

January 8th, 2024

To: Council of the Town of Newmarket
From: President & CEO
Re: Newmarket-Tay Power Distribution Ltd. (NT Power)
Director Recruitment and Nomination Process

RECOMMENDATIONS:

WHEREAS section 3.03(2) of the Newmarket-Tay Power Distribution Ltd. Shareholders Agreement provides a specific process for nominating candidates and making a selection from a recommended list of candidates in order to fill vacancies on the board of directors of the Corporation for election by the Shareholders at the general meeting of shareholders of the Corporation;

AND WHEREAS there will be a vacancy on the board of directors of Newmarket-Tay Power Distribution Ltd. (NT Power) as part of the AGM process and the Shareholders have agreed to forego the formal process contemplated by section 3.03(2) of the Agreement;

THEREFORE, BE IT RESOLVED THAT by the Municipal Council of the Corporation of the Town of Newmarket as follows:

1. THAT the requirement in the Shareholders Agreement, Article 3, Section 3.03, Paragraph (2) in connection with identifying, nominating and selecting from a recommended list of candidates in order to fill the current vacancy on the board of directors of the Corporation and putting forward for election by the Shareholders at the next general meeting of shareholders of the Corporation to be held in 2024 following the Corporation's 2023 fiscal year end (the "**2023 AGM**"), be waived for this appointment;
2. AND THAT the waiver granted does not constitute a waiver of any other provision of the Shareholders Agreement or an agreement to otherwise modify any term of the Agreement.

BACKGROUND:

At the 2022 annual general meeting of Newmarket-Tay Power Distribution Ltd., the Shareholders appointed Newmarket Mayor J. Taylor, Tay Mayor T. Walker, Cristine Prattas, David Charleson, Brian Gabel, David Wattling and Dino Priore to the board of directors.

Cristine Prattas' director term will cease at the 2023 AGM, creating one director vacancy.

Section 3.03(2) of the NT Power Shareholders Agreement (the Agreement) provides a specific process for nominating candidates and making a selection from a recommended list of candidates in order to fill vacancies on the board of directors of the Corporation for election by the Shareholders at the general meeting of shareholders of the Corporation.

The Board notes that there is only one director vacancy to be filled and that the expense of retaining a professional recruitment firm is not justified. It is therefore recommended that the requirement in the Shareholder's Agreement to retain a professional search firm be waived in this instance.

That further to the Shareholder Agreement with NT Power, Council agrees to waive the requirement to set up an ad hoc committee to confirm selection between the two candidates recommended by NT Power and give the authority the NT Power Board of Directors regarding the replacement for Christine Prattas.

The Board is recommending the shareholders fill the vacancy based on the recommendation put forward by The Board. It should be noted that NT Power's Board of Directors contains representation from both shareholders ie Mayor of Newmarket and the Mayor of Tay Township. This change will allow for a more streamlined selection process which will be beneficial to the shareholder, NT Power and the candidates themselves and is inline with good governance practice.

PROCESS:

The Board has established a set of search criteria for potential directors. The Agreement places no restrictions on director residency; and the Board believes that the search should not be restricted by any such requirements.

The Committee proposes to place advertisements in various job posting locations / sites as part of the recruitment advertising strategy.

Once applications have been received, they will be pre-screened using the criteria noted, and prospective candidates interviewed by the Committee. The Board will make a recommendation on the appointment for the replacement director to both Newmarket and Tay Councils at the 2023 Annual General Meeting.

TIMELINE:

The Committee has established the following timeline for the recruitment process:

- March 2024: Advertise, receive and pre-screen applications
- April 2024: The Committee conducts interviews; and prepares a recommendation for presentation to the Board.
The Board makes a final recommendation on appointment for the replacement director.
- June: Annual general meeting to confirm appointment of new director.



Ysni Semsedini,
President & CEO
Newmarket – Tay Power Distribution Ltd.