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## Newmarket Hydro Holdings Inc.

January 11, 2019

### Newmarket Hydro Holdings Inc. Report of the President

TO: Town of Newmarket Committee of the Whole

SUBJECT: Special Meeting of the Shareholders  
Appointment of the Inaugural Board of Directors  
Envi Networks Ltd.

ORIGIN: President, Newmarket Hydro Holdings Inc.

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#### RECOMMENDATIONS:

**THAT the Newmarket Hydro Holdings Inc. (the "Corporation") Report of the President dated January 11, 2019 regarding the inaugural board of directors of Envi Networks Ltd. ("Envi") be received and the following recommendations be adopted:**

**WHEREAS the Corporation of the Town of Newmarket (the "Sole Shareholder") is the sole shareholder of the Corporation;**

**AND WHEREAS the Sole Shareholder by a Shareholder Declaration dated November 1, 2000 appointed the Mayor as its legal representative for the purpose of communicating any shareholder consent or approval required by either the terms of the Shareholder Declaration or the *Business Corporations Act* (Ontario) (the "*OBCA*");**

**AND WHEREAS the Corporation owns a majority of the common shares of Envi;**

**AND WHEREAS pursuant to s.102(2) of the *OBCA* where a body corporate is the shareholder of a corporation the corporation shall recognize any individual properly authorized by the body corporate to represent it at meetings of shareholders of the corporation;**

**AND WHEREAS pursuant to s.104 of the *OBCA* a written resolution dealing with all the matters required to be dealt with at a shareholders meeting and signed by the shareholders entitled to vote at that meeting satisfies all requirements of the *OBCA* relating to that meeting of shareholders;**

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**NOW THEREFORE BE IT RESOLVED by the Municipal Council of the Corporation of the Town of Newmarket as follows:**

**THAT the Mayor, as the Sole Shareholder’s legal representative, direct Esther Armchuk, the sole director and legal representative of the Corporation, to sign the following Envi shareholder resolution:**

THAT Ian Collins, Bob Kwapis, Jill Schatz and Tony Van Bynen are elected directors of Envi to hold office until the next annual meeting of shareholders or until their successors are elected or appointed.

**Background**

**Election of Directors – Envi Networks Ltd.**

Since its inception, Envi has been governed by a sole director, the President of Newmarket – Tay Power Distribution Ltd. (“NT Power”) and the Corporation. As he cannot devote the time necessary to provide effective governance for Envi, it is necessary to appoint the inaugural board of directors at this time.

To assist the President in identifying candidates to act as directors for Envi, the board of directors of NT Power struck a Nominating Committee (the ‘Committee’), consisting of chair R. Betts, and directors C. Prattas and D. Charleson to; with input from a professional recruiting firm and utilizing corporate governance best practices, provide a recommended list of appointees.

Working with the professional recruiting firm of Boyden, the President and the Committee recommend that the following individuals be appointed:

Ian Collins  
Jill Schatz  
Tony Van Bynen

In accordance with the Shareholders Agreement, the Town of Newmarket is to appoint one sitting member of Council to the board of Envi. The President understands that Councillor Bob Kwapis is to be appointed. The Shareholders Agreement also provides that the Town of Newmarket appoints the board of directors in its sole discretion

*[Original signed by]*

P.D. Ferguson P.Eng.  
President,  
Newmarket Hydro Holdings Inc.