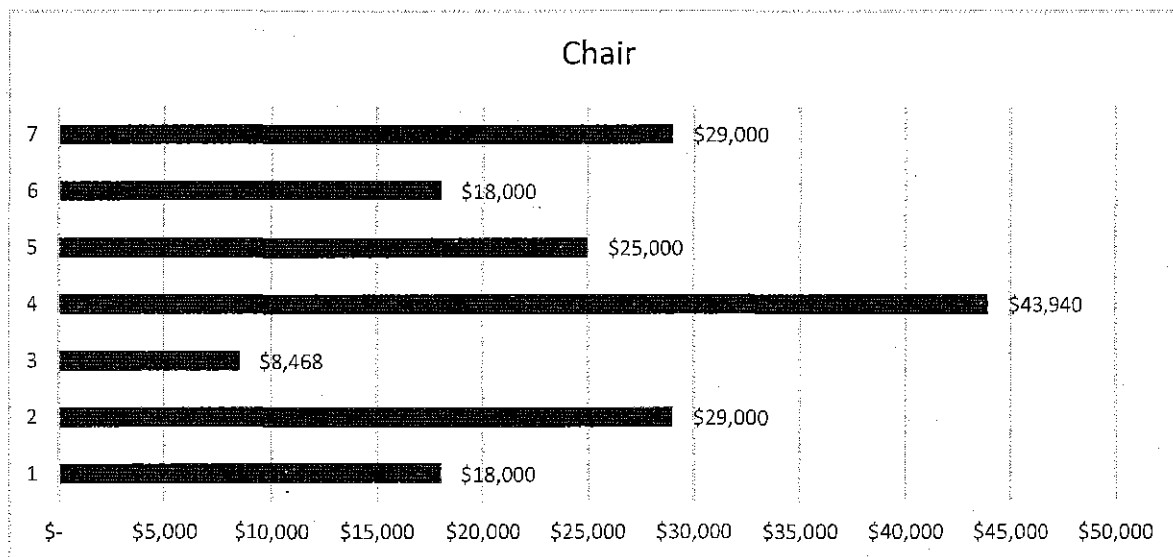


The average retainer for the three outside holding companies is \$11,989 for board members and \$18,489 for board chairs. This amount is slightly below MergeCo legacy hold companies, for board retainers and significantly below for board chairs. Meeting fees are not significantly different.

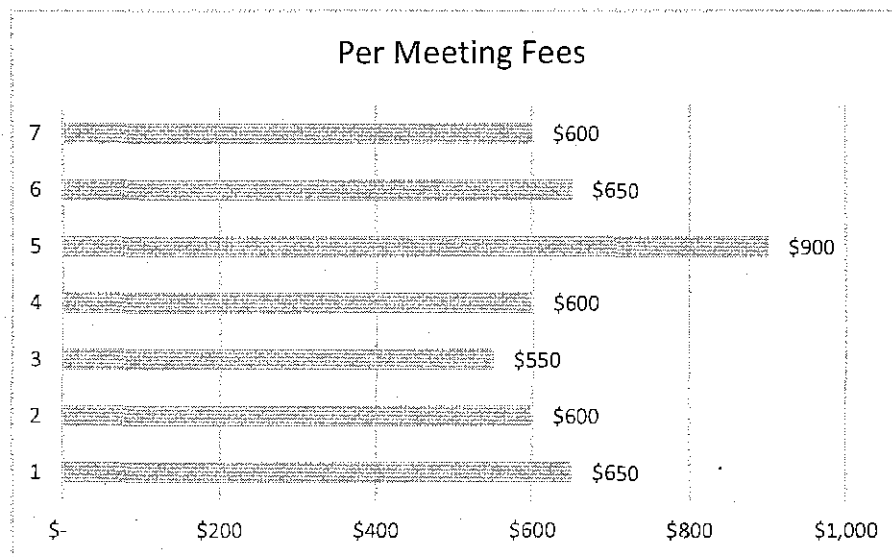
Chart Two: Board Retainer



Retainers range in value from a low of \$8,468 for a holding company with minimal oversight responsibilities to a high of \$25,000 for a utility company director. Most of the comparators fall within a narrow band between \$13,500 and \$14,000 for board retainers.

Chart Three: Chair Retainer

Two of the seven comparators have no additional compensation for the chair position. Of the remaining five comparators the range of chair compensation is between \$18,000 and \$43,940. The average chair retainer for all comparators is \$24,487. The average chair retainer for the three outside holding companies is \$18,489.

Chart Four: Meeting Fees

Meeting fees range from \$550 per meeting up to \$900 per meeting with most meeting fees falling within a narrow range between \$550 and \$650. Average meeting fees for the comparator group are \$650.

Appendix 2: Board Compensation Philosophy and Drivers

Board and director compensation is a sensitive issue, whether in the private, public, not-for-profit or any other sector.

Any compensation package should recognize and consider:

- The company's overriding philosophy and values – how it balances the need for bottom line profitability and shareholder value with its values of fairly compensating for service;
- The desire to bring an external perspective and objectivity to the company; and,
- The need to attract value-added directors and/or advisors with appropriate business skills and experience, and to compensate them for their time and effort.

External Drivers

External and environmental drivers are trends that are out of the control of the organization. However, they cannot be ignored as their overwhelming tendency is to increase director compensation. They include:

- **Supply and Demand.** Due to increased demands on and for independent directors, people serve on fewer boards. If you want to get good people, you have to be prepared to compensate them fairly.
- **Competition.** Increasing competition, mergers, acquisitions, etc., put a lot of pressure on the bottom line and performance. Upward pressure is put on compensating independent directors because they are responsible for performance. An organization cannot continue to serve its communities without profitability. Organizations in every sector are experiencing tremendous pressure to achieve tangible, bottom line results.
- **Governance Reform.** New regulations, standards, and guidelines affect boards and directors in every sector. These expectations also serve to drive compensation upward. As more is expected in accountability, more compensation is expected.
- **Cultural Norms.** Our culture is one of low trust and instant communication. People want and expect more information, and they want it now; they expect organizations to prove the validity of the information and the decisions behind them. The implication is one of disclosure and the perceived risk in rapid, full disclosure drives compensation expectations upward.
- **Professional Directors.** Directorship is now being thought of as a profession, particularly in the private sector. Professional colleges (e.g. ICD, Professional Director™, and The Directors College) and a myriad of governance courses and seminars are expanding. Director training budgets are increasing. With professional training and experience, comes the expectation of compensation.
- **Performance Expectations.** More directors are being asked to resign their positions for lack of participation and poor performance. Directors are clearly expected to perform. With performance expectations, come compensation expectations.

- **Management Performance.** Directors are choosing to resign when they lose confidence in management. They are taking their liability risks seriously. With liability risk, comes the expectation of compensation.
- **Board Evaluation.** More and more boards are evaluating their performance and the evaluation results are affecting director renewal.

These drivers can be depicted as a scorecard (see below.) On balance, the upward drivers of compensation generally outweigh the downward ones:

Upward Drivers of Compensation	Downward Drivers of Compensation
↑ Level of skills and experience	↓ Owners, shareholders, employees, public and other stakeholders want to keep compensation down
↑ Scarcity of skills and experience required	↓ Measure of value added and value linkage that compensation represents (it is hard to directly measure the value boards add)
↑ Attracting most capable leaders	↓ Affordability and corporate expense control
↑ Increased time commitments	
↑ New regulations raising the bar: certifications and accountability	
↑ Legal liability: shareholder litigation; court precedents; D&O liability insurance costs	

Individual Drivers

Given the above, why do people agree to directorships? In recent years, the benefits of board service have decreased while the costs have increased and the result is that directors are looking for compensation to offset the loss of benefits, increased time commitment and risks of the directorship.

The following table illustrates:

Benefits	Value Now Versus Before	Costs	Value Now Versus Before
Contacts (Importance)	↓		

Business Development	↓	Risk to Reputation	↑
Prestige/Affiliation	↓	Legal Risks	↑
Learning/Experience	= or ↓	Time and Effort	↑
Self-fulfillment	=	Expertise and Experience	=
Indirect Rewards	?	Additional Time/Effort	↑
Financial Rewards	?	Required Investment	↑
Source: 20 Questions the Board Should Ask About Director Compensation, Canadian Institute of Chartered Accountants, 2004			

The drivers of board compensation include all the above three elements – philosophy, external environment and personal – but the emphasis on each change according to circumstances such as ownership structure, shareholder(s) expectations and values, challenges facing the organization, etc.

Boards are facing increased scrutiny about due diligence, fiduciary responsibility, director independence and accountability. Directors are spending more time on board matters and feeling the pressure of this increased workload and exposure to financial, reputational and personal risks. These factors along with a perception that the talent pool of qualified directors is shrinking are putting upward pressure on director compensation.

In the public sector, boards and senior management balance profitability and public policy objectives. Compensation practices and levels of remuneration for commercial public sector corporations are significantly lower than those in the private sector.

Public sector corporations face similar challenges in determining the appropriate compensation for their directors. Specifically, they wrestle with:

- the concept that their work is a public service and their appointments are political patronage, both of which may be perceived as mitigating the amount of compensation that should be paid; and,
- the notion that resources for compensating directors are better directed to other initiatives considered more in the public interest.

About Brown Governance

Brown Governance has been trusted for over 25 years by organizations seeking to strengthen their governance practices. Our integrated portfolio of products and services deliver knowledge and advice based on a unique blend of experience and research. Our expertise spans the globe and sectors. You can count on Brown Governance to provide independent professional governance services like board evaluation, director education and certification, governance best practices research, governance software tools, and consulting.

Enersource Corporation
Board Compensation
as at November 17, 2016

Appendix 2

Position	Base Honorarium	Chair Honorarium	Total Honorarium	Meeting Fees	
Chairperson	-	43,940	43,940	-	per meeting
Chair, Audit Committee	11,000	4,000	15,000	600	per meeting
Chair, HR&CG Committee	11,000	2,000	13,000	600	per meeting
Chair, HSS&E Committee	11,000	2,000	13,000	600	per meeting
Chair, Development Committee	11,000	2,000	13,000	600	per meeting
Chair, Nominating Committee	11,000	2,000	13,000	600	per meeting
Board Member	11,000	-	11,000	600	per meeting

Report to: St. Catharines City Council

Meeting Date: 12/8/2020

Report Subject: Hydro Support Services Agreement

Recommendation

That the Council of the City of St. Catharines authorize a Support Services Agreement between the Corporation of the City St. Catharines (the “City”), St. Catharines Hydro Inc. (“HoldCo”), and St. Catharines Hydro Generation Inc. (“GenCo”).

Report

The purpose of the Support Services Agreement (provided in Appendix 1) is to formalize a working relationship between the City, HoldCo, and GenCo. City staff or contractors will act as agents for HoldCo and GenCo and assist the corporations in conducting their business affairs. Notably, various City designated representatives will act as agents in one or both corporations, as required, for the purpose of conducting the following roles:

- Chief Financial Officer
- Corporate Secretary
- General Manager
- Legal Counsel
- Operations Manager

A broad overview of duties and responsibilities for each role is contained within the Support Services Agreement. It is careful not to limit duties, as the board of directors or General Manager for either corporation may set out additional roles and responsibilities, as the case may be.

With tax considerations in mind, the provisions regarding fees and charges for services are very flexible, allowing the City’s Manager of Accounting and Payroll to determine the most appropriate payment structure. The Agreement allows for the City to direct and receive payment in any method it considers appropriate. For example, fees may be calculated on any number of factors including, hours worked, expenses incurred, or liabilities assumed.

Conclusion

To formalize a working relationship between the City, HoldCo, and GenCo, it is recommended that City Council authorize a Support Services Agreement.

Report Submitted By:

Sasha Spiteri, Assistant City Solicitor

3. The exact nature of the support services shall be as agreed by the relevant designated representatives of the parties.

Designated representatives

4. For the purposes of administering the specified areas of support services, the Corporation and the Subsidiary shall utilize City staff and the following shall be the initial City designated representatives of the parties:

<i>Support service area</i>	<i>Title of initial City designated representative, or his or her designate</i>	<i>Role</i>
Finance	Manager of Accounting and Payroll	Chief Financial Officer
Corporate Secretarial	Deputy Clerk	Corporate Secretary
Administration	Chief Administrative Officer	General Manager
Legal	City Solicitor	Legal Counsel
Operations Planning and Management	Director of Engineering, Facilities and Environmental Services	Operations Manager

5. The City may change its respective designated representatives from time to time, by notifying the other parties.
6. Service area agents shall perform the general duties as outlined below, and shall have other powers and duties as the General Manager or the board of the Corporation or the Subsidiary may specify:
- General Manager:** The General Manager shall have general supervision and oversight of the business, including the oversight of third-party operations.
 - Chief Financial Officer:** The Chief Financial Officer shall oversee and maintain proper accounting records in accordance with the requirements set out in the *Business Corporations Act* (Ontario). He or she shall be responsible for the deposit of money, the safekeeping of securities and the disbursement funds. He or she shall render to the board whenever required an account of all of his or her transactions as the Chief Financial Officer and of the financial position of the Corporation or the Subsidiary.
 - Corporate Secretary:** The Corporate Secretary shall attend and be the secretary of all meetings of the board, shareholders, and committees of the board. He or she shall be responsible for the recording and safekeeping of meeting minutes and the storing,

organization, and management of corporate records. He or she shall be responsible for providing notices to directors, shareholders, officers, auditors and members of committees of the board.

- d. **Legal Counsel:** Legal Counsel shall provide advice on legal matters and perform legal research for the benefit of the Corporation and the Subsidiary. Legal Counsel shall be responsible for preparing and reviewing contracts and other legal documents, and shall consult with the board and other service area agents as required.
- e. **Operations Manager:** The Operations Manager shall supervise third-party contractor support, review and authorize third-party contractor payment requests, and engage the services of consultant groups to operate and maintain capital works. The Operations Manager shall be responsible for the budgeting of operational and project related costs, and shall oversee procurement processes for additional services related to operations and capital works.

Personnel

- 7. The support services shall be performed or managed by City staff to provide services in areas relevant to the support service areas.
- 8. The City shall be solely responsible for determining which individuals perform the support services and for supervising those individuals.
- 9. Support services agents are City employees and as such, all parties to this agreement acknowledge and consent to them performing dual responsibilities as identified in this agreement and that doing so does not constitute a conflict of interest.
- 10. Parties understand and acknowledge that information held by designated representatives related to the corporate affairs of the Corporation or the Subsidiary may be shared with other City staff.
- 11. The parties hereto hereby acknowledge and consent that Legal Counsel is employed by the City, and that in the event of a conflict of interest, if a resolution cannot be achieved, Legal Counsel shall withdraw from providing legal services to the Corporation or the Subsidiary, and may continue to represent the City. Any conflicted party shall be referred to independent legal counsel.

Fees and Charges

- 12. From time-to-time, the City shall calculate the fees and charges for the support services provided by the City to the Corporation or the Subsidiary for the month ended and notify the Corporation or the Subsidiary of those fees and charges.
- 13. The fees and charges shall be calculated based on the principle that the Corporation or the Subsidiary shall reimburse the City fully for the costs incurred by the City in providing the support services.

14. The fees and charges may be based on hours worked, salaries, wages and benefits paid, liabilities assumed, supplied and utilities consumed, equipment used, travel and other expenses incurred, and any other costs whatsoever involved in providing the support services.
15. The fees and charges may be calculated in different ways for different areas of the support services and may, at the discretion of the City, be based on averages or estimates.
16. The City shall, upon request, fully disclose to the Corporation or the Subsidiary how all fees and charges are calculated.
17. The City may recalculate fees and charges from time to time, even retroactively or retrospectively, and the Corporation or the Subsidiary shall be responsible for paying any amount owing after such recalculation.
18. The Corporation or the Subsidiary shall pay any taxes imposed in respect of the support services provided or the fees and charges charged.

Term

19. The terms as agreed to by the parties to this agreement shall apply retroactively commencing on January 2018, and shall continue until terminated by any party in accordance with section 20.
20. Any party hereto may terminate this agreement upon not less than ninety (90) days' written notice to the other party.

Interpretation

21. The word "and" is an inclusive conjunction, the use of which indicates that all items or phrases in that section or list in which it appears are permitted or required as the case may be. The word "or" is an alternate conjunction, the use of which indicates that alternate or optional items or phrases in the subsection, part or list in which it appears are permitted or required, as the case may be. However, notwithstanding the foregoing, where the context permits, the word "or" may also be an inclusive conjunction having the same meaning as the word "and".
22. Words importing the singular number include the plural and vice versa, where appropriate.
23. The section numbers and headings herein are inserted for convenience and will in no way limit or affect the interpretation of this agreement.

General Provisions

24. The parties agree that this Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the applicable laws of Canada.
25. If any or part of a provision of this agreement is declared by any court or tribunal of competent jurisdiction to be illegal or inoperative, in whole or in part, or inoperative on particular circumstances, the balance of this agreement, or its application in other circumstances, shall not be affected and shall continue to be in full force and effect.
26. This agreement shall enure to the benefit of and be binding upon the parties and their successors, executors, administrators and their permitted assigns.
27. The Corporation and the Subsidiary acknowledge that the City is bound by *the Municipal Freedom of Information and Protection of Privacy Act* (the “Act”), as amended, and that the information provided to the City in connection with this agreement may be subject to disclosure under the Act.
28. This agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. This agreement will be considered fully executed when all parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart. This agreement may be executed and delivered by facsimile signatures or other electronic delivery and will be binding on all parties as if executed by original signature and delivered personally.
29. This agreement will take effect upon execution by the parties.

[remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF the parties hereto have, by their respective proper officers duly authorized in that regard, hereto set their hands and seals.

SIGNED SEALED AND
DELIVERED

ST. CATHARINES HYDRO INC.

Date: _____

Per: _____

Date: _____

Per: _____

I/we have the authority to bind the Corporation

ST. CATHARINES HYDRO GENERATION INC.

Date: _____

Per: _____

Date: _____

Per: _____

I/we have the authority to bind the Corporation

THE CORPORATION OF THE CITY OF ST. CATHARINES

Date: _____

Per: _____

Date: _____

Per: _____

I/we have the authority to bind the Corporation