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Newmarket Hydro Holdings Inc.

January 12, 2015

Newmarket Hydro Holdings Inc. Report of the President

TO: Town of Newmarket Committee of the Whole

SUBJECT: Newmarket Hydro Holdings Inc. 2013 Annual General Meeting

ORIGIN: President, Newmarket Hydro Holdings Inc.

RECOMMENDATIONS:

THAT the Newmarket Hydro Holdings Inc. Report of the President dated January 12, 2015 regarding the financial statements of Newmarket Hydro Holdings Inc. (the "Corporation"), the written resolutions of Newmarket – Tay Power Distribution Ltd. ("NT Power") and appointment of the sole director and auditors 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 NT Power;

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:

1. THAT the Mayor, as the Sole Shareholder's legal representative, is directed to sign the following Corporation Shareholder resolutions:

- a. THAT the Corporation's financial statements for the financial year ended December 31, 2013 together with the report of the Corporation's auditors, Collins Barrow, thereon dated June 26, 2014 be approved and adopted.
- b. THAT Collins Barrow, Chartered Accountants, be appointed auditors of the Corporation to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the sole director and the sole director is authorized to fix such remuneration.
- c. THAT R.N. Shelton be appointed as the sole director of the Corporation to hold office until the next annual meeting of shareholders or until his successor is elected or appointed.
- d. THAT R.N. Shelton, so long as he is the sole director of the Corporation, shall represent the Corporation at meetings of shareholders of NT Power;
- e. AND THAT all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the sole director and sole officer of the Corporation to December 31, 2013, as the same are set out or referred to in the resolutions of the sole director, or in the financial statements of the corporation, are approved, sanctioned and confirmed.

2. AND THAT the Mayor, as the Sole Shareholder's legal representative, direct R.N. Shelton, the sole director and legal representative of the Corporation, to sign the following NT Power shareholder resolutions in lieu of an annual meeting:

- a. THAT the financial statements of NT Power for the financial year ended December 31, 2013 together with the report of NT Power's auditors, Collins Barrow, thereon dated April 23, 2014 be approved and adopted.
- b. THAT Collins Barrow, Chartered Accountants, be appointed auditors of NT Power to hold office until the next annual meeting of shareholders at such remuneration as may be fixed by the directors and the directors are authorized to fix such remuneration.

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c. THAT T. Van Bynen, S. Warnock, P. Daniels, R. Betts, A. Ott, C. Prattas and P. Ferguson are elected directors of NT Power to hold office until the next annual meeting of shareholders or until their successors are elected or appointed.

d. AND THAT all acts, contracts, bylaws, proceedings, appointments elections and payments, enacted, made, done and taken by the directors and officers of NT Power to December 31, 2013, as the same are set out or referred to in the resolutions of the board of directors, the minutes of the meetings of the board of directors or in the financial statements of NT Power, are approved, sanctioned and confirmed.

Financial Statements of the Corporation

The audited financial statements for the Corporation and NT Power are attached. The president will provide a verbal overview of the highlights and answer any questions regarding them.

Appointment of Auditors

The Board of Directors of NT Power recommends the re-appointment of Collins Barrow for the period January 1 to December 31, 2014 for both the corporation and NT Power.

Election of Directors for the Corporation

Upon the merger of Newmarket Hydro Ltd. and Tay Hydro Electric Distribution Company Inc. on May 1, 2007, Mr. R.N. Shelton was appointed as the sole director of the corporation. There has been no change requested by the Shareholder to this appointment.

Election of Directors – NT Power

The existing directors of NT Power are:

T. Van Bynen, Mayor of the Town of Newmarket
S. Warnock, Mayor of the Township of Tay
R. Betts, Independent Director
Dr. U. Phillip Daniels, Independent Director
C. Prattas, Independent Director
Andy Ott, Independent Director
P.D. Ferguson, President of NT Power

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The appointments of The Mayor of Newmarket, the Mayor of Tay and the President are de facto. The independent directors Betts, Daniels, Prattas and Ott are eligible for re-appointment and are recommend by the Board of Directors.

[Original signed by]

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