

INTER-CORPORATE SERVICES AGREEMENT

AGREEMENT made this 24 day of Nov 2020.

BETWEEN:

HEARST CONNECT CORPORATION

hereinafter called 'Hearst Connect'
OF THE FIRST PART

- and -

HEARST POWER DISTRIBUTION CORPORATION LIMITED

hereinafter called 'Hearst Power Distribution'
OF THE SECOND PART

WHEREAS Hearst Connect Corporation is incorporated under the laws of the Province of Ontario pursuant to an order of the Corporation of the Town of Hearst by the passing of By-law 42-2017 on February 14, 2017 and Hearst Power Distribution Company Limited is incorporated under the laws of the Province of Ontario pursuant to an order of the Corporation of the Town of Hearst by the passing of By-law 53-2000 on October 30, 2000;

AND WHEREAS Hearst Power Distribution is a "distributor" as defined in the Electricity Act, 1998;

AND WHEREAS Hearst Connect is defined as an Affiliate of Hearst Power Distribution as per the Ontario Energy Board Affiliate Relationship Code for Electricity Distributors and Transmitters, issued April 1, 1999, as amended;

AND WHEREAS Hearst Power Distribution is a provider of services for Hearst Connect, including pole attachment rental and, as needed, outside plant network assistance;

AND WHEREAS Hearst Connect is likewise a provider of services for Hearst Power Distribution, including telecommunication services (ie: internet & telephone), and

AND WHEREAS Hearst Power Distribution and Hearst Connect are affiliates within the meaning of the Business Corporations Act, R.S.O. 1990, as amended;

AND WHEREAS Hearst Connect and Hearst Power Distribution provides and desires to continue to provide Shared Services for each other;

AND WHEREAS the purpose of this Agreement is to describe the Shared Services to be provided between Hearst Connect and Hearst Power Distribution and the fees and charges to be paid for such Shared Services.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and the payment of the sum of TWO DOLLARS (\$2.00) each to the others, the receipt and sufficiency of which is hereby acknowledged, Hearst Connect and Hearst Power Distribution (together the "Parties") agree with each other as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. The following words and expressions wherever used in this Agreement shall have the following meanings, unless the context expressly or by necessary implication, otherwise requires:

- (a) "Agreement" means this Inter-Corporate Services Agreement and any subsequent amendments thereto.
- (b) "Code" means the OEB Affiliate Relationships Code for Electricity Distributors and Transmitters revised March 15, 2010, and any amendments or revisions thereto.
- (c) "Confidential Information" means information obtained by Hearst Connect and Hearst Power Distribution relating to a specific smart sub-metering provider, wholesaler, consumer, retailer or generator in the process of providing current or prospective utility service, information pertaining to employees and such other information deemed confidential under the Freedom of Information and Protection of Privacy Act.
- (d) "Fully Allocated Cost" means the sum of direct costs plus a proportional share of indirect costs.
- (e) "Indirect Costs" means costs that cannot be identified with a specific unit of product or service or with a specific operation or cost centre, and includes, but is not limited to, overhead costs, administrative and general expenses and taxes.
- (f) "Information Services" means computer systems, service databases and persons knowledgeable about Hearst Power Distribution's information technology systems, and includes programming services.
- (g) "OEB" means the Ontario Energy Board.
- (h) "Parties" means the Corporation of Hearst Connect and Hearst Power Distribution Company Limited collectively, and "Party" means any one of them as the case may be.
- (i) "Qualifying Facility" means a generation facility or an energy storage facility that meets the requirements set out in subsection 71(3) of the Ontario Energy Board Act, 1988;
- (j) "Representatives" means any employee, agent or subcontractor of the Party in question, including without limitation any third party retained to perform any or all of the Shared Services pursuant to this Agreement.
- (k) "Term" shall have the meaning prescribed to it in Article 2 of this Agreement.
- (l) "Shared Services" means Shared Services of a support nature delivered by each or either Party's own human and physical resources that include poles, support structures, powerline staff and equipment, insurance and such other support services as may be justifiably and beneficially shared by the Parties from time to time.

2. TERM AND TERMINATION

- 2.1. The Parties agree that, notwithstanding any provision contained therein, any prior agreements for Shared Services made between them will be terminated effective January 1st, 2020.
- 2.2. This Agreement shall commence on January 1st, 2020 and terminate on December 31st, 2022 unless terminated by one of the Parties as permitted in this Agreement or unless otherwise directed by the OEB.
- 2.3. This Agreement may be terminated by any one of the Parties upon one hundred and eighty (180) days written notice to the other Party.

3. SHARED SERVICES

- 3.1. Hearst Power Distribution will provide to Hearst Connect the Shared Services set out in Schedule A attached hereto and forming part of this Agreement, and any additional services required by Hearst Connect from time to time that can be justifiably and beneficially offered by Hearst Power Distribution. The request shall be within notice, reasonable in the circumstances, for the type and quantity of Shared Services it requires, and Hearst Power Distribution shall supply the Shared Services, provided it has the capacity to do so without detriment to its own business or operations.
- 3.2. Hearst Connect will provide to Hearst Power Distribution the Shared Services set out in Schedule B attached hereto and forming part of this Agreement, and any additional services required by Hearst Power Distribution from time to time that can be justifiably and beneficially offered by Hearst Connect. The request shall be within notice, reasonable in the circumstances, for the type and quantity of Shared Services it requires, and Hearst Connect shall supply the Shared Services, provided it has the capacity to do so without detriment to its own business or operations.
- 3.3. The quality of the Shared Services provided by the Parties will be equivalent to the quality it could expect to receive from third party suppliers. Where no market exists for a Shared Support Service, the quality of such Shared Support Service will be equivalent to the quality provided in the Party's own business and operations.
- 3.4. The Shared Services required by the Parties shall be provided in accordance with this Article 3 and with the prices set out respectively in attached Schedule A and Schedule B and the terms, conditions and prices shall be compliant with the requirements of the Code.
- 3.5. For the year commencing on January 1st, 2020 and also for ensuing years commencing on January 1st during the term of this Agreement, the prices specified in Schedule A and in Schedule B shall consist of the prices in effect immediately and shall be subject to changes based on OEB regulation or variable actual costs.

3.6. Prices charged between the Parties shall be subject to HST.

4. CONFIDENTIAL INFORMATION

- 4.1. Hearst Connect and Hearst Power Distribution mutually undertake and agree that they will not request from each other or disclose to each other or to any third party Confidential Information unless the party to whom the Confidential Information relates, consents, or unless disclosure is permitted under the Code, the corporate by-laws of Hearst Connect and/or Hearst Power Distribution or otherwise, is required by law.
- 4.2. It is understood and agreed that subject to any revisions to the Code, to the corporate by-laws of Hearst Connect and/or Hearst Power Distribution, all Confidential Information will be protected from access by the Parties and from access by third parties, and access to Hearst Connect's and Hearst Power Distribution's information services shall include appropriate data management and data access protocols and the Parties further agree to comply with all such protocols.
- 4.3. The Parties further undertake and agree that should a breach of any access protocol occur, the Parties will take immediate steps to remedy such breach.

5. DISPUTE RESOLUTION

Disputes between the Parties with respect to any provision of this Agreement which cannot be resolved by the Parties, shall be referred to arbitration in compliance with the provisions of the Arbitrations Act R.S.O. 1990, as amended, and in particular subject to the following requirements:

- 5.1. There shall be a single arbitrator selected by mutual agreement of both Parties.
- 5.2. The decision of the arbitrator as the case may be, shall be final.
- 5.3. The costs of the arbitration shall be borne equally between the Parties.
- 5.4. Notwithstanding the existence of any such disputes, Hearst Connect and Hearst Power Distribution shall continue to carry out their respective obligations under this Agreement in a timely fashion, and such carrying out of obligations shall be without prejudice to their respective rights under this Agreement.

6. INSURANCE AND APPORTIONMENT OF RISK

- 6.1. Each Party will maintain policies of insurance for public liability and property as will protect the Parties from claims for damages for personal injury, including death, from claims for loss and from claims for property damage which may arise from the Parties' business or operations, including any act or omission of the Parties' agents, representatives or employees, and such coverage shall include all costs, charges and expenses reasonably incurred with respect to any injury or damage.

6.2. Each Party shall bear all risks associated with the business and operations of such Party.

7. INDEMNIFICATION

Each Party agrees to indemnify and save harmless the other Party against all losses, damages, claims, actions, demands, suits, costs and interest arising directly or indirectly from anything done by the Party in connection with this Agreement, whether in the performance of, outside of, or contrary to this Agreement.

8. WORKPLACE SAFETY AND INSURANCE BOARD COVERAGE

Hearst Connect and Hearst Power Distribution shall procure and carry Workplace Safety and Insurance Board coverage for their employees while providing Shared Services to the other Party, the cost of which shall be part of the prices established for services rendered.

9. ENTIRE AGREEMENT

This Agreement is the entire agreement among the Parties regarding the subject of this Agreement and it can be amended or supplemented only by a document agreed and executed in writing by authority of both Corporation.

10. SEVERABILITY

If any term of this Agreement is found to be invalid, illegal or unenforceable by a court or tribunal having the jurisdiction to do so, that term is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that finding or by the severance of that term.

11. CONTEXT

In this Agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.

12. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario.

13. ASSIGNMENT

A Party may only assign this Agreement with the written consent of the other Party, such consent not to be unreasonably withheld.

14. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall ensure to the benefit of the Parties hereto and their respective permitted successors and assigns.

15. NOTICE

Any notice required or permitted to be given hereunder or any tender or delivery, facsimile or e-mail to the following individuals or to such other individual a Party may stipulate by notice to the other Parties:

For Hearst Power Distribution Company Limited

Name: Jessy Richard
Title: General Manager
Telephone: 705-372-2815
Fax: 705-362-5902
e-mail: jrichard@hearstpower.com

For Hearst Connect Corporation
Name: Tania Cossette
Title: General Manager
Telephone: 705-372-2826
e-mail: tcossette@hearstconnect.com

IN WITNESS WHEREOF the Corporate parties have affixed their Corporate Seals under the hands of their officers authorized in that behalf, and the individual parties have set their hands and seals.

EXECUTED AT HEARST THIS 24 DAY OF NOV 2020.

HEARST CONNECT CORPORATION

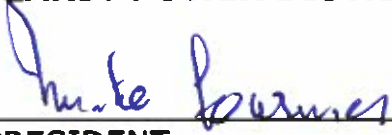


PRESIDENT



GENERAL MANAGER

HEARST POWER DISTRIBUTION COMPANY LIMITED



PRESIDENT



GENERAL MANAGER



Schedule A

Intercorporate Services Agreement dated January 1st 2020

between

Hearst Connect Corporation and Hearst Power Distribution Corporation

Shared Support Services provided by Hearst Power Distribution

- All pole attachments shall be payable to Hearst Power in accordance with the most recent third-party attachment agreement and shall agree to the Ontario Energy Board approved Hearst Power rate classified under "Specific charge for access to the power poles - \$/pole/year".
- All human resources retained by Hearst Connect for the completion of regulated or non-regulated specified services shall be reimbursed at actual employee hourly cost, plus applicable overhead percentage as determined by Hearst Power Distribution.
- All equipment used to complete a regulated or non-regulated service request shall be billed as per the following rates:
 - Aerial bucket truck (truck only): 71.75\$/ hr + \$1.00/km
 - Derrick Digger Truck (truck only): 71.75\$/hr + \$1.00/km
 - Pickup truck (vehicle only): \$75.00/day + \$0.75/km
 - Walk behind trencher: \$150/day

All equipment rates are subject to yearly increase as determined by Hearst Power Distribution, to reflect cost-based price and Canada Consumer Price Index (Ontario) ("CPI") yearly inflation.

Schedule B

Intercorporate Services Agreement dated January 1st 2020

between

Hearst Connect Corporation and Hearst Power Distribution Corporation

Shared Support Services provided by Hearst Connect

- All telecommunications (ie: internet & telephone) services provided by Hearst Connect shall be payable by Hearst Power at the Hearst Connect advertised commercial rate. No discount or overcharges shall be applicable.
- All human resources retained by Hearst Power for the completion of regulated or non-regulated specified services shall be reimbursed at actual employee hourly cost, plus applicable overhead percentage as determined by Hearst Connect Corporation.