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#### BY EMAIL AND RESS

April 17, 2023

Ms. Nancy Marconi Registrar Ontario Energy Board Suite 2700, 2300 Yonge Street P.O. Box 2319 Toronto, ON M4P 1E4

Dear Ms. Marconi,

# EB-2022-0178 - Entegrus Powerlines Inc. Application for a Service Area Amendment – HONI Intervenor Evidence

In accordance with Procedural Order No. 1, please find enclosed Hydro One Networks Inc.'s intervenor evidence on the Entegrus Powerlines Inc. Application for a Service Area Amendment.

Sections of this intervenor evidence have been redacted in accordance with the OEB's Practice Direction on Confidential Filings given that information therein is specific and/or detailed with respect to the Customer that is directly impacted by the Entegrus Application by either disclosing or relying upon the Customer's load profile and energy use.

A redacted electronic copy of this intervenor evidence has been submitted using the Board's Regulatory Electronic Submission System for public use. A confidential unredacted version of this intervenor evidence has also been supplied to the OEB in accordance with the OEB's Practice Direction on Confidential Filings.

Sincerely,

Joanne Richardson

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# ENTEGRUS POWERLINES INC. Application for Service Area Amendment

# Hydro One Networks Inc. Evidence April 17, 2023

#### 1 1.0 INTRODUCTION

In accordance with Procedural Order 1, this is the intervenor evidence of Hydro One
 Networks Inc. ("Hydro One") in the Entegrus Powerlines Inc. ("Entegrus" or "Applicant")
 proposed service area amendment ("SAA") application to serve 1 Cosma Court in St.
 Thomas, Ontario (the "Subject Area").

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Hydro One's evidence will address relevant sections of the Ontario Energy Board Act, 7 1998 ("OEB Act"), Ontario Energy Board ("OEB" or "the Board") codes and policies, filing 8 guidelines, commercial agreements between the two affected utilities specific to the 9 Subject Area, as well as applicable legislation and/or prior OEB determinations to 10 demonstrate that the public interest is only met if Hydro One continues to service the 11 Subject Area. Hydro One submits its evidence will support an OEB determination to 12 dismiss the proposed relief sought by Entegrus to serve Formet Industries ("the 13 Customer"). 14

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## 16 1.1 ONTARIO ENERGY BOARD PRINCIPLES

### 17 1.1.1 SERVICE AREA AMENDMENT PRINCIPLES

Entegrus' application seeks OEB relief pursuant to section 74(1) of the OEB Act. Through the Combined Distribution Service Area Amendments Proceeding RP-2003-0044 ("Combined Distribution Service Area Amendments Proceeding"), the OEB developed principles to ensure a consistent review approach to SAA applications. Hydro One's evidence in this SAA is fundamentally based on the principles established in the Combined Distribution Service Area Amendments Proceeding.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> RP-2003-0044, Decision with Reasons, March 1, 2004, and June 23, 2003

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- 1 Notably, at Paragraph 84 of the OEB's March 1, 2004, Decision with Reasons in the
- <sup>2</sup> Combined Distribution Service Area Amendments Proceeding, the OEB found that:
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The promotion of economic efficiency in the distribution sector is one of the 4 Board's guiding objectives in the regulation of the electricity sector. The 5 Board is persuaded that economic efficiency should be a primary principle 6 in assessing the merits of a service area amendment application. Economic 7 efficiency would include ensuring the maintenance or enhancement of 8 economies of contiguity, density and scale in the distribution network; the 9 development of smooth, contiguous, well-defined boundaries between 10 distributors; the lowest incremental cost connection of a specific customer 11 or group of customers; optimization of use of the existing system 12 configuration: and ensuring that the amendment does not result in any 13 unnecessary duplication or investment in distribution lines and other 14 distribution assets and facilities. The Board recognizes that there may be 15 applications where all these components of economic efficiency do not 16 apply. 17 18

In establishing this guidance, the OEB also provided that in rendering a decision on a SAA, to maintain consistency with the statutory objectives of the OEB Act, the OEB should "...consider the protection of the interests of other consumers in the proposed amendment area, the remaining customers of *each utility*, and the *interests of electricity consumers throughout the province*, over a time period that includes more than the short-term implications of any given action"<sup>2</sup> (emphasis added).

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Hydro One's evidence will illustrate that the Entegrus SAA is inconsistent with the OEB 26 statutory objectives. The evidence will demonstrate that the Entegrus SAA does not: (i) 27 maintain or enhance economies of contiguity, density and scale in the distribution network, 28 (ii) improve well-defined boundaries between distributors that have existed since the initial 29 Subject Area connection in 1998, (iii) provide the lowest incremental cost connection of a 30 specific customer or group of customers or, (iv) optimize use of existing system 31 configurations. Hydro One will highlight the impact of the proposed Entegrus SAA on 32 existing Hydro One customers including those within the Subject Area, outside the Subject 33 Area, and opine on the impact the SAA will have on customers throughout the province. 34

<sup>&</sup>lt;sup>2</sup> RP-2003-0044, Decision with Reasons, March 1, 2004, para. 63

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#### 1 1.1.2 ONTARIO ENERGY BOARD RATEMAKING PRINICIPLES

OEB ratemaking principles are rooted in satisfying the statutory objectives of the OEB, 2 most notably, to inform consumers and protect their interests with respect to prices and 3 the adequacy, reliability, and quality of electricity service.<sup>3</sup> One OEB ratemaking principle 4 is that benefits follow costs which in short outlines that any benefits that occur because of 5 an incurred cost should flow to the party that paid for the cost. Hydro One's evidence will 6 unequivocally demonstrate that neither Entegrus, nor the former St. Thomas PUC or St. 7 Thomas Energy Inc., funded the construction and/or continued maintenance of the 8 facilities in question. The facilities and their continued maintenance were fully funded by 9 Hydro One and its predecessor, Ontario Hydro. Consequently, an OEB decision to transfer 10 the Subject Area to Entegrus would conflict with this fundamental regulatory ratemaking 11 principle causing undue harm to all existing Hydro One ratepayers, including the 12 Customer. 13

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# 2.0 ONTARIO ENERGY BOARD JURISPRUDENCE PERTINENT TO THE SUBJECT AREA

This section of Hydro One's intervenor evidence provides pertinent historical context that will explore OEB jurisprudence as well as commercial agreements specific to this connection and the Subject Area to assist in examining the facility ownership position advanced by the Applicant. The relevant OEB decisions for the matters in issue are:

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22 23  RP-2002-0194/EB-2002-0523: A motion filed by St. Thomas PUC and dismissed by the OEB to review the 1997 Supply Facilities Agreement considering the Electricity Act, 1998

2. EB-2017-0192: A jointly filed LTLT-elimination application by Hydro One and St.

Thomas Energy Inc., approved by the OEB, to eliminate all existing LTLTs

between the two utilities in accordance with the Distribution System Code ("DSC").

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30 3. EB-2017-0212: OEB approved amalgamation of Entegrus and St. Thomas Energy
 31 Inc.

<sup>&</sup>lt;sup>3</sup> OEB Statutory Objective 1

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Hydro One requests that the record of the above proceedings be included on the record of this proceeding. These documents are important to establishing that the proposed SAA is inconsistent with the principles established in the Combined Distribution Service Area Amendments Proceeding. This OEB jurisprudence will support that the proposed SAA does not optimize existing distribution infrastructure or provide the lowest cost of connection for the Customer or for a group of customers.

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## 2.1.1 RP 2002-0194/EB-2002-0523 - THE 1997 SUPPLY FACILITIES AGREEMENT & MARKET OPENING

In September 1997, and as later modified by an addendum letter of May 29, 1998, Ontario
 Hydro ("OH") and St. Thomas PUC (the "PUC") executed the Agreement for Supply
 Facilities – Formet Industries: Two Dedicated 27.6 kV Feeders (collectively, the "Supply
 Facilities Agreement"). This agreement was transferred to Hydro One Networks Inc. by
 transfer order made under Part X of the Electricity Act, 1998 (Ontario).

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The Supply Facilities Agreement was expressly made "conditional upon OH reaching a satisfactory supply agreement with the Customer" (second paragraph of the Supply Facilities Agreement). The Customer was defined as being the occupants of the Formet Lands (as that term is defined in the Supply Facilities Agreement) and reside entirely within the Subject Area of this Application.

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The purpose of the Supply Facilities Agreement was for OH and the PUC to capture the terms of the agreement that they made whereby "OH may supply the Customer with power and the PUC waives any and all rights it may have to supply the Customer".<sup>4</sup> The Supply Facilities Agreement included the terms of OH's lease of two dedicated 27.6 kV feeders constructed and owned by the PUC (the "Feeders"), and provided that after paying the PUC 20 years of rental and maintenance fees for the Feeders, OH was given the option

 <sup>&</sup>lt;sup>4</sup> 1997 Supply Facilities Agreement found at Attachment 3 of Hydro One Intervenor Evidence, para.
 1 – Filed April 17, 2023

- to purchase the said Feeders at book value on January 1, 2018 (which option has been
   exercised by Hydro One, the successor to OH to the Supply Facilities Agreement).
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As a result of the Supply Facilities Agreement, Hydro One and St. Thomas Energy Inc.'s (the successor in law to the PUC) distribution licences were issued such that 1 Cosma Court was excluded from the service area of St. Thomas Energy Inc. ("St. Thomas") and included in Hydro One's service territory. Hydro One has since serviced the Subject Area but not without challenges from St. Thomas, and now Entegrus, as discussed below.

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Following market opening, Hydro One continued to distribute electricity to the Customer 10 and paid rental and maintenance fees to St. Thomas (and its current successor, Entegrus) 11 for the Feeders it leased from St. Thomas. Hydro One states that this continued by reason 12 of the inapplicability of Section 26(3) of the Electricity Act, 1998 to the Supply Facilities 13 Agreement as determined by the OEB in its response to a variance request made by St. 14 Thomas on July 23, 2004 in respect of the OEB's decision and order issued on June 30, 15 2004 in the St. Thomas Energy Distribution Licence Review, Licence No. RP-2002-16 0194/EB-2002-0523. In St. Thomas' July 4<sup>th</sup> letter, it previously advanced the position that 17 the Electricity Act frustrated the Supply Facilities Agreement, that the subject Customer 18 should be transferred to St. Thomas, and that St. Thomas should have therefore been 19 serving the Subject Area. 20

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On August 12, 2004, Mr. Mark Garner, the OEB's Managing Director of Market Operations, confirmed the OEB decision and order issued on June 30, 2004, in respect of the definition of the service area in St. Thomas' licence, which excludes 1 Cosma Court from St. Thomas' service territory (before and after market opening). In confirming the OEB's decision and order, Mr. Garner wrote as follows with respect to the applicability of Section 26(3) of the Electricity Act, 1998 to the Supply Facilities Agreement:

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It is apparent that this agreement is not a contract for supply of power for
 the use by the municipality or for the supply of the inhabitants of the
 municipality. Rather, it is an agreement to lease certain equipment in
 consideration by St. Thomas Public Utilities Commission to give up the right
 to serve a particular customer for a period of time. I therefore consider your
 argument regarding the applicability of the lease agreement in the context
 of section 26(3) of the Electricity Act not to be relevant.

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Attachment 1 to this Intervenor Evidence provides a copy of the variance request made by St. Thomas on July 23, 2004, and Attachment 2 is the response of the OEB to that variance request issued on August 12, 2004. The Supply Facilities Agreement is provided as Attachment 3.

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Given this jurisprudence, it is clear that the Supply Facilities Agreement between the utilities with respect to the Subject Area was a lease agreement that was not frustrated by the Electricity Act.<sup>5</sup> The option to purchase the facilities, in accordance with the lease agreement which was reviewed by the OEB in 2004, was exercised by Hydro One in December of 2017 and has not been complied with by Entegrus making any positions advanced by Entegrus with respect to *ownership* of the facilities moot.

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# 2.1.2 EB-2017-0192: A JOINTLY FILED LTLT-ELIMINATION APPLICATION BY HYDRO ONE NETWORKS INC. AND ST. THOMAS ENERGY INC.

On December 21, 2015, the OEB issued amendments to the Distribution System Code 15 ("DSC") requiring distributors to eliminate all existing long-term load transfers ("LTLTs") by 16 June 21, 2017 ("the LTLT DSC Amendments"). LTLTs, as described in the proposed 17 amendments to the DSC, involve two distributors. "One [distributor] is referred to as the 18 geographic distributor and the other is referred to as the physical distributor. While the 19 customer ("load transfer customer") is located in the licensed service area of the 20 geographic distributor, the load transfer customer is physically connected to the physical 21 distributor's distribution system because the geographic distributor does not have existing 22 assets in close proximity to serve the load transfer customer. It is therefore the physical 23 distributor that provides the delivery of electricity to the load transfer customer. However, 24 the customer is billed by the geographic distributor (i.e., pays geographic distributor's 25 distribution rates which may be higher or lower than physical distributor's rates)" 26 (emphasis added).<sup>6</sup> 27

<sup>&</sup>lt;sup>5</sup> Pertinent to the positions advanced by the Applicant, an asset divestiture approval is required for the disposition or sale or lease of an asset pursuant to s.86 of the OEB Act. The lease agreement was not executed by Hydro One, it was executed by Ontario Hydro in 1997 which predates Section 86(1) of the OEB Act and was subsequently transferred to Hydro One by operation of law. The lease agreement was reviewed by the OEB through the RP-2002-0194/EB-2002-0523 proceeding. No further approval of the lease was sought from the OEB.

<sup>&</sup>lt;sup>6</sup> EB-2015-0006 - OEB Notice of Proposal to Amend a Code, February 20, 2015

Hydro One did not seek the transfer of the Customer to Entegrus (St. Thomas at the time)
as Section 6.5.3 of the DSC does not apply to Hydro One's distribution of electricity to the
Customer using assets that it leased from St. Thomas under the terms of the Supply
Facilities Agreement. In addition, the Customer has never been settled as a long-term load
transfer ("LTLT") under the terms of Section 6.5 of the DSC.

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Considering the facts and evidence documented in Section 2.1.1, the Subject Area is not 7 serviced via a LTLT and as such, section 6.5.3 of the DSC does not apply. The Subject 8 Area has never been considered an LTLT nor identified as one in any LTLT settlement 9 between Hydro One and St. Thomas (now Entegrus). This does not mean, however, that 10 the Subject Area was not reviewed as part of any previous OEB-approved LTLT 11 elimination applications. In fact, Hydro One and St. Thomas explicitly drew the OEB's 12 attention to the 1 Cosma Court connection and its exclusion from consideration as an 13 LTLT during the Hydro One – St. Thomas LTLT elimination proceeding. 14

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As noted by Entegrus in their SAA, St. Thomas and Hydro One jointly filed a LTLT 16 elimination application on May 8, 2017. The jointly filed LTLT-elimination application is 17 provided as Attachment 4 (the "LTLT Joint Application"). The LTLT Joint Application 18 sought the elimination of all LTLTs between Hydro One and St. Thomas that were 19 identified at the time of the LTLT DSC Amendments, namely 15 LTLT customers. The 20 LTLT Joint Application was reviewed under docket EB-2017-0192 and approved by the 21 OEB as filed.<sup>7</sup> In section 1.3.1 of the LTLT Joint Application, it explicitly documents the 22 following with respect to the Subject Area: 23

<sup>&</sup>lt;sup>7</sup> Though it has no bearing on the customer at 1 Cosma Court, for completeness, one customer was inadvertently missed in the original LTLT Joint Application. That error was recognized by both utilities and immediately addressed. Consequently, a second application was filed and approved by the OEB for one further residential customer transfer to Hydro One. This was filed under docket EB-2017-0326.

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"\*\*\*Note: Hydro One's licence currently lists 1 Cosma Court as a "Customer within area 1 not served by Networks" in the City of St. Thomas. This customer is properly addressed 2 in Tab 5 of Hydro One's licence, and Hydro One requests that Tab 4 of its licence be 3 amended as stated above. 4 5 Once the application is approved. St. Thomas Energy Inc.'s licence Schedule 1, line 1 and 6 line 8 will be amended to state the following: 7 8 1. The municipal boundaries of the City of St. Thomas as of December 31, 1999, with the 9 exclusion of the customer located at: a. 1 Cosma Court St. Thomas N5R 4J5..." 10 11 Moreover, in section 1.3.3 of the LTLT Joint Application, Hydro One and St. Thomas 12 explicitly documented the following: 13 14 3 Hydro One Residential customers are proposed to be transferred to St. Thomas Energy 15 Inc. 16 17 There are 11 residential and 1 Commercial (less than 50 kW) customers proposed to be 18 transferred from St. Thomas Energy Inc. to Hydro One (note that the Cosma Court address 19 above is a pre-existing exclusion from the St. Thomas Energy Inc. licence). [Emphasis 20

21 22 added]

As evidenced by the LTLT Joint Application references above, the Subject Area was not 23 one of the addresses to be transferred nor was it not considered or inadvertently missed. 24 The Subject Area was identified in the LTLT Joint Application to explicitly establish that 25 the Subject Area would remain within Hydro One territory post-LTLT eliminations, i.e., both 26 utilities agreed that the connection of the Subject Area was not a LTLT. The connection 27 at the Subject Area was not then, and continues to not be today, a LTLT. The intent of the 28 elimination of LTLTs is to avoid cross-subsidization between ratepayers of different 29 utilities, i.e., the revenues collected from customers should actually flow to the ratepayers 30 of the distributor who they are physically connected to, since that distributor paid for the 31 assets that serve the customer. In this case, this is what is happening. There is no cross-32 subsidization as the Customer is connected to assets paid for by Hydro One and is paying 33

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Hydro One for this service. As documented in the Supply Facilities Agreement provided 1 at Attachment 3 of this intervenor evidence, Hydro One paid the PUC and St. Thomas for 2 the construction of the Feeders that serve the Subject Area. The lease fees were 3 predicated on the PUC's actual construction costs. Hydro One has also paid the PUC and 4 St. Thomas for the maintenance of the Feeders in accordance with the terms of the Supply 5 Facilities Agreement. The costs of the Feeders that serve the Subject Area have been 6 fully borne by Hydro One (and its predecessor, OH) thus the revenues collected from the 7 Customer should continue to flow to the benefit of the ratepayers that funded the 8 investment – Hydro One ratepayers. Expressed another way, an OEB determination to 9 transfer the Subject Area to Entegrus by having Entegrus utilize assets that have been 10 paid for by Hydro One ratepayers would ultimately result in the very issue the OEB has 11 been attempting to eliminate via the elimination of LTLTs, namely, cross-subsidization 12 between separate distributor ratepayers. In effect, the Entegrus SAA proposes to have 13 revenues from assets paid for by Hydro One flowing to Entegrus. 14

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Furthermore, Hydro One settles directly with the Customer. Importantly, despite the long 16 history of the connection, over twenty years, there was never an annual settlement 17 between the LDCs based on the consumption of the Customer, as would have otherwise 18 been the case had the connection been viewed as an LTLT by either distributor. This 19 connection was not considered an LTLT over the life of the Supply Facilities Agreement 20 nor was it deemed an LTLT at the time of the LTLT DSC Amendments. All LTLTs between 21 Hydro One and St. Thomas were eliminated with the approval of the EB-2017-0192 22 application and this connection has effectively been treated as a commercial lease-to-own 23 arrangement for the feeders constructed by the PUC but used and paid for by Hydro One 24 to serve the Subject Area. 25

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As documented, the LTLT DSC Amendments have been in effect since 2015. Notwithstanding the filing of this Application, Hydro One is unaware of any formal complaint or correspondence registered with the OEB by Entegrus that would have documented that Hydro One servicing the Subject Area is non-compliant with section 6.5 of the DSC. After the issuance of the LTLT DSC Amendments in December of 2015, Hydro One continued to make payments to St. Thomas and Entegrus in accordance with the Supply Facilities Agreement. St. Thomas and Entegrus accepted those payments. Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Page 10 of 28

### 1 2.1.3 EB-2017-0212 – ST. THOMAS ENERGY INC. AND ENTEGRUS MERGER

On July 21, 2017, Entegrus and St. Thomas applied for OEB approval to amalgamate and continue as Entegrus Powerlines Inc. pursuant to s.86 of the OEB Act ("the Entegrus and St. Thomas MAAD Application"). On March 15, 2018, the OEB approved the Entegrus and St. Thomas MAAD Application including deferral of rate re-basing for the merged entity. The deferral of rate rebasing for the merged entity elapses in 2026. As documented in the Application, Entegrus plans to maintain two separate rate zones (Entegrus - Main and Entegrus - St. Thomas) until such time as rates are re-based.

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Hydro One reviewed the commercial agreement that underpinned the OEB approval ("the 10 Merger Agreement") that was provided as Attachment K in the Entegrus and St. Thomas 11 MAAD Application. The publicly available version of the Merger Agreement is included as 12 Attachment 5 of this evidence for ease of reference.<sup>8</sup> Given the terms of the Merger 13 Agreement and the lack of any direct impact on Hydro One or any Hydro One customer, 14 Hydro One had no reason to intervene in the Entegrus and St. Thomas MAAD Application. 15 Moreover, Hydro One had no reason to do so as the question of the validity of the Facilities 16 Supply Agreement under the Electricity Act, 1998 and the inclusion of the Customer in 17 Hydro One's Licence was determined by OEB decision at Attachment 2, which decision 18 predated the Merger Agreement, but which Entegrus is now subject to, and must comply 19 with. 20

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In addition to protecting the interests of consumers with respect to price, reliability and 22 quality of service, Hydro One notes that one of the underlying objectives of the OEB in a 23 MAAD application is to promote economic efficiency and cost effectiveness in the 24 generation, transmission, distribution, sale and demand management of electricity and to 25 facilitate the maintenance of a financially viable electricity industry.<sup>9</sup> The OEB's 26 assessment of the Entegrus and St. Thomas MAAD Application may have been different 27 if the OEB was aware of the harm-inducing actions Entegrus is proposing via this SAA to 28 the Customer and to Hydro One's ratepayers. Financial viability, as the OEB is aware, 29

<sup>&</sup>lt;sup>8</sup> Hydro One acknowledges that it has not reviewed the St. Thomas Disclosure (Schedule 5.1 of the Merger Agreement) given its unavailability on the public record.

<sup>&</sup>lt;sup>9</sup> Ontario Energy Board, Statutory Objectives

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includes the obligation to meet and maintain commercial commitments made to other 1 industry members and other parties alike, e.g., debt repayments. Permitting a distributor 2 to renege on the terms and conditions of a commercial agreement that has been reviewed 3 by the OEB undermines the integrity of the industry and certainty of OEB determinations 4 in a time where the public is demanding swift, cost-effective electrification. Hydro One 5 submits that an OEB approval of the Entegrus SAA would make acceptable failure on the 6 part of a distributor to maintain commercial commitments which would reverberate through 7 the marketplace and increase the risk profile of distributors at a time when significant 8 capital investment will be required throughout the province to achieve the electrification 9 goals of the province. Hydro One believes that appropriate weight should be given to these 10 implications in the OEB's determination of Entegrus' Application which seeks to unravel a 11 commercial agreement under the guise of being in the public interest. 12

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# 2.1.4 THE ENTEGRUS SAA HARMS CUSTOMERS NOT CONSIDERED IN THE ENTEGRUS & STEI MAAD

Hydro One's evidence is that approving the Entegrus SAA would undermine the integrity of the three previous OEB decisions discussed in sections 2.1.1 through 2.1.3 above. It would cause undue harm to multiple ratepayers, most notably the directly impacted Customer that was not given notice of Entegrus' intent to not uphold St. Thomas' contractual commitments as part of the Entegrus and St. Thomas MAAD Application, as well as to Hydro One who would have applied to intervene in the MAAD Application.

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More specifically, and as far as an assessment of harm can be reviewed within the context
 of this proceeding, approving the Entegrus SAA would cause harm:

- (i) to the Customer in the Subject Area from a rate, service quality and reliability
   perspective; and
- (ii) to customers outside the Subject Area from a cost, rates, service quality, and
   reliability perspective.
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## 30 2.1.4.1 HARM TO THE CUSTOMER IN THE SUBJECT AREA – PRICE IMPACT

The Customer in the Subject Area would experience harm if the proposed SAA were approved from a rates and corresponding monthly bill perspective. Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Page 12 of 28

It is unclear through the Applicant's evidence to discern which specific rate class the 1 Customer would map to if serviced by Entegrus. However, as outlined in the Entegrus and 2 St. Thomas MAAD Application, separate zones are being maintained for Entegrus and St. 3 Thomas customers until the rebasing deferral period elapses in 2026. Consequently, given 4 the location of the Subject Area, Hydro One anticipates that the Customer would be 5 mapped to the St. Thomas rate zone as a non-residential account whose monthly average 6 peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 7 kW but less than 5,000 kW per month. Comparatively, the Customer is a sub-transmission 8 customer with Hydro One.<sup>10</sup> The difference in the relative total monthly bill is significant 9 for the Customer.

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The Customer's forecast monthly bill breakdown utilizing the Customer's average loading data over the last two years is provided in confidence as Attachment 6. The bill breakdown is provided as a Hydro One sub-transmission customer, as well as an Entegrus customer under either the St. Thomas or Entegrus rate zone applicable rate classes. Billing assumptions<sup>11</sup> have been held constant across all billing scenarios.

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Under any Entegrus rate class alternative, the transfer of the Customer to Entegrus would cause undue harm to the Customer from a billing perspective. Hydro One's position is that this billing inequity should be weighted more heavily than in a typical service area amendment review because there is sufficient evidence to document that the facilities serving the Customer were fully paid for by Hydro One and are being appropriately recovered from the Customer vis a vis the Hydro One rates and bills currently paid for by

<sup>&</sup>lt;sup>10</sup> Hydro One's sub-transmission rate class includes large general service customers that are similar to the Customer, in terms of supplying voltage and load. Therefore, the sub transmission rates accurately reflect the cost to serve the Customer.

<sup>&</sup>lt;sup>11</sup> The assumptions include that there would continue to be two supplies, two meters and two service charges for the Customer. The spot price for electricity is based on the weighted spotted price between March 1, 2022, and March 1, 2023. The global adjustment and capacity-based demand response is the last 12-month average for these items. All rates used are based on rates effective January 1, 2023, for each distributor/rate zone excluding rate riders.

the Customer. Any additional costs borne by the Customer over and above the monthly
 bill the Customer incurs today would result in even more revenues flowing to Entegrus
 from facilities Entegrus ratepayers have never funded.

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# 2.1.4.2 HARM TO THE CUSTOMER IN THE SUBJECT AREA – RELIABILITY & QUALITY OF SERVICE IMPACT

Harm to the Customer is not limited to pricing alone. Hydro One anticipates that the 7 Customer will experience reliability and quality of service impacts that will be to the 8 detriment of the Customer. Hydro One's analysis of the reliability concerns is based on 9 Hydro One's position as an experienced distributor as presently it has limited insight into 10 the Entegrus distribution system through the information provided in the Entegrus 11 Application. Thus, as new information is learned through the discovery process, Hydro 12 One will update its evidence, as necessary, but puts forward the issues of reliability and 13 quality of service so the Applicant can address these issues in the proceeding. 14

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Hydro One's review of the negative effects to the Customer's reliability if Entegrus were
 to connect the M7/M8 feeders into their system begins with a review of Figure 5-3 of the
 Application. For ease of reference, Figure 5-3 of the Entegrus Application has been
 embedded in this submission below.

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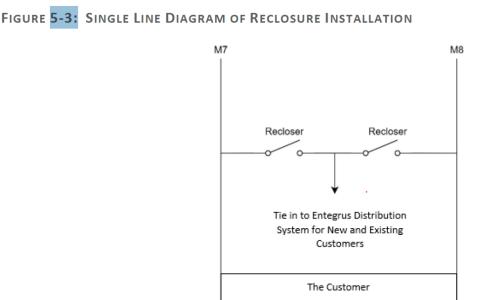


Figure 5-3 of the Application provides the single line diagram of the Entegrus 1 contemplated system configuration. Hydro One anticipates this configuration would have 2 a negative effect to the Customer's reliability because the installation of two reclosers will 3 not protect the Customer from power disturbances. Hydro One suggests that the Entegrus 4 plan would expose the Customer to faults within the Entegrus distribution system and 5 increase the likelihood of experiencing more momentary disturbances which may lead to 6 customer outages. This is due to the feeder experiencing voltage fluctuations when there 7 is a fault on the feeder thus causing power disturbances to the Customer. 8

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## 2.1.4.3 HARM TO CUSTOMERS OUTSIDE THE SUBJECT AREA – COST & RATE IMPACT

Hydro One ratepayers, outside the Subject Area, would be unduly harmed by the loss of 12 the Customer from a rates revenue requirement collection viewpoint. Utility revenue 13 requirement is collected from all ratepayers. If the delivery revenue collected from the 14 Customer is removed from the Hydro One sub-transmission rate class, then Hydro One 15 will under recover its revenue requirement until the next rebasing rate application. A 16 portion of the costs currently associated with the Customer will also be redistributed across 17 Hydro One's remaining customers at Hydro One's next rebasing rate application. Hydro 18 One believes this is inequitable and is fundamentally flawed when viewed from the lens 19 that the benefits (i.e., revenues) of the connection should flow to the ratepayers that have 20

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funded the construction and maintenance of the asset. As documented in previous 1 sections of this evidence, the M7 and M8 feeders that serve the Subject Area were 2 exclusively paid for by Hydro One (and its predecessor, OH), with the intention to exercise 3 the option in the lease agreement to purchase the assets. Consequently, Hydro One 4 ratepayers, including the Customer, should not have to fund and/or be harmed by the 5 neighbouring distributor planning efforts (or the lack of adequate planning efforts) and 6 Hydro One's position is that approving the Entegrus SAA would undermine the OEB 7 ratemaking principles that benefits follow costs. 8

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# 2.1.4.4 HARM TO CUSTOMERS OUTSIDE THE SUBJECT AREA – RELIABILITY & QUALITY OF SERVICE IMPACT

Hydro One does not agree with Entegrus' evidence that if the OEB approves the SAA and
 permits Entegrus to renege on the commercial terms of the Supply Facilities Agreement,
 that the M7/M8 will help Entegrus achieve the benefits laid out by Entegrus in Section
 5.5.4 of the Application.

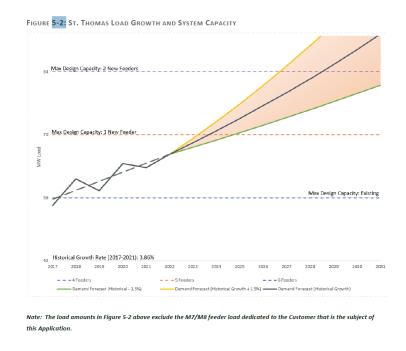
16

Hydro One's position on this matter is predicated on the inconsistencies that appear within
the evidence provided by the Applicant.

19

Based on the preferred configuration, shown in Figure 5-3, the capacity benefits 20 anticipated to be achieved by Entegrus will not materialize. To illustrate the need for the 21 SAA, Entegrus has provided a graph that depicts the Entegrus St. Thomas load forecast 22 and the existing Entegrus system capacity in Figure 5-2 of the Entegrus Application. 23 Figure 5-2 of the Entegrus Application illustrates that Entegrus has already exceeded the 24 Entegrus max design capacity on their existing four feeders and the Feeders serving the 25 Customer would assist Entegrus in addressing the forecast load growth in the area. Again, 26 for simplicity purposes, Hydro One has provided an extract of Figure 5-2 of the Entegrus 27 Application and provided it herein below. 28

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Exceeding the 'design capacity' or 'operational rating' as defined in Section 5.5 of 1 Entegrus' Application under normal conditions will reduce the ability to respond to 2 contingencies and fully restore power to affected customers. Additionally, exceeding the 3 'max rating' of a feeder, as defined in Section 5.5 of Entegrus' Application, can have other 4 negative system effects specifically degrading power quality or increased voltage issues. 5 There are also detrimental impacts to the equipment itself as exceeding these limits will 6 accelerate the degradation of equipment and could result in imminent failures that would 7 lead to unplanned outages for the Customer. 8

9

Hydro One relies on Figure 5-2 of the Application to identify that Entegrus' distribution
 system in St. Thomas has been operating near or above max design capacity since 2017,
 i.e., prior to the OEB's approval of the Entegrus and St. Thomas MAAD Application. The
 four feeders in St. Thomas have a max design capacity of 56MW, or 14 MW per feeder.

14

Secondly, Hydro One notes that the system configuration provided in Figure 5-3 of the
 Application would limit any contemplated system capacity benefits of this SAA.
 Specifically, given the system configuration documented in Figure 5-3 of the Entegrus
 SAA, Entegrus could only utilize capacity from one feeder at any given time.

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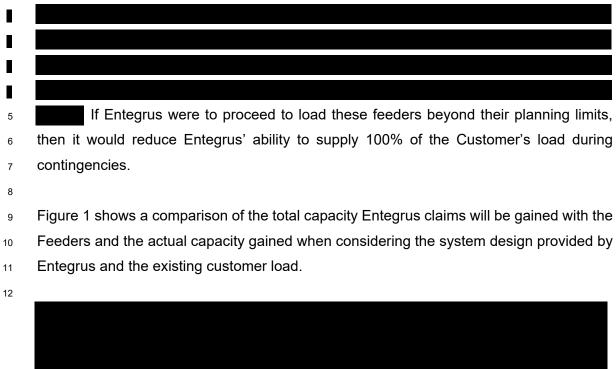


Figure 1: System Max Design Capacity

Hydro One provides that Figure 5-2 of the Application does not take into consideration the existing Customer load and therefore distorts the representation of how the Feeders will assist in addressing the Entegrus forecast. The additional max design capacity that would be received from the Feeders will not address Entegrus' forecast load growth and would still require further investments from Entegrus. Hydro One's evidence is Entegrus' proposal does not result in any optimization of existing assets but rather frustrates existing Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Page 18 of 28

1 customer relationships with no marked improvement to the long-term operating needs of

the overall distribution system as well as those of the directly affected Customer.

3

As documented at the beginning of this section, Entegrus' distribution system has been 4 operating at or above the max design capacity of their system since 2017. Entegrus 5 suggests in their evidence that a \$1.7M capital investment not inclusive of additional 6 feeder construction costs<sup>12</sup>, stratified in Table 5-1 of the Application, is cost prohibitive to 7 Entegrus' ratepayers and that it would be uneconomic for Entegrus ratepayers to incur 8 that cost when future system expansion needs could be addressed by reneging on the 9 commercial terms and conditions of the Supply Facilities Agreement and frustrating the 10 Customer's connection. 11

12

Hydro One disagrees with Entegrus' evidence because it fails to account for the offsetting 13 revenue that will be realized if the Entegrus load materializes as forecast.<sup>13</sup> Hydro One 14 has completed a simple discounted cash flow analysis that is intended to demonstrate that 15 if the 18 MW of additional load<sup>14</sup> that Entegrus forecasts materializes by 2029 (under a 16 historical growth trend) then the capital cost will be more than offset by the forecast 17 revenue. Given limited information on the Entegrus forecast load growth for St. Thomas, 18 Hydro One has completed an analysis showing the impact using only readily available 19 Hydro One financial information (e.g., rates, OMA, capital costs and an assumption that 20 the entire forecast load is General Service (GS) demand). The results of the analysis, 21 using these assumptions, indicate that a breakeven capital cost of \$26.9M can be funded 22 if the entire 18MW materializes. 23

24

Hydro One accepts that it is unlikely that the entire forecast load is GS demand nor would
it be appropriate to utilize Hydro One criteria, however this information does provide an

<sup>&</sup>lt;sup>12</sup> Entegrus notes that there would be "significant" additional feeder costs but provides no reference of a demonstrative value for these forecast costs in evidence.

<sup>&</sup>lt;sup>13</sup> Hydro One cannot confirm from evidence whether the St. Thomas future load growth projections are underpinned by any real customer connection requests. Hydro One has also been unable to locate the Entegrus Distribution System Plan on the public record and is therefore unable to confirm the various alternatives explored by Entegrus to address this developing need including new technologies such as DERs.

<sup>&</sup>lt;sup>14</sup> Relative to the 2023 starting point in Figure 5-2 of the Application of 66MW.

illustrative example of how expansion costs are offset, partially or fully, by future forecast
 revenues and how an understanding of those future revenues is imperative to the
 assessment of whether an investment is cost prohibitive for a distributor.

4

Given this information, Hydro One's position is that Entegrus' immediate divestiture of the
 M7 and M8 feeders is economically efficient.

7

8 9

## 3.0 PROGRESS TOWARDS DIVESTITURE OF THE M7 & M8 TO DATE & CONFORMITY WITH TERMS OF THE SUPPLY FACILITIES AGREEMENT

Hydro One has attempted to reach voluntary agreements with Entegrus, and St. Thomas prior to the merger. In 2017 (i.e., over five years ago) Hydro One exercised its option to purchase the Feeders under the terms of the Supply Facilities Agreement, provided at Attachment 3, that had been in effect and governed the payments made by Hydro One (and its predecessor, OH) to St. Thomas (and its predecessor, the PUC) for the previous 20 years.

16

Despite Hydro One (and its predecessor, OH) funding the cost of the poles and having 17 the right to also request the transfer of the poles in accordance with the Supply Facilities 18 Agreement, to reach a voluntary agreement on the transfer of the Feeders, Hydro One 19 agreed to the transfer of just the conductors and ancillary equipment necessary to 20 maintain service to the Customer. St. Thomas would retain ownership of the poles and 21 Hydro One would enter into a joint use agreement with St. Thomas for its use of the poles. 22 St. Thomas agreed to transfer those facilities to Hydro One in accordance with the Supply 23 Facilities Agreement as documented in Attachment 7, where St. Thomas agreed to divest 24 the M7 and M8 feeders that currently connect the Customer. This intent to sell was 25 confirmed in writing by the then St. Thomas VP of Engineering and Operations, Keith 26 McAllister. 27

28

Over the course of the last five years that commitment has been frustrated by an unwillingness on the part of the Applicant to divest the assets. Despite Entegrus invoicing Hydro One in June 2021 for both the sale of the assets and the continued use of the M7 and M8 feeder for the years 2018 through to 2020, Entegrus continues to renege on its contractual commitment. These Entegrus invoices are provided at Attachment 8. Entegrus Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Page 20 of 28

now puts forward in the Application that the reason for the voided divestiture invoices was 1 because the DSC LTLT Amendments frustrated the sale of the assets and that Entegrus 2 current senior management would not endorse because no OEB approval had been 3 secured prior to invoicing. Hydro One's position is that neither of those reasons are valid. 4 5 As discussed in Section 2.1.2, this connection is not an LTLT. Consequently, the 6 remainder of this section will examine the position advanced by the Applicant that an 7 invoice could not be issued and/or paid in accordance with a contract that had already 8 been reviewed by the OEB prior to receiving a separate distinct OEB approval pursuant 9 to s.86 of the OEB Act. 10 11 APPLICABILITY OF S.86 OF THE OEB ACT TO EFFECTUATE THE SUPPLY 3.1.1 12 FACILITIES AGREEMENT 13 Below, Hydro One has extracted s.86 1(b) and s. 70 (11) of the OEB Act: 14 15 Change in ownership or control of systems 16 **86** (1) No transmitter or distributor, without first obtaining from the Board an order 17 granting leave, shall, 18 (b) sell, lease or otherwise dispose of that part of its transmission or distribution 19 system that is necessary in serving the public; 20 21 Licence conditions 22 **70** (1) A licence under this Part may prescribe the conditions under which a 23 person may engage in an activity set out in section 57 and a licence may also 24 contain such other conditions as are appropriate having regard to the objectives 25 of the Board and the purposes of the *Electricity Act*, 1998. 1998, c. 15, Sched. B, 26 s. 70 (1). 27 28 Service area of distributor 29 (11) The licence of a distributor shall specify the area in which the distributor is 30 authorized to distribute electricity. 1998, c. 15, Sched. B, s. 70 (11). 31

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In summary, leave pursuant to s.86 of the OEB Act is required by a *distributor* that seeks to sell, lease, or otherwise dispose of a system that is used to serve the public. A distributor, as defined in the OEB Act, means a person who owns or operates a distribution system. The distributor is licenced to engage in the activities of a distributor within a specified geographic area, as articulated in s. 70 (11) of the OEB Act. Consequently, there are multiple facets to examine with respect to Entegrus' position that an asset divestiture approval is required for the sale of the Feeders.

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#### 3.1.1.1 "TO SERVE THE PUBLIC"

First, Hydro One would like to examine the term *public* as it is undefined in the OEB Act. Entegrus is licenced to own or operate a distribution system within the area defined by its distribution licence. That explicit direction is defined by legislation and narrows the authority of the distributor. Hydro One provides that the explicit language in the sections of the OEB Act also narrows the authority and accountability of the regulator with respect to the sale and leasing of parts of its distribution system.

16

The area defined by a distributor's OEB-approved licence is the *public* the OEB is 17 interested in when assessing an application by a specific distributor. For example, in an 18 Entegrus revenue requirement application, the OEB is not concerned about (nor is 19 Entegrus required to advance evidence to support) how an Entegrus revenue requirement 20 application may affect the distribution rates of a customer in Toronto or Kapuskasing 21 because they should not; Entegrus is not licenced to serve those areas so there will be no 22 affect. The public the regulator is protecting in that example is limited to the area that is 23 served by the distribution system of Entegrus, i.e., the Entegrus defined service territory. 24 Expanding the regulator's authority beyond this scope would result in unnecessary 25 regulatory burden and inefficiencies. The public is limited to the distributor's service 26 territory which is where the distributor is licenced to own a distribution system. It would be 27 non-compliant with the distributor distribution licence for the distributor to own a 28 distribution system outside the area defined by their licence thus rendering OEB authority 29 for disposition of assets used to serve customers outside the distributor's defined service 30 territory, reasonless. 31

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Given this examination, Hydro One's evidence is that the Subject Area is not included in the distribution licence of the Applicant. The Subject Area therefore is not part of the *public* as narrowly limited by section 70 (11) of the OEB Act.

4

### 5 3.1.1.2 SELL, LEASE OR OTHERWISE DISPOSE OF A DISTRIBUTION SYSTEM

Hydro One has reviewed the opening language of section 86(1)(b) to obtain clarity on the 6 applicability of s.86 of the OEB Act for this divesture. The legislation requires a distributor 7 to seek OEB approval to sell, lease, or otherwise dispose part of its transmission or 8 distribution system that is necessary in serving the public. The term *lease* is pertinent to 9 this examination as Hydro One can glean from previous OEB direction on the applicability 10 of the legislated requirements of s.86 of the OEB Act, specifically whether the OEB 11 directed a review of the leased facilities. That direction is provided in this intervenor 12 evidence as Attachment 3. 13

14

Despite being made aware of the lease between Hydro One and Entegrus, then St. 15 Thomas, the OEB did not direct St. Thomas to seek approval under s.86 of the OEB Act 16 for the lease arrangement. Similarly, there was never any application advanced by St. 17 Thomas or Entegrus seeking OEB approval for the leasing of these facilities. Hydro One 18 can glean from this that s.86 of the OEB Act does not apply to this divestiture. In fact, the 19 only direction from the OEB was that if St. Thomas wanted to effectuate their request, 20 namely that St, Thomas serve 1 Cosma Court, St. Thomas would need to seek approval 21 via a service area amendment pursuant to s.74 of the OEB Act, which is what Entegrus is 22 seeking today. 23

24

Given the above, Hydro One's position is that s.86 of the OEB Act is not applicable to this
 divestiture.

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29 30

# 4.0 THE APPLICATION DOES NOT SATISFY THE OEB SAA PRINCIPLES & ENTEGRUS SHOULD BE ORDERED TO IMMEDIATELY DIVEST ALL ASSETS IN ACCORDANCE WITH THE SUPPLY FACILITIES AGREEMENT

The Entegrus Application does not satisfy the principles established in the Combined Distribution Service Area Amendments Proceeding.

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#### 4.1 IMPROVE WELL-DEFINED BOUNDARIES BETWEEN DISTRIBUTORS

The SAA sought by the Applicant is site specific. The SAA is sought without the consent of the directly affected customer and based on the evidence advanced by Hydro One herein, it is not expected that the Customer will support the Entegrus SAA. The existing boundary that exists between the two distributors at the Subject Area has been in effect since the connection was initially made in 1997 underpinning the Supply Facilities Agreement. The Entegrus SAA does not improve the boundaries between the distributors at 1 Cosma Court.

9 10

#### 4.2 OPTIMIZE USE OF EXISTING SYSTEM CONFIGURATIONS

The only facilities that can serve the Customer load today are the Feeders. Notwithstanding any moot positions advanced by the Applicant regarding asset ownership that emanate from Entegrus reneging on commercial commitments made between the distributors, the Feeders that serve the Customer have been paid for by Hydro One ratepayers. Hydro One had exercised in 2017 the option to purchase as part of the Supply Facilities Agreement that would formally transfer ownership of the facilities to Hydro One. Any optimization of these assets should not harm Hydro One ratepayers.

18

Hydro One's evidence highlights that the Customer may experience reliability concerns
 that would not be experienced if the Customer remains a Hydro One customer.
 Specifically, the Entegrus proposed SAA would expose the Customer to faults within the
 Entegrus distribution system and increase the likelihood of experiencing more momentary
 outages. Additionally, the capacity benefits anticipated to be achieved by Entegrus will not
 materialize as described by Entegrus.

25

The SAA proposed by Entegrus creates unnecessary cost and reliability burdens on the Customer, will lead to accelerated degradation of the existing facilities if operated beyond planning limits, and will not address the capacity needs of the Applicant resulting in an inefficient use of existing distribution systems. Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Page 24 of 28

1 2

## 4.3 PROVIDE THE LOWEST INCREMENTAL COST OF CONNECTION OF A SPECIFIC GROUP OR GROUP OF CUSTOMERS

In Table 6-1 of the Entegrus Application, Entegrus has advanced evidence in this proceeding that opines that the transfer of the Feeders is the most cost-effective approach to serve the forecast load that Entegrus anticipates in the St. Thomas area. Hydro One does not agree.

7

In addition to the facts that the proposed SAA would not reflect the actual anticipated 8 capacity benefits to the Entegrus service territory, and therefore not meet the Entegrus 9 system needs identified in the SAA, the proposal costs in their application are 10 underestimated. The Entegrus costs defined in Table 6-1 of the Entegrus Application are 11 underpinned by the premise that Entegrus has funded the facilities in guestion; the 12 evidence advanced by Hydro One refutes that position. The only reason Hydro One does 13 not own the facilities today is because Entegrus has reneged on the commercial terms of 14 the Supply Facilities Agreement. Consequently, Hydro One's position is that Hydro One, 15 for all intents and purposes owns the facilities (most notably it is the only distributor 16 licenced to own facilities that serve 1 Cosma Court) and has paid for the construction and 17 maintenance of the facilities, therefore any OEB decision that permits Entegrus to serve 18 the existing customer at the Subject Area would require disposition of this Hydro One 19 asset. In this event, it is Hydro One's position that it would suffer demonstrable prejudice, 20 as it has operated pursuant to the commercial terms of the lease agreement for over 25 21 years, and thus, Hydro One would have to be appropriately compensated. Consequently, 22 if the terms of the Supply Facilities Agreement continue to be reneged by Entegrus, Hydro 23 One would pursue enforcement of the terms of the Supply Facilities Agreement so to keep 24 Hydro One ratepayers whole and would seek direction from the OEB in this event as to 25 the available Order and/or remedy. 26

27

Furthermore, Hydro One understands that the underlying premise of the Entegrus SAA is that the connection is an LTLT. Hydro One has already documented that it disagrees with this position. However, if the OEB agrees with the position advanced by Entegrus, then the costs associated with Entegrus serving the Customer would have to include the monthly bill mitigation costs that are intertwined with the LTLT DSC Amendments. Based on the Customer usage of the last two years, and the difference in charges between Hydro

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One's Sub-transmission rate class and the St. Thomas rate zone that Hydro One anticipates the Customer would map to, the forecast mitigation cost for delivery would be approximately **Customer**. The monthly delivery charges for each distributor have been stratified in Attachment 9.

5

Hydro One believes Table 6-1 of the Entegrus SAA also fails to represent the additional 6 costs that Entegrus would have to incur to meet the additional capacity that two new 7 feeders would provide Entegrus. In short, even if permitted, the capacity transferred to 8 Entegrus via the Feeders would not be the same as the capacity that would be obtained 9 with the construction of two new feeders given the existing commitments to the Customer. 10 Consequently, to achieve the same available capacity to address future forecast load 11 documented in Figure 5-2 of the Entegrus Application, Entegrus would have to build more 12 than the few reclosers and wholesale meters to address those needs that are documented 13 in Table 6-1. Those costs have not been accurately reflected in Table 6-1. Additionally, 14 if the Customer is transferred to Entegrus, it is anticipated that Entegrus' peak load will be 15 increased by the same load profile, increasing the Independent Electricity System 16 Operator bill to Entegrus. Hydro One has estimated this cost to be approximately 17 per month as shown in Attachment 9.

18 19

Hydro One's only cost to service the Subject Area is the final payment in the capital lease
that was signed in 1997 and had the option exercised in 2017. That cost based on the
Entegrus evidence is approximately \$116,000. Hydro One would not have to pay for the
replacement cost of the facilities because Hydro One has *already* paid for the facilities via
the lease payments made for the last 25 years.

25

Additionally, as documented in this intervenor evidence and not addressed in the Entegrus Application, the costs of the alternatives considered by Entegrus for its ratepayers should be offset by the revenues flowing from the ratepayers that fund the investments. It is inappropriate to suggest that it is cost-prohibitive for Entegrus ratepayers to fund the cost of the expansion to serve the forecast load growth when no evidence to support that position has been provided by the Applicant, and thus, Hydro One puts the Applicant to the proof thereof. Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Page 26 of 28

1 Hydro One's evidence is that the estimated cost of any expansion investment by Entegrus

<sup>2</sup> should be partially or fully offset by the revenues from the future forecast load.

3

Furthermore, Hydro One's evidence is that Table 6-1 of the Entegrus SAA is not a complete and accurate representation of the costs and benefits of the alternatives considered and lacks consideration of multiple criteria including, at minimum, those documented above.

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- 9 10

# 4.4 MAINTAIN OR ENHANCE ECONOMIES OF CONTIGUITY, DENSITY AND SCALE IN THE DISTRIBUTION NETWORK

Hydro One's evidence on this subject is that the SAA will not enhance economies of scale
 in the distribution of electricity nor provide any marked improvement to the Customer.

13

While arguably the SAA could result in a further contiguous territory and/or improve 14 density of Entegrus, i.e., one more customer in the metes and bounds limits of the 15 Entegrus' service territory, the marked improvements are of no material benefit to the 16 directly affected Customer and therefore Hydro One does not consider these 17 enhancements. In fact, Hydro One's position is that the SAA results in a detriment to the 18 Customer. As documented, the Customer will have reduced reliability and quality of 19 service as well as pay more for their monthly electricity service if transferred to Entegrus. 20 Hydro One services approximately 1.5 million distribution customers and has customers 21 near the Subject Area. Hydro One's scale is a benefit to customers in multiple forms. 22 Specific to this proceeding, Hydro One has multiple large load customers that allow Hydro 23 One to reasonably establish an OEB-approved sub-transmission rate class for large use 24 customers that qualify. This rate class is not available in the St. Thomas rate zone. Hydro 25 One's evidence therefore is that the Entegrus SAA does not maintain or enhance 26 economies of contiguity, density or scale in the distribution network that would be of any 27 benefit to the Customer. 28

29

Hydro One's evidence in summary is that the Subject Area should remain within the service territory of Hydro One Networks Inc. as contemplated since the inception of the connection and that all existing Hydro One customers should not be unduly harmed as would otherwise be the case if the Entegrus Application were approved as filed. Hydro

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- 1 One advances that the OEB should immediately order that Entegrus divest all ownership
- <sup>2</sup> of the facilities in accordance with the Supply Facilities Agreement that has been in effect
- since 1997 and that has governed how the construction and maintenance of the facilities
- in question would be funded, i.e., paid for by Hydro One. The public interest is only met if
- 5 the Customer remains a Hydro One customer and the facilities are officially transferred to
- 6 Hydro One.

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Vere Your Local Power Distributor

Ontario Energy Board 24th Floor 2300 Yonge Street Toronto, Ontario M4P 1E4 ATT: Mr. Peter O'Dell, Acting Board Secretary

July 23, 2004

Dear Mr. O'Dell,

### St Thomas Energy Inc Electricity Distribution Licence Review, Licence No. RP 2002-0194/EB-2002-00523

Please accept this letter as a formal request for a variance to the Board Order issued on June 30, 2004 concerning the above-mentioned application.

The attached letter to the O.E.B., dated June 4, 2004 outlines some of the concerns of St. Thomas Energy Inc., relating to the service area description.

We would be pleased to meet with Board staff and other interested parties to discuss these concerns and the variance requested.

Respectfully submitted for your consideration.

Sincerely,

Brian Hollywood, C.E.T., President & CEO.

cc: Alec Bildy - McCarthy Tetrault Glen MacDonald, HydroOne Networks. Energy Cost Management Inc

> 135 Edward Street, St. Thomas, Ontario N5P 4A8 Tel: 1-519-631-5550 Fax: 1-519-631-4771

# St. Thomasenergy inc.

We're Your Local Power Distributor

Ontario Energy Board 24th Floor 2300 Yonge Street Toronto, Ontario M4P 1E4 ATT: Mr. Peter O'Dell, Acting Board Secretary

June 4, 2004

Dear Mr. O'Dell,

### St Thomas Energy Inc Electricity Distribution Licence Review, Licence No. RP 2002-0194ED-1999-0272

In the initial licence granted to St Thomas Energy inc., the service area provided was the entire geographic area of the City of St Thomas. The current proposal by Mr Hewson in his letter of April 21, 2004 is to amend the licence and provide for Hydro One to have distribution rights within the City of St Thomas subsequent to market opening. St Thomas Energy Inc does not accept the proposed change, despite a lease agreement entered into by St Thomas Public Utilities Commission and Ontario Hydro under the Power Corporation Act in the pre Bill 35 (Energy Competition Act) environment. St Thomas Energy Inc is having an ongoing discussion with its solicitor on this matter.

The following sets out St Thomas Energy Inc.'s initial position on this matter. It should be noted that subsequent to May 1, 2002 (market opening), St Thomas Energy Inc has not accepted compensation for the lease.

The customer in question, located at 1 Cosma Court and proposed to be excluded from the service area of St. Thomas Energy is not a Direct Class Customer, as has been implied.

The Minister proclaimed market opening on December 18<sup>th</sup> 2001 to be effective May 1,2002. Section 26(1) of the Electricity Act provides access on market opening. Section 26 (3) of the Electricity Act is also effective on market opening (May 1,2002) and cancels the contracts for the supply of power established prior to May 1,2002.

It was never the intention of St Thomas Public Utilities Commission to enter into a distribution services agreement (under the resident terms of that lease agreement) that would survive the post market opening regime established by Bill 35. The agreement contains concepts linked historically to the regime established under the Power Corporation Act. These include such things as the sale of facilities between publicly held entities at book value. As this particular concept is in apparent conflict with the commercial transactions effected under Bill 35, the cancelling of the contract provided for in Section 26(3) of the Electricity Act should clearly apply to this lease agreement.

135 Edward Street, St. Thomas, Ontario N5P 4A8 Tel: 1-519-631-5550 Fax: 1-519-631-4771

# St. Thomasenergyinc.

We're Your Local Power Distributor

This position is supported by several factors:

First, the regulations under the Electricity Act provide an exhaustive list of those cases where Section 26(3) does not apply and the pre market opening contracts are obliged to continue to exist. These cases do not include St Thomas Energy Inc or its predecessor.

Second, with respect to the "supply of electricity" reference included in the Section 26(3) of the Electricity Act, it should be noted that "supply" is not a defined term under the Electricity Act. It is therefore necessary to look at predecessor legislation under which the lease agreement was entered into. The Power Corporation Act is the dominant piece of legislation governing the industry in that period. In the Power Corporation Act, "supply" is defined as including amongst other items, "delivery". "Including" has a statutory history of broadening the subsequent items rather than limiting the subsequent items. "Delivery" includes the distribution function contemplated in the lease.

From the preceding, it is apparent that the historical agreement between Ontario Hydro and St Thomas Public Utilities Commission was cancelled on market opening. As such, Hydro One must negotiate with St Thomas Energy Inc for a new agreement to replace the cancelled lease agreement dealing with the supply facilities. Such negotiations may include the possible transfer of the subject customer previously supplied by Ontario Hydro to St Thomas Energy Inc., and the issuance of a licence consistent with the outcome of those negotiations.

In the absence of an agreement between St Thomas Energy Inc and Hydro One in a reasonable period of time, it is St Thomas Energy Inc.'s position that the subject customer be transferred to St Thomas Energy Inc. and the "permanent" distribution licence not permit Hydro One to supply customers within the geographic area of the City of St Thomas.

Respectfully submitted for your consideration.

Sincerely,

Brian Hollywood, C.E.T., President & CEO.

cc: Alec Bildy – McCarthy Tetrault Brian Hewson, OEB. Energy Cost Management Inc

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Ontario Energy Board P.O. Box 2319 2300 Yonge Street 26th. Floor Toronto ON M4P 1E4 Telephone: 416- 481-1967 Facsimile: 416- 440-7656 Toll free: 1-888-632-6273 Commission de l'Énergie de l'Ontario C.P. 2319 2300, rue Yonge 26e étage Toronto ON M4P 1E4 Téléphone; 416- 481-1967 Télécopieur: 416- 440-7656 Numéro sans frais: 1-888-632-6273

August 12, 2004

Mr. Brian Hollywood President & CEO St. Thomas Energy Inc. 135 Edward Street St. Thomas, Ontario N5P 4A8

## Re: Electricity Distribution Licence RP 2002-0194/ED 2002-0523

Dear Mr. Hollywood:

This is in response to your letter of July 23, 2004 requesting a variance to the decision and order issued on June 30, 2004 concerning the definition of service area in the above-noted licence.

I have considered your request and hereby confirm the decision and order issued on June 30, 2004. The service area defined in schedule 1 of the Distribution Licence ED 2002-0523 is:

the municipal boundaries of the City of St. Thomas as of December 31, 1999, with the exclusion of the customer located at 1 Cosma Court.

The customer located at 1 Cosma Court is currently serviced by Hydro One Networks pursuant to a lease agreement signed between Ontario Hydro (now Hydro One Networks) and St. Thomas Public Utilities Commission (now St. Thomas Energy) in 1997 for supply facilities. This description accurately describes the current service area.

St. Thomas Energy Inc.'s position is to revise the licence to effect the transfer of the customer located at 1 Cosma Court to St. Thomas. You assert in your submission that upon the proclamation of section 26(3) of the *Electricity Act* effective on market opening in May 1, 2002, contracts for supply of power established prior to May 1, 2002, including the lease agreement in question, ceased to have effect. You support your argument by asserting that the regulations under the *Electricity Act* exempted a list of pre-market opening contracts but did not include St. Thomas Energy's lease agreement. In addition, you interpret the distribution function in the lease to fall within the implied meaning of supply of power in section 26(3) of the *Electricity Act*, and so argue that the contract has been cancelled. In the absence of a lease agreement, you conclude that the customer at 1 Cosma Court should form part of St. Thomas service area.

I have reviewed the lease agreement filed with the application. It is apparent that this agreement is not a contract for supply of power for the use by the municipality or for the supply of the inhabitants of the municipality. Rather, it is an agreement to lease certain equipment in consideration by St. Thomas Public Utilities Commission to give up the right to serve a particular customer for a period of time. I therefore consider your argument regarding the applicability of the lease agreement in the context of section 26(3) of the *Electricity Act* not to be relevant.

The purpose of the service area definition in your distribution licence is to accurately reflect the current service realities. In order to achieve your desired outcome, you are required to make an application for a service area amendment under section 74 of the *Ontario Energy Board Act, 1998.* I would encourage that you and Hydro One negotiate and reach agreement regarding the provision of service to the customer at 1 Cosma Court. Applications for service area amendments will be expeditiously processed if consent of all affected parties is obtained.

-2-

If you need further assistance, please contact Elaine Wong, Licensing, Senior Advisor at 416 440-7638 or email to elaine.wong@oeb.gov.on.ca

Your Sincerely,

amer M. I

Mark Garner Managing Director, Market Operations

c.c. Mr. Alec Bildy, Counsel, St. Thomas Energy Inc. Mr. Glen MacDonald, Hydro One Networks Inc.

COA Agreen

Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Attachment 3 Page 1 of 4

## MEMORANDUM

(

November 10, 1997

File: 510 St. Thomas

**Formet Industries** 

See Distribution

### FORMET INDUSTRIES - ST. THOMAS PUC/ONTARIO HYDRO SUPPLY AGREEMENT

The attached is a copy of the executed agreement between St. Thomas PUC and Ontario Hydro with respect to the 27.6/16 kV supply to the Formet Industries plant from Edgeware TS.

A tri-party "Operating & Maintenance Agreement" is being developed to address those issues.

Mark

Mark Steeves Customer Service - Utilities London - WT1

Attachment

Distribution :	Denis Iwancewicz Bob Coghlan Evan Brett Glen Hoglund Dean Peters	St. Thomas PUC WT1 H4 C18 H6 B27 H10 A27
<b>cc</b> :	George Aitchison Don McInnes	H4 E7 H5 C6

#### Agreement For Supply Facilities - Formet Industries Two Dedicated 27.6 kV Feeders

**{**...;

(

This letter sets out the agreement between Ontario Hydro ("OH") and St. Thomas PUC (the "PUC") with respect to the supply of power to the occupants (the "Customer") of the Michigan Blvd. property on which it is proposed a truck frame facility will be built (the "Formet lands").

Subject to Ontario Hydro obtaining all requisite internal and governmental or statutory approvals and conditional upon OH reaching a satisfactory power supply agreement with the Customer, the parties agree that OH may supply the Customer with power and the PUC waives any and all rights it may have to supply the Customer, on the following terms and conditions:

- 1. The PUC will construct and own two dedicated 27.6 kV feeders (the "Feeders") to be in-service on or about September 1, 1997 from the St. Thomas Edgeware TS to the property line at the Formet lands. This will include any potheads and underground cable at St. Thomas Edgeware TS and suitable loops for connecting to the portion of the feeders within Formet Lands which is being constructed by Ontario Hydro. St. Thomas PUC will maintain the feeders from St. Thomas Edgeware TS to the 27.6 kV switchgear within Formet lands. All planned maintenance within the Formet lands will require prior approval by Ontario Hydro. The servicing of any other customers from the Feeders shall be at Ontario Hydro's discretion.
- 2. The engineering details of the Feeders are subject to Ontario Hydro approval. Any modifications to the Feeders are subject to Ontario Hydro approval.

3. A Four Thousand Nine Hundred and Sixty Eight (\$4,968.00) Dollar monthly rental and maintenance fee will be charged by the PUC to OH for the use of the Feeders until December 31, 2007. The PUC will bill OH in the first quarter of each year for the number of months the circuits were used by OH to service the Customer the previous year minus any damages as detailed below. The monthly rental fee will be adjusted by an amount equal to the difference between actual construction costs and the estimated cost amortized over 300 months. The rental and maintenance fee of Four Thousand Nine Hundred and Sixty Eight (\$4,968.00) Dollars is based on estimated construction costs of Six Hundred and Sixty One Thousand, and Eight Hundred (\$661,800) Dollars and maintenance costs.

- 4. From January 1, 2008 to December 31, 2017 the PUC will make the Feeders available to OH for supply to the Customer at a monthly rental fee reduced by \$300.00 and adjusted by a reasonable amount for actual changes in maintenance costs for the feeders, if appropriate, taking into account that from January 1, 2008 maintenance of the 27.6 kV feeders within Formet Lands will be the responsibility of the customer. OH shall have the option to purchase the Feeders from the PUC with appropriate land rights at book value on January 1, 2018.
- 5. Reliability of service is of paramount importance to the Customer. The PUC agree that any loss of integrity to either of the Feeders or the extensions thereof located on Formet lands, will receive immediate attention by the PUC. If the Customer loses supply from the Feeders, as extended, for more than one minute due to their integrity the PUC will pay to OH for each such episode an amount equal to the monthly rental and maintenance fee in effect at the time, which amount is not a penalty but represents a genuine pre-estimate of damages.

- 6. Delivery of reliable energy to the Customer is the responsibility of OH. Should the integrity of the Feeders, as extended, from St. Thomas Edgeware TS to the switching facility within Formet lands not meet the performance expectation of OH (not to exceed one outage of more than one minute in a calendar year to the Customer), the PUC will transfer their ownership and maintenance of the Feeders, as extended, and land rights to OH at their book value and all entitlement to monthly rental and maintenance fees will cease. The PUC would not be held responsible for outages caused by a major natural disaster (e.g. tornado and major ice storm). OH will have the sole discretion in determining the timing of this transfer.
- 7. Any litigation and/or damage claims arising from incidents relating to or caused by the Feeders as extended, or the actions or negligence of the PUC with respect to the operation and maintenance thereof will be the sole responsibility of the PUC and the PUC agrees to indemnify and save harmless OH therefrom.

Accepted By:

Ontario Hydro

St. Thomas PUC

Bob Coghlen Bob Coghlan

Bob Coghlan Manager - Western District

Date: Sept 19, 1997

Denis Ivvancevicz President & CEO

ent 15, 1597 Date:

**L** . -

855 Pond Mills Road London, Ontario N5Z 4R1 Telephone (519) 649-3713 Fax (519) 649-3720

May 29, 1998

Mr. Denis Iwancewicz General Manager Public Utilities Commission of the City of St. Thomas 135 Edward Street St. Thomas, Ontario NSP 3V4

#### FORMET FEEDER AGREEMENT - ACTUAL CONSTRUCTION COST

Dear Denis:

In September, 1997 the "Agreement For Supply Facilities - Formet Industries, Two Dedicated 27.6 kV Feeders" was executed by St. Thomas PUC and Ontario Hydro.

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Please consider this letter to be an addendum to that Agreement.

One issue addressed within the Agreement was the use of actual versus estimated costs for the calculation of the annual "use of feeders" fee. I would refer you to section 3 of the Agreement.

Now that this work is completed, you have finalized the costs associated with the feeder construction. With the cost of construction increasing from the estimated amount of \$661,800 to \$739,699.75, the monthly rental and maintenance fee will increase from \$\$4968.00 to \$5827.93. We concur and accept this amount. The 1997 payment will be based on the period from September 14, 1997 (the date the first dedicated feeder went into service) to December 31, 2007 (as per section 3). Please submit an invoice for the 1997 "use of facilities".

We would request that you keep a separate accounting of all maintenance costs associated with these feeders from Edgeware TS to the Formet property limit so that the monthly rental and maintenance fee can be adjusted accordingly for the January 1, 2008 to December 31, 2017 period. Refer to section 4 of the Agreement.

Please record all maintenance activity on the Formet property separately and advise us accordingly. We would anticipate only a minimal amount of planned routine maintenance with emergency maintenance completed as required. Note that all maintenance on the Formet property becomes a Formet responsibility January 1, 2008.

Yours truly,

Mark Steeves, P.Eng Account Executive Customer Service

CC

Bob Coghlan, Southwestern Territory Mo Navo, System Development WT1 H4 B18

Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Attachment 4 Page 1 of 19

#### BY COURIER

May 8, 2017

Ms. Kirsten Walli Board Secretary Ontario Energy Board Suite 27, 2300 Yonge Street P.O. Box 2319 Toronto, ON M4P 1E4

Dear Ms. Walli:

## Load Transfer Elimination Application – A Service Area Amendment & Asset Sale Application Between Hydro One Networks Inc. and St. Thomas Energy Inc.

In accordance with the Distribution System Code amendments of December 21, 2015, Hydro One Networks Inc. and St. Thomas Energy Inc. are jointly applying to the Ontario Energy Board ("Board") for approval to amend the service areas of both distributors such that existing load transfer arrangements between the two LDCs are eliminated.

Should you have any questions on this application, please contact Pasquale Catalano at (416) 345-5405 or via email at Pasquale.Catalano@HydroOne.com.

Sincerely,

ORIGINAL SIGNED BY JOANNE RICHARDSON

Joanne Richardson

Attachment cc. Robert Kent



# **Ontario Energy Board**

### Elimination of Load Transfer Arrangements Between Hydro One Networks Inc. and St. Thomas Energy Inc.

Combined Service Area Amendment and Asset Transfer Application

# May 8, 2017

#### PART I: SERVICE AREA AMENDMENT

#### 1.1 Basic Facts

As a result of the Distribution System Code amendments of December 21, 2015, EB-2015-0006, Hydro One Networks Inc.("Hydro One") and St. Thomas Energy Inc. are jointly applying to the Ontario Energy Board ("OEB") for approval to amend the service areas of both distributors such that existing load transfer arrangements between the two LDCs are eliminated.

#### **1.2 Identification of the Parties**

#### 1.2.1 Applicant

(Identify whether the applicant is a geographic and/or physical distributor)

Name of Applicant	Licence Number				
Hydro One Networks Inc.	ED-2003-0043				
Address	Telephone Number				
483 Bay Street, 7 <sup>th</sup> Floor, South Tower	416-345-5405				
Toronto, ON	Facsimile Number				
M5G 2P5	416-345-5866				
	E-mail Address: Regulatory@HydroOne.com				
Contact Person	Telephone Number				
Pasquale Catalano	As listed above.				
Regulatory Advisor	Facsimile Number As listed above.				
	E-mail Address: Pasquale.Catalano@HydroOne.com				

#### 1.2.2 Co-Applicant or Other Distributor to the Service Area Amendment Application

Name of Co-Applicant or Other Distributor St. Thomas Energy Inc.	Licence Number ED-2002-0523		
St. Thomas Energy Inc.ED-Address: 135 Edward StreetTele 519St. Thomas, Ontario N5P 4A8Face 519E-m rkenE-m rkenContact Person: 	Telephone Number 519-631-5550 ext 5258		
	Facsimile Number 519-631-4771		
	E-mail Address: rkent@sttenergy.com		
Robert Kent	Telephone Number As listed above		
	Facsimile Number As listed above		
	E-mail Address As listed above		

#### 1.3 Description of Proposed Service Area

1.3.1		mendme		ion of the area(s) that i lected in Schedule 1 of	
	Thomas Energy One's licence v to one distribut	y Inc.'s l will inclu tor, will l	icence will include ide all of the premi be removed from the	ecific. Once this applica e all of the premises in A ses in Attachment 2. The ne other distributor's lice owing changes to Hydro	ttachment 1, and Hydro e premises that are added ence.
	Name of Munic Formerly Know as at December : Area Not Serve described as the Licence No. ED particularly set of Networks assets	tipality: 1 vn As: T 31, 1997 d by Net former V -2002-05 out in Lic s within	tworks: The area s villages of Belmon	entral Elgin buth, Village of Belmont served by Erie Thames P it and Port Stanley as mo ed by St. Thomas Energy 2-0523. y Networks: Yes	ore particularly set out in
	Formerly Know Area Not Serve the City of St. T Networks assets	vn As: S ed by Net homas as s within	ame. <b>tworks:</b> The area s		
	not served by No	etworks"	in the City of St. 7	sts 1 Cosma Court as a " Fhomas. This customer i One requests that Tab 4 o	
	will be amended 1. The m	l to state nunicipal	the following:	City of St. Thomas as of	Schedule 1, line1 and line 8 December 31, 1999, with
	a.	1	Cosma Court	St. Thomas	N5R 4J5
	b.	133	Centennial Ave	St. Thomas	N5R 5B1
	с.	125	Centennial Ave	St. Thomas	N5R 5B1
	d.	41237	Major Line	St. Thomas	N5P 3T1
	e.	41291	Major Line	St. Thomas	N5P 3T1
	f.	42468	Southdale Line	St. Thomas	N5R 1B8
	g.	42294	Southdale Line	St. Thomas	N5R 1B8
	h.	42346	Southdale Line	St. Thomas	N5R 5B1
	i.	42474	Southdale Line	St. Thomas	N5R 5B1
	j.	42260	Southdale Line	St. Thomas	N5R 5B1
	k.	42488	Southdale Line	St. Thomas	N5P 3T1
	1.	43897	Water Tower Line	St. Thomas	N5P 3V6
	m.	9783	Wellington Road	St. Thomas	N5P 4K2
				below located in the Geo al Elgin, County of Elgin	
	(i)	19	Woodland Rd	Yarmouth N5P 1P3	
	(ii)	19A	Woodland Rd	Yarmouth N5P 1P3	
	(iii)	21	Woodland Rd	Yarmouth N5P 1P3	

1.3.2	<b>Provide maps or diagrams of the area(s) that is the subject of the SAA application.</b> Please see Attachments 3 and 4.
1.3.3	<ul> <li>Provide a description of the type of physical connection(s); i.e., individual customer; residential subdivision, commercial or industrial customer.</li> <li>3 Hydro One Residential customers are proposed to be transferred to St. Thomas Energy Inc.</li> <li>There are 11 residential and 1 Commercial (less than 50 kW) customers proposed to be transferred from St. Thomas Energy Inc. to Hydro One (note that the Cosma Court address above is a pre-existing exclusion from the St. Thomas Energy Inc. licence).</li> </ul>

#### 1.4 Information on Affected Load Transfer Customers

1.4.1	<b>Provide a total number of load transfer arrangements between distributors.</b> Please see 1.3.3.
1.4.2	<b>Provide a number of load transfers eliminated in this application.</b> Please see 1.3.3.
1.4.3	<b>Provide a number of customers to be transferred from Hydro One to St. Thomas Energy Inc.</b> Please see 1.3.3.
1.4.4	<b>Provide a number of customers to be transferred from St. Thomas Energy Inc. to Hydro One.</b> Please see 1.3.3.
1.4.5	<ul> <li>Provide a list of affected load transfer customers.</li> <li>(Customer listing must include customer address, name, billing address, rate class and meter number)</li> <li>Please see Attachments 1 and 2.</li> </ul>
1.4.6	<b>Provide written confirmation that all affected persons have been provided with specific and factual information about the service area amendment(s).</b> Letters informing the customer of the proposed amendment were sent by St. Thomas Energy Inc. and Hydro One to their respective customers on April 21, 2017.

#### **1.5.** Impacts Arising from the Amendment(s)

	The delivery ch the delivery and Table 1: Bill In	total bill i	impacts for Typical C	r these custo	omers at typ	ical consum	ption leve ers Movin	ls. ng from St.	-	
			a. <b>-</b> 1			1				
	Monthly Consumption (kWh)	Rate Class	St. Thoma Fixed Charge (\$)	s Energy Inc Variable Charge (\$/kWh or \$/kW)*	Delivery Charge (\$)**	Rate Class	Fixed Charge (\$)	ne Networks Variable Charge (\$/kWh or \$/kW)	Delivery Charge (\$)**	Average Monthl Deliver Impact o Total Bill
	750	RES	20.47	0.0086	41.13	R1	33.77	0.023	67.12	25.99
	750	RES	20.47	0.0086	41.13	R2	19.83	0.0374	66.23	25.10
	2 000									
	2,000 * Includes Iow vo ** Includes RTSR As shown in Ta their monthly de Table 2: Bill In	charges and ble 2, custe elivery cha	l cost of los omers mov irges. As si	ving from H uch, no cred	its are requi	red for these	e custome	rs.		
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2	* Includes Iow vo ** Includes RTSR As shown in Ta their monthly de Table 2: Bill In Monthly Consumption (kWh) 750 * Includes Iow vo	Itage charge charges and ble 2, custe elivery cha mpacts at mpacts at Class R1 Itage charge charges and cription o mendmen	e d cost of los omers mov irges. As si <b>Typical (</b> <b>St. Tho</b> <b>Hydro O</b> i <b>Fixed</b> <b>Charge</b> <b>(\$)</b> 33.77 e d cost of los <b>f any asse</b> <b>it(s). Pleas</b>	ses. ving from H uch, no cred Consumption mas Energy ne Networks Variable Charge (\$/kWh or \$/kW) 0.0230 ses.	ydro One N its are requi on Levels f y Inc. (Rate s Delivery Charge (\$)** 67.12	etworks to S red for these for Custome es effective Rate Class RES ded or becom	t. Thomas e custome ers Movi e January St. Thom Fixed Charge (\$) 20.47 me redun	s Energy Inc. rs. ng from Hy 1, 2017) as Energy Inc Variable Charge (\$/kWh or \$/kW)* 0.0086	. will see a r dro One No  Delivery Charge (\$)** 41.13 ompletion o	eduction in etworks) Averag Monthi Deliver Impact of Total Bill (25.99

## 1.5.5 Include an estimate of the credit required for each customer to ensure there is not a negative impact on the total bill.

The customers moving from St. Thomas Energy Inc. to Hydro One will receive a monthly bill credit to offset the increase in delivery charges<sup>1</sup>. In accordance with the Ontario Energy Board's (OEB) direction provided in "Amendments to the Distribution System Code", the credit will be calculated using each customer's average monthly consumption over the most recent 12 months at the time the application is filed for the OEB's approval. The credit will be fixed at this calculated level and remain in place as long as the customer remains the account holder. Any change to the Delivery charge that may result from the Ontario government's Fair Hydro Plan is not included in the credit calculation. Once the Fair Hydro Plan is finalized, the credit will be recalculated accordingly.

The OEB has confirmed that a deferral account will be provided for the purpose of tracking the rate mitigation costs for future recovery.

Table 3 provides the credit amounts for each specific residential and general service customer moving from St. Thomas Energy Inc. to Hydro One Networks.

#### Table 3: Credit Amounts to Eliminate the Increase in Delivery Charges for Customers Moving from St.

#### Thomas Energy Inc. to Hydro One Networks (Rates effective January 1, 2017)

	Average	St. Thomas	Energy Inc.	Hydro One	e Networks	
Index	Monthly Consumption (kWh)	Rate Class	Delivery Charges (\$)	Rate Class	Delivery Charges (\$)	Monthly Credit (\$)
Cust1	596	RES	37.05	R2	56.86	19.81
Cust2	890	RES	44.83	R2	74.74	29.91
Cust3	1764	RES	67.99	R2	127.89	59.90
Cust4	1744	RES	67.46	R2	126.67	59.21
Cust5	1077	RES	49.79	R1	81.31	31.52
Cust6	1781	RES	68.44	R1	111.87	43.44
Cust7	855	RES	43.91	R1	71.67	27.77
Cust8	1336	RES	56.65	R1	92.55	35.91
Cust9	834	RES	43.35	R1	70.76	27.41
Cust10	1273	RES	54.98	R1	89.82	34.84
Cust11	1336	GS<50	70.04	GSE	131.97	61.92

<sup>&</sup>lt;sup>1</sup> For the purpose of credit calculations, the delivery charge includes distribution charges, transmission charges and cost of losses, but excludes any rate riders as specified by Ther OEB in "<u>Amendments to the Distribution System Code</u>, <u>Section C (File No.: EB-2015-0006)</u>".

#### PART II: TRANSFER OF ASSETS (S. 86(1)(b))

#### 2.1 Description of the Assets to Be Transferred

2.1.1	Provide a description of the assets that are the subject of the transaction. (Attach a detailed list of assets to be sold including value of assets) See Attachments 1 and 2.
2.1.2	<b>Indicate where the assets are located – whether in the applicant's service territory or in the recipient's service territory (if applicable). Please include a map of the location.</b> The assets are located within the territory that will be transferred from the geographical distributor to the physical distributor upon approval of the application. Please see Attachments 3 and 4 for maps indicating the location of the assets.
2.1.3	<b>Indicate which distributor's customers are currently served by the assets.</b> Currently the assets are being used to service the geographical distributor's customers. Once the application is approved, the assets will continue to service the same customers they currently service. The customers will be transferred from the geographical distributor to the physical distributor.

#### 2.2 Description of the Sale Transaction

# 2.2.1 The value of the assets to be transferred shall be determined based on net book value (NBV). Attach the details of the associated cash consideration to be given and received by each of the parties to the transaction. Once approved, Hydro One will sell the assets servicing current Hydro One geographical customers to St. Thomas Energy Inc. for \$630.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 1. St. Thomas Energy Inc. will sell the assets servicing current St. Thomas Energy Inc. geographical customers to Hydro One for \$12,510.00 plus applicable taxes. A detailed breakdown of the assets is included in Attachment 2. 2.2.2 Will the transfer impact any other parties (e.g. joint users of poles) including any agreements with third parties? If yes, please specify how. There are no third parties that will be impacted by this sale.

#### PART III: CERTIFICATION AND ACNOWLEDGEMENT

#### **Applicant**

I certify that the information contained in this application and in the documents provided are true and accurate.

Signature of Key Individual	Name and Title of Key Individual	Date
ORIGINAL SIGNED BY	Joanne Richardson Director - Major Projects and	May 8, 2017
JOANNE RICHARDSON	Partnerships, Regulatory Affairs	

(Must be signed by a key individual. A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the chief executive officer, the chief financial officer, other officers, directors or proprietors.)

#### **Co-Applicant (if applicable)**

I certify that the information contained in this application and in the documents provided are true and accurate.

	Signature of Key Individual	Name and Title of Key Individual	Date
	Q	Robert Kent	1
2m	The second secon	Chief Operating Officer	May 5/17-
£ · ·			

(Must be signed by a key individual. A key individual is one that is responsible for executing the following functions for the applicant: matters related to regulatory requirements and conduct, financial matters and technical matters. These key individuals may include the chief executive officer, the chief financial officer, other officers, directors or proprietors.)

Filed: 2017-05-08 Attachment 1 Page 1 of 2

#### Geographical Distributor LTLT Customer and Asset Transfer Information

Map #	Primary Customer Name	Number	Street	City	Postal Code	Lot	Concession	Township	Meter ID No.	Classification Figure #	Geographical Distributor Rate Class, include Tariff (Res, Scomm + RPP, DCB, etc.)
				Pre	emise Addres	s			Meter Information		Customer care Billing Information
1		19	WOODLAND RD	YARMOUTH	N5P 1P3				J2396768	Fig.8	R1_TOU_RPP
1		19A	WOODLAND RD	YARMOUTH	N5P 1P3				J2690158	Fig.8	R1_TOU_RPP
1		21	WOODLAND RD	YARMOUTH	N5P 1P3				J3390928		R1_DCB

	Figure #1	Figure #2	Figure #3	Figure #4	Figure #5	Figure #6	Figure #7	Figure #8	Figure #9	Figure #10	Figure #11	Figure #12	Figure #13	Figure #14	Figure #15	Primary Wire Line	
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Special Case #2																	
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Primary									20	20	)		20		20	)	
Neutral									20	20	)		20		20	)	
Subtotal		0	0 0	0 0	0	0	0	3	0	0	0 0	0	0	0	C	0	)
Total O/H		0	0 0	0 0	0	0	0	150	0	C	0 0	0	0	0	C	Total Secondary O/H (m)	
otal U/G		0	0 0	0 0	0	0	0	0	0	C	0 0	0	0	0	C	Total Secondary U/G (m)	
otal Primary		0	0 0	0 0	0	0	0	0	0	0	0 0	0	0	0	C	Total Primary (m)	
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POLES	30	35	40	45	50	55	Total
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Special Case #1							0
Special Case #2							0
Special Case #3							0
Special Case #4							0
Special Case #5							0
Special Case #6							0
TOTAL	0	0	0	0	0	0	0

Transformers	5	10	15	25	50	75	100	167	Total
Main Page	0	0	0	0	0	0	0	0	0
Special Case #1									0
Special Case #2									0
Special Case #3									0
Special Case #4									0
Special Case #5									0
Special Case #6									0
TOTAL	0	0	0	0	0	0	0	0	0
Sentinel Lights (Total)	0								

ASSET SUMMARY												
	30	35	40	45	50	55	Total	T	-			
Poles	0	0	0	0	0	0	0					
Transformers	5	10	15	25	50	75	100	167	Total			
	0	0	0	0	0	0	0	0	0			
Primary Wire (metres)	0											
Secondary O/H Wire (Metres)	270											
Secondary U/G Wire (Metres)	0											
Current Transformers	0											
Sentinel Lights	0											
Easements	0	-1										

#### Geographical Distributor LTLT Customer and Asset Transfer Information

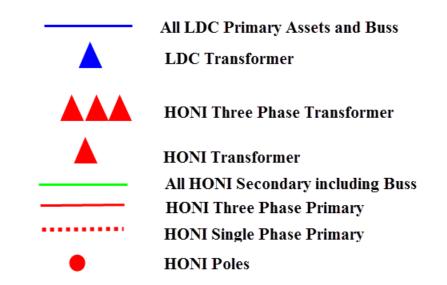
Primary Customer Name	Number	Street	City	Postal Code	Lot	Concession	Township	Meter ID No.	Classification Figure #	Geographical Distributor Rate Class, include Tariff (Res, Scomm + RPP, DCB, etc.)
			Premis	e Address			Meter Information		Customer care Billing Information	
	133	Centennial Ave	St. Thomas	N5R 5B1	Lot 10			STT0011306	Fig.8	Res + RPP
	125	Centennial Ave	St. Thomas	N5R 5B1	Lot 10			STT0012203	Fig.8	Res + RPP
	41237	Major Line	St. Thomas	N5P 3T1	Lot B			STT0010246	Fig.4	Res + RPP
	41291	Major Line	St. Thomas	N5P 3T1	Lot B			STT0005227	Fig.8	Res + RPP
	42468	Southdale Line	St. Thomas	N5R 1B8	Lot 25			STT0005423	Fig.3	Res + RPP
	42294	Southdale Line	St. Thomas	N5R 1B8	Lot 2			STT0005424	Fig.1	Res + RPP
	42346	Southdale Line	St. Thomas	N5R 5B1	Lot 2			STT0005422	Fig.2	Res + RPP
	42474	Southdale Line	St. Thomas	N5R 5B1	Lots 24/25			STT0005421	Fig.8	Res + RPP
	42260	Southdale Line	St. Thomas	N5R 5B1	Lot 7			STT0001416	Fig.3	Res + RPP
	42488	Southdale Line	St. Thomas	N5P 3T1	Lot 24			STT0005175	Fig.3	Res + RPP
	43897	Water Tower Line	St. Thomas	N5P 3V6	Lot 4			STTP800002	Fig.5	GS<50 RPP
	9783	Wellington Road	St. Thomas	N5P 4K2					Fig.10	Res + RPP

	Figure #1	Figure #2	Figure #3	Figure #4	Figure #5	Figure #6	Figure #7	Figure #8	Figure #9	Figure #10	Figure #11	Figure #12	Figure #13	Figure #14	Figure #15	Primary Wire Line
Main Page	1	1	3	1	1	0	0	4	0	1	0	0		0 0	C	)
Special Case #1																
Special Case #2																
Special Case #3																
Special Case #4																
Special Case #5																
Special Case #6																
0/н	20	70	20	70		50		50		63		63				
U/G	63		63		63		63		63		63					
Primary									20	20			2	0	20	)
Neutral									20	20			2	0	20	)
Subtotal	1	1	3	1	1	0	0	4	0	1	0	0	(	0 0	C	)
Total O/H	20	70	60	70	0	0	0	200	0	63	0	0		0 0	C	Total Secondary O/H (m)
Total U/G	63	0	189	0	63	0	0	0	0	0	0	0		0 0		Total Secondary U/G (m)
Total Primary	0	0	0	0	0	0	0	0	0	40	0	0	(	0 0		Total Primary (m)
Toal Buss (m)	0															
POLES	30	35	40	45	50	55	Total									
Main Page	7	0	0	0	0	0	7									
Special Case #1							0									
Special Case #2							0									
Special Case #3							0									
Special Case #4							0									
Special Case #5							0									
Special Case #6							0									
TOTAL	7	0	0	0	0	0	7									
Transformers	5	10	15	25	50	75	100	167	Total							
Main Page	0	3	0	0	1	0	0	0	4							
Special Case #1									0							
Special Case #2									0							
Special Case #3									0							
Special Case #4									0							
Special Case #5						1	1		0							
									0							
Special Case #6									0							
	0	3	0	0	1	0	0	0	-							

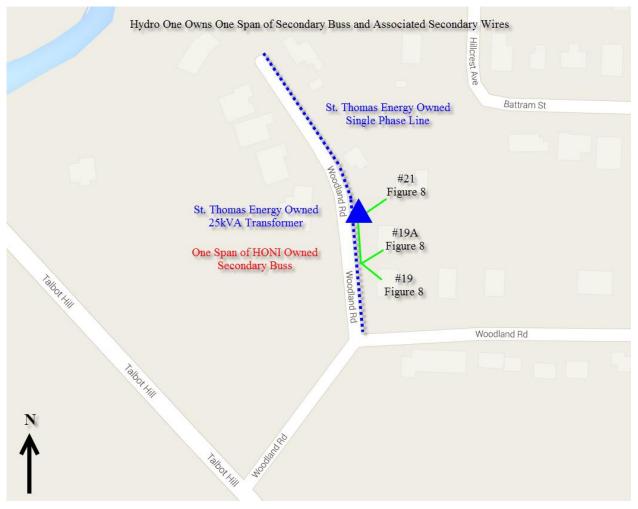
ASSET SUMMARY										
Poles	30	35 0	40	45 0	50 0	55 0	Total			
_ /	5	10	15	25	50	75	100	167	Total	
Transformers	0	3	0	0	1	0	0	0	4	
Primary Wire (metres)	40								<u> </u>	
Secondary O/H Wire (Metres)	483									
Secondary U/G Wire (Metres)	315									
Current Transformers	0									
Sentinel Lights	0									
Easements	0									

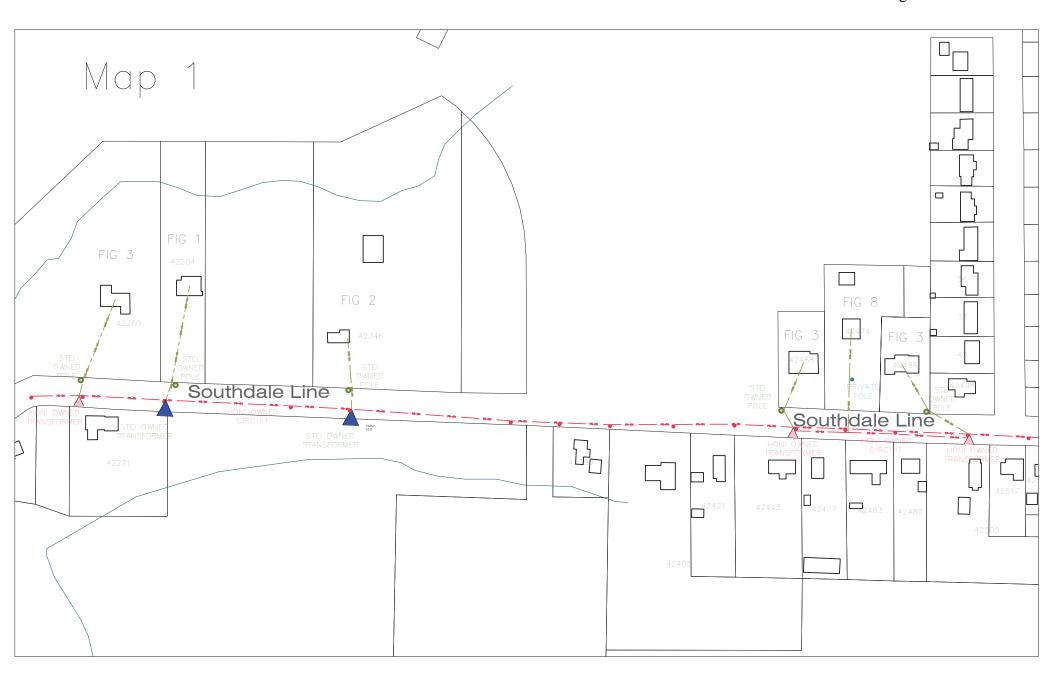
#### as Physical LDC

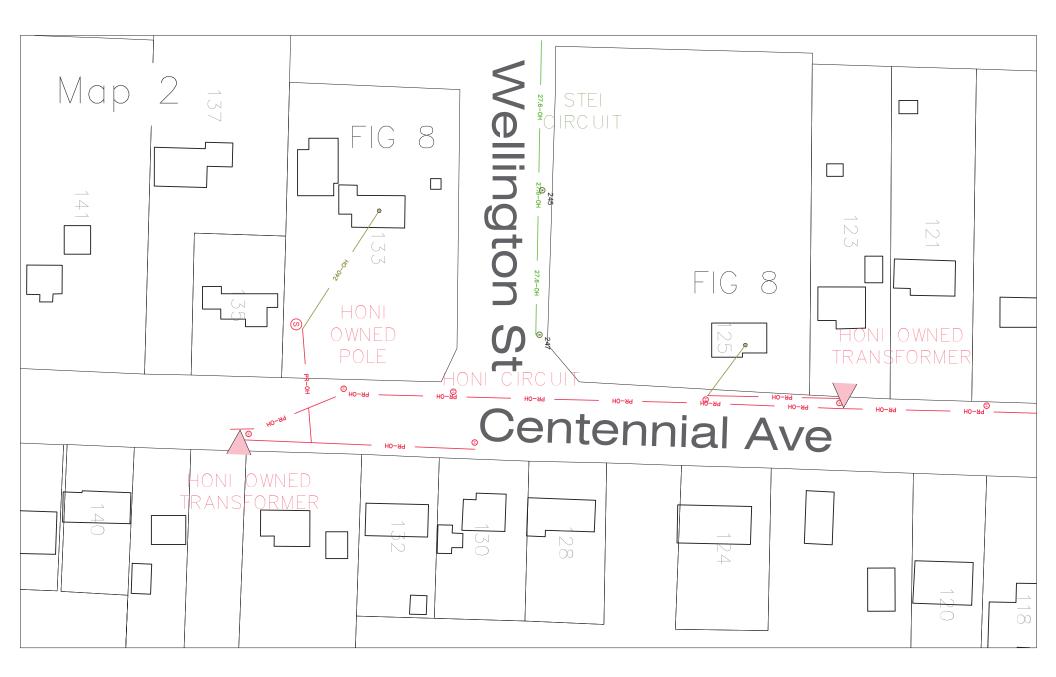




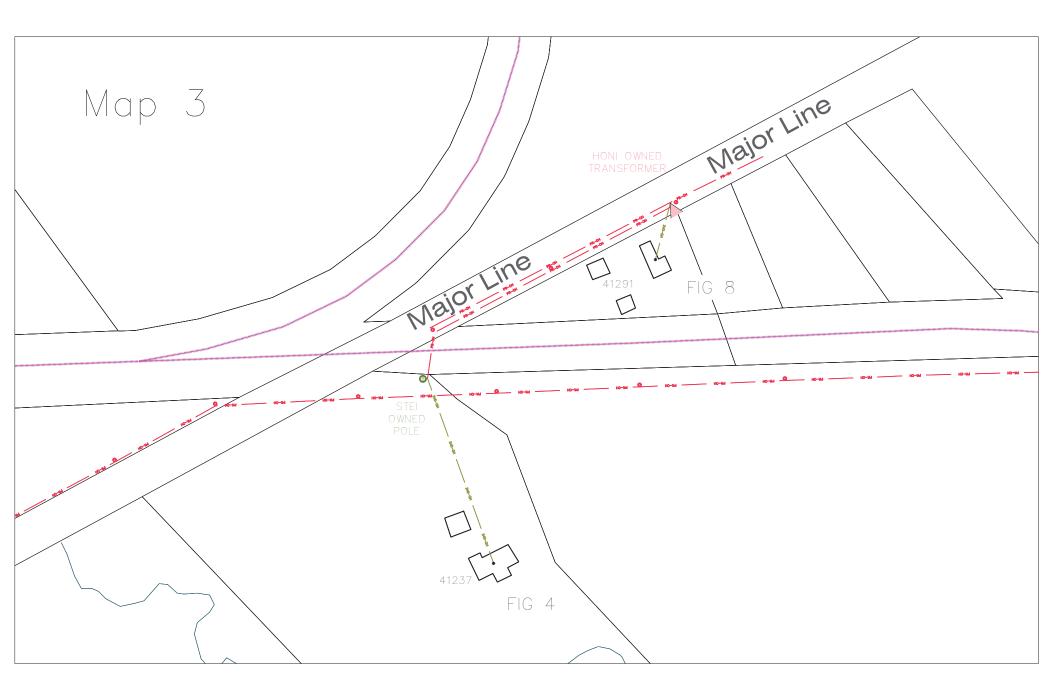
Map #1 -









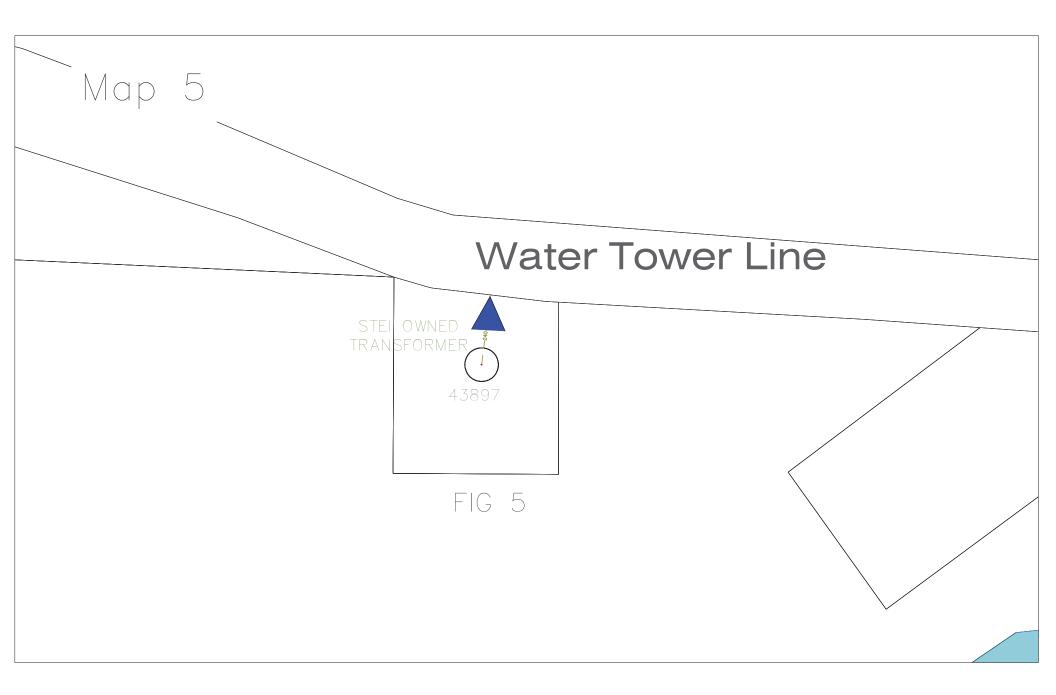




Wellington St

STEI OWNED POLE





Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Attachment 5 Page 1 of 670

## Attachment K

Merger Agreement

#### **EXECUTION VERSION**

#### MERGER AGREEMENT

#### BETWEEN

#### THE CORPORATION OF THE CITY OF ST. THOMAS

- and -

#### ASCENT GROUP INC.

- and -

#### **ST. THOMAS ENERGY INC.**

- and -

#### THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT

- and -

#### CORIX ENERGY INC.

- and -

#### ENTEGRUS INC.

– and –

#### **ENTEGRUS POWERLINES INC.**

JULY 21, 2017

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#### **MERGER AGREEMENT**

**THIS AGREEMENT** is dated as of July 21, 2017;

#### **BETWEEN:**

THE CORPORATION OF THE CITY OF ST.

**THOMAS**, a municipal corporation incorporated under the laws of Ontario

("St. Thomas")

- and -

**ASCENT GROUP INC.**, a corporation incorporated under the laws of Ontario

#### ("AGI")

– and –

**ST. THOMAS ENERGY INC.**, a corporation incorporated under the laws of Ontario

("**STEI**")

- and -

#### THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT, a

municipal corporation incorporated under the laws of Ontario

("Chatham-Kent")

– and –

**CORIX ENERGY INC.**, a corporation incorporated under the laws of Ontario

("Corix")

- and -

**ENTEGRUS INC.**, a corporation incorporated under the laws of Ontario

("Entegrus")

- and -

**ENTEGRUS POWERLINES INC.**, a corporation incorporated under the laws of Ontario

#### ("**EPI**")

#### **RECITALS:**

- A. AGI and Entegrus have entered into a letter of intent dated December 19, 2016, as amended by amending agreement dated May 3, 2017 between such parties, with respect to the transactions contemplated by this Agreement.
- B. STEI is licensed by the OEB to distribute electricity in Ontario.
- C. EPI is licensed by the OEB to distribute electricity in Ontario.
- D. St. Thomas is the beneficial and registered owner of all the issued and outstanding shares in AGI.
- E. AGI is the beneficial and registered owner of all the issued and outstanding shares in STEI.
- F. Entegrus is the beneficial and registered owner of all the issued and outstanding shares in EPI.
- G. Chatham-Kent is the beneficial and registered owner of 90% of the issued and outstanding shares in Entegrus and Corix is the beneficial and registered owner of 10% of the issued and outstanding shares in Entegrus.
- H. The Parties wish to have STEI and AGI amalgamate to form STE Amalco.
- I. St. Thomas wishes to sell to Entegrus, and Entegrus wishes to purchase from St. Thomas, all of the issued and outstanding shares in the capital of STE Amalco in exchange for the Consideration Shares.
- J. The Parties wish to have STE Amalco and EPI amalgamate to form LDC Amalco.

**THEREFORE**, the Parties agree as follows:

#### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement (including the recitals, Schedules and Exhibit hereto), the following terms have the following meanings:

"AESI" means Ascent Energy Services Inc.

"**AESI Fibre Business**" means the business of providing high speed internet services over a fibre optic network operated by AESI.

"Affiliate" means an affiliate as that term is defined in the OBCA.

"AGI" is defined prior to the recitals of the Parties above.

"AGI Business" means the business of holding shares in the capital of AESI and STEI.

"AGI Financial Statements" means the unaudited, unconsolidated balance sheet and unaudited, unconsolidated statement of income of AGI for the financial year ended December 31, 2016, including notes to the financial statements.

"Agreement" means this agreement, including all Schedules and Exhibits, as it may be confirmed, amended, modified, supplemented or restated by written agreement between the Parties.

"Ascent Employees" means all personnel and independent contractors employed, engaged or retained by AGI or AESI in connection with the AGI Business or the AESI Fibre Business, including any that are on medical or long-term disability leave, or other statutory or authorized leave or absence.

"Board" means the board of directors of Entegrus.

"**Books and Records**" means the books, ledgers, files, lists, reports, plans, logs, deeds, surveys, correspondence, operating records, Tax Returns and other data and information, including all data and information stored on computer-related or other electronic media, maintained with respect to, as applicable, the AGI Business, STE Business, STE Amalco Business, Entegrus Business, AGI, STEI, STE Amalco and/or the Entegrus Group, as applicable.

"**Business Day**" means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.

"Chatham-Kent" is defined prior to the recitals of the Parties above.

"Claim" means any claim, demand, action, cause of action, suit, arbitration, investigation, proceeding, complaint, grievance, charge, prosecution, assessment or reassessment, including any appeal or application for review.

"Closing" means the completion of the Share Transaction pursuant to this Agreement.

"Closing Balance Sheet" is defined in Section 2.7.1.

"Closing Date" means the later of:

- (a) January 1st, 2018;
- (b) the date (which shall be a Business Day) that is 14 days after the date on which the OEB issues the OEB Approval; and
- (c) the last Business Day of the same month in which the OEB issues the OEB Approval;

or such earlier or later date as may be agreed to in writing by the Parties.

"Closing Time" means 9:00 a.m. (Eastern time) on the Closing Date or any other time on the Closing Date as may be agreed by the Parties in writing.

"Common Shares" means common shares in the capital of Entegrus.

"**Communication**" means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party.

"Competition Act" means the *Competition Act* (Canada).

"**Confidentiality Agreement**" means the confidentiality agreement between St. Thomas, AGI, STEI and Entegrus dated August 9, 2016.

"Consideration Shares" means Common Shares to be issued by Entegrus to St. Thomas in payment of the Purchase Price as provided for in this Agreement.

"Contract" means any agreement, understanding, undertaking, commitment, licence, or lease, whether written or oral.

"Corix" is defined prior to the recitals of the Parties above.

"**Corporate Articles**" means, as applicable, the certificate and articles of incorporation / amalgamation of the applicable corporation and the certificates and articles of amendment of such corporation.

"CTA" means the *Corporations Tax Act* (Ontario).

"**Data Room**" means the virtual data room as at the date of this Agreement managed by Grant Thornton LLP to which each Party obliged to provide documents or information for due diligence purposes has posted the same and to which each Party relying thereupon has access.

"Debt Restructuring" is defined in Section 7.1.3.

"Direct Claim" is defined in Section 9.9.

"EA" means the *Electricity Act, 1998* (Ontario).

"**Easements**" means all of the following real property interests: (i) all easements and rights of way, registered and unregistered; (ii) the right to use, traverse, enjoy or have access to, over, in or under any real property, whether public or private; and (iii) all permits, licences and permissions received, used or enjoyed in respect of any of the foregoing and any right or benefit in the nature or character of any of the foregoing.

"Employee Benefits" means:

- (a) bonuses, vacation entitlements, commissions, fees, stock option plans, incentive plans, deferred compensation plans, profit-sharing plans, severance plans, termination pay plans, supplementary employment insurance plans and other similar benefits, plans or arrangements; and
- (b) insurance, health, welfare, disability, pension, retirement, hospitalization, medical, prescription drug, dental, eye care and other similar benefits, plans or arrangements.

"**Encumbrance**" means any security interest, mortgage, charge, pledge, hypothec, lien, encumbrance, restriction, option, adverse claim, right of others or other encumbrance of any kind.

"Entegrus" is defined prior to the recitals of the Parties above.

"Entegrus Accounts Receivable" means the aggregate sum of all accounts receivable and other amounts due, owing or accruing due to a member of the Entegrus Group in connection with the Entegrus Business, net of an allowance for doubtful accounts calculated in accordance with IFRS, determined on a consolidated basis. "Entegrus Adjustment Amount" is defined in Section 2.8.2.

"Entegrus Business" means (i) the business of distributing electricity to third parties within the geographic boundaries as permitted under OEB distribution license #ED-2002-0563 and related services and activities, carried on by EPI; (ii) the business of electricity transmission development and other services, carried on by ETI; (iii) the business of operating a data centre, carried on by ESI; (iv) the business of investing in renewable energy generation projects, carried on by ERE; (v) the business of investing in and operating broadband high speed internet service; and (vi) the business of serving as a holding company for, and providing management services to, ERE, ETI, ESI and EPI, carried on by Entegrus.

"Entegrus Closing Total Debt" is defined in Section 2.8.3.

"Entegrus Closing Working Capital" is defined in Section 2.8.3.

"Entegrus Collective Agreement" is defined in Section 6.28.4.

"Entegrus Current Assets" means the aggregate sum of the Entegrus Group's cash and cash equivalents, Entegrus Accounts Receivable, *plus* unbilled revenue, Taxes receivable, Entegrus Inventories and Entegrus Current Prepaid Amounts, in each case determined on a consolidated basis.

"Entegrus Current Liabilities" means the aggregate sum of (i) the Entegrus Group's accounts payable and accrued liabilities, owing or accruing due, and all other amounts owed by any member of the Entegrus Group that are payable within one year of the Closing Date, (ii) all customer deposits (whether current or long-term), and (iii) all of the Entegrus Group's liabilities for Taxes, including all Taxes that the Entegrus Group was required to withhold and remit to an applicable Governmental Authority in respect of any period ending prior to the Closing Date which have not been remitted, in each case determined on a consolidated basis, but excluding (A) amounts due to related parties, (B) the current portion of deferred revenue relating to developer capital contributions, and (C) bank indebtedness.

"Entegrus Current Prepaid Amounts" means the aggregate sum of all current prepaid expenses, other current assets of ongoing benefit to Entegrus Group and deposits relating to the Entegrus Business, including all current prepaid Taxes, all current prepaid charges for or purchases of water, gas, oil, hydro and other utilities, the current portion of prepaid rate rebasing cost and all current prepaid lease payments, determined on a consolidated basis.

"**Entegrus Disclosure Schedule**" means Schedule 6.1 attached to this Agreement being the disclosure schedule describing matters related to Chatham-Kent, Corix, Entegrus, EPI, ESI and each other Subsidiary of Entegrus.

"Entegrus Easements" means all of the Easements of Entegrus.

"Entegrus Employees" means all personnel employed, engaged or retained by a member of the Entegrus Group in connection with the Entegrus Business, including any that are on medical or long-term disability leave, or other statutory or authorized leave or absence, but excluding independent contractors.

"Entegrus Environmental Approvals" is defined in Section 6.24.2.

"Entegrus Failure" is defined in Section 9.3.1.

"**Entegrus Financial Statements**" means the audited, consolidated balance sheet and audited, consolidated statement of income of Entegrus for the financial year ended December 31, 2016, including notes to the financial statements.

"Entegrus Group" means, collectively, Entegrus and each of the Entegrus Subsidiaries and, where the context requires, each member of the Entegrus Group.

"Entegrus Inventories" means all inventories of every nature and kind owned by the Entegrus Group and pertaining to the Entegrus Business including raw materials, packaging materials, all work-in-progress, including amounts otherwise included in capital assets, and finished goods.

"Entegrus Leased Premises" means all of the lands and premises which are leased by a member of the Entegrus Group.

"**Entegrus Owned Lands**" means all of the lands and premises owned by a member of the Entegrus Group, other than the Entegrus Easements.

"**Entegrus Real Property Leases**" means the leases between a member of the Entegrus Group, as tenant, and the applicable landlords, and all amendments to those leases, relating to the leasing by a member of the Entegrus Group of the Entegrus Leased Premises.

"Entegrus Shareholders Agreement" means the amended and restated unanimous shareholders agreement for Entegrus to be entered into and effective on Closing and that will be substantially in the form approved by the Shareholders concurrently with the execution and delivery of this Agreement.

"Entegrus Subsidiaries" means, collectively, EPI, ETI, ESI, ERE and Fibre Co.

"Entegrus Target Closing Total Debt" is defined in Section 2.8.3.

"Entegrus Target Closing Working Capital" is defined in Section 2.8.3.

"**Environment**" means the ambient air, all layers of the atmosphere, all water including surface water and underground water, all land, all living organisms and the interacting natural systems that include components of air, land, water, living organisms and organic and inorganic matter, and includes indoor spaces.

"**Environmental Laws**" means any Laws relating to the Environment and protection of the Environment, the regulation of chemical substances or products, health and safety including occupational health and safety, and the transportation of dangerous goods.

"EPI" is defined prior to the recitals of the Parties above.

"**EPI Business**" means the business of distributing electricity to third parties within the geographic boundaries set out in OEB distribution license #ED-2002-0563 and related services and activities.

"EPI Closing Net Fixed Assets" is defined in Section 2.8.3.

"EPI Closing Net Regulatory Balance" is defined in Section 2.8.3.

"**EPI Financial Statements**" means the audited, unconsolidated balance sheet and audited, unconsolidated statement of income of EPI for the financial year ended December 31, 2016, including notes to the financial statements.

"EPI Target Closing Net Fixed Assets" is defined in Section 2.8.3.

"EPI Target Closing Net Regulatory Balance" is defined in Section 2.8.3.

"ERE" means Entegrus Renewable Energy Inc.

"ESI" means Entegrus Services Inc.

"ETA" means Part IX of the *Excise Tax Act* (Canada).

"ETI" means Entegrus Transmission Inc.

"Excess Adjustment Amount" is defined in Section 2.9.2.

"Expert" is defined in Section 2.7.5.

"**Fibre Asset Purchase Agreement**" means the asset purchase agreement between AESI, as seller, ESI, as buyer, and St. Thomas, with respect to the AESI Fibre Business entered into concurrently with this Agreement.

"**Fibre Co**" means the entity to be established by Entegrus, or one of its Subsidiaries, for the purposes of investing in certain fibre businesses through a joint venture with TekSavvy Solutions Inc. "**Fixed Assets**" means fixed assets, furniture, furnishings, parts, tools, personal property fixtures, plants, buildings, structures, erections, improvements, appurtenances, machinery, equipment, substations, transformers, vaults, distribution lines, transmission lines, conduits, ducts, pipes, wires, rods, cables, fibre optic strands, devices, appliances, material, poles, pipelines, fittings and any other similar or related item, excluding work-in-progress, of the STE Business, the Entegrus Business or the EPI Business, as applicable.

## "Governmental Authority" means:

- (a) any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and
- (b) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.

"Guarantee Period" is defined in Section 7.2.5.1.

"Hazardous Substance" means any substance, waste, liquid, gaseous or solid matter, fuel, micro-organism, sound, vibration, ray, heat, odour, radiation, energy vector, plasma, organic or inorganic matter which is or is deemed to be, alone or in any combination, hazardous, hazardous waste, solid or liquid waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination, regulated by any Environmental Laws.

"IESO" means the Independent Electricity System Operator.

"**IFRS**" means the International Financial Reporting Standards in effect from time to time, which include standards and interpretations adopted by the Canadian Accounting Standards Board.

"Indemnified Party" is defined in Section 9.3.

"Indemnifying Party" is defined in Section 9.3.

"Indemnity Claim" is defined in Section 9.9.

"Indemnity Notice" is defined in Section 9.9.

"**Insurance Policies**" means, as applicable, the insurance policies maintained by AGI and STEI with respect to the AGI Business and/or the STE Business or the insurance policies maintained by the Entegrus Group with respect to the Entegrus Business.

"**Intellectual Property**" means trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, all associated registrations and applications for registration, and all associated rights, including moral rights.

"**Interest**" means, with respect to any Shareholder, the aggregate number of Common Shares held by that Shareholder expressed as a percentage of the total number of Common Shares held by all Shareholders.

"**Interim Period**" means the period from the execution and delivery of this Agreement by the Parties to the Closing Time.

"ITA" means the *Income Tax Act* (Canada).

"**Key Employees**" means: (i) with respect to STEI: Rob Kent; and (ii) with respect to the Entegrus Group: Jim Hogan; Chris Cowell; Tomo Matesic; David Ferguson; and Keith McAllister.

"Knowledge of Chatham-Kent/Corix" means the knowledge that Chatham-Kent or Corix either has, or would have obtained, after having made or caused to be made all reasonable inquiries necessary to obtain informed knowledge, including inquiries of the records and management employees of Chatham-Kent and Corix or management of the Entegrus Group who are reasonably likely to have knowledge of the relevant matter.

"**Knowledge of St. Thomas**" means the knowledge that St. Thomas either has, or would have obtained, after having made or caused to be made all reasonable inquiries necessary to obtain informed knowledge, including inquiries of the records and management employees of St. Thomas or management of AGI or STEI who are reasonably likely to have knowledge of the relevant matter.

"Law" or "Laws" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any Governmental Authority, and the term "applicable" with respect to Laws and in a context that refers to one or more Persons, means that the Laws apply to the Person or Persons, or its or their business, undertaking, property or Securities, and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or Securities.

"LDC Amalco" is defined in Section 3.2.

"LDC Amalco Amalgamation" means the horizontal short-form amalgamation of STE Amalco and EPI as provided for in this Agreement.

"Loss" means any loss, liability, damage, cost, expense, charge, fine, penalty or assessment including the costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise and all interest, punitive damages, fines, penalties and reasonable professional fees and disbursements.

"Material Adverse Effect" means:

- (a) where used in respect of AGI or STEI, a material adverse effect on the AGI Business and STE Business, taken as a whole, or the operations, assets, liabilities, capital, property, condition (financial or otherwise) or results of operation of AGI and STE, all taken as a whole (and for greater certainty, any such matter which has a material adverse effect on one or more of AGI's Subsidiaries (other than STEI), but which does not have a material adverse effect on the AGI Business, the STE Business or STEI, will not constitute a "Material Adverse Effect" for the purpose of this Agreement); and
- (b) where used in respect of Entegrus, a material adverse effect on the Entegrus Business or operations, assets, liabilities, capital, property, condition (financial or otherwise) or results of operation of the Entegrus Group, all taken as a whole.

"Material Contract" means a Contract in respect of the AGI Business, the STE Business, the STE Amalco Business or the Entegrus Business, as applicable:

- (a) that involves or may result in the payment of money or money's worth in an amount in excess of \$250,000 (excluding any collective bargaining agreements or employment agreements); or
- (b) the termination of which, or under which the loss of rights, would constitute a Material Adverse Effect;

but excludes any Contract related to the acquisition or financing of fibre businesses by Fibre Co.

"**Net Adjustment**" means the net balance of the Entegrus Adjustment Amount and the STE Amalco Adjustment Amount.

"OBCA" means the Business Corporations Act (Ontario).

"OEB" means the Ontario Energy Board.

"OEB Act" means the Ontario Energy Board Act, 1998.

"**OEB Approval**" means the approval of the OEB pursuant to the OEB Act to the transactions contemplated herein as follows:

- (a) in respect of the STE Amalgamation, pursuant to section 86(1)(c);
- (b) in respect of the Share Transaction, pursuant to section 86(2)(a); and
- (c) in respect of the LDC Amalco Amalgamation, pursuant to section 86(1)(c).

"OMERS" means the Ontario Municipal Employees Retirement System.

"**Parties**" means St. Thomas, AGI, STEI, Chatham-Kent, Corix, Entegrus and EPI collectively, and "**Party**" means any one of them.

"**PCBs**" is defined in Section 5.25.11.

"**Permits**" means the authorizations, registrations, permits, certificates of approval, approvals, grants, licences, quotas, consents, commitments, rights or privileges (other than those relating to the Intellectual Property) issued or granted by any Governmental Authority to STEI, AGI or a member of the Entegrus Group, as applicable.

#### "Permitted Encumbrances" means:

- (a) unregistered liens for municipal Taxes, assessments or similar charges incurred in the ordinary course of business that are not yet due and payable;
- (b) inchoate mechanic's, construction and carrier's liens and other similar liens arising by operation of law or statute in the ordinary course of the STE Business or the Entegrus Business for obligations which are not delinquent and will be paid or discharged in the ordinary course of business;
- (c) unregistered Encumbrances of any nature claimed or held by Her Majesty The Queen in Right of Canada, Her Majesty The Queen in right of the Province of Ontario or by any Governmental Authority under any applicable Law, except for unregistered liens for unpaid realty Taxes, assessments and public utilities;
- (d) title defects which are of a minor nature and in the aggregate, do not materially impair the value or use of any of the STE Owned Lands,

Entegrus Owned Lands, STE Leased Premises, the Entegrus Leased Premises, the STE Easements or the Entegrus Easements;

- (e) any right of expropriation conferred upon, reserved to or vested in Her Majesty The Queen in Right of Canada, Her Majesty The Queen in right of the Province of Ontario or any Governmental Authority under any applicable Law;
- (f) zoning restrictions, easements and rights of way or other similar Encumbrances or privileges in respect of real property which in the aggregate, do not materially impair the value or use of any of the STE Owned Lands, Entegrus Owned Lands, STE Leased Premises, the Entegrus Leased Premises, the STE Easements or the Entegrus Easements;
- (g) Encumbrances created by others upon other lands over which there are easements, rights-of-way, licences or other rights of user in favour of the STE Owned Lands, Entegrus Owned Lands, STE Leased Premises, the Entegrus Leased Premises, the STE Easements or the Entegrus Easements and which do not materially impede the use of the easements, rights-ofway, licences or other rights of user for the purposes for which they are held;
- (h) the reservations, limitations, provisos, conditions, restrictions and exceptions in the letters patent or grant, as the case may be, from the Crown and statutory exceptions to title;
- those instruments registered on title to the STE Owned Lands or Entegrus Owned Lands or against the leasehold interest in the STE Leased Premises or Entegrus Leased Premises and described in the St. Thomas Disclosure Schedule or the Entegrus Disclosure Schedule;
- (j) in the case of AGI, STEI and STE Amalco, Encumbrances in favour of Scotiabank to secure the STE Amalco Closing Total Debt (to be discharged by Entegrus following the Closing in accordance with the Debt Restructuring); and
- (k) in the case of STEI, a mortgage against the STEI head office at 135 Edward Street, St. Thomas, Ontario in favour of St. Thomas (to be discharged by St. Thomas prior to Closing as part of the Debt Restructuring).

"**Person**" will be broadly interpreted and includes:

(a) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or

legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person;

- (b) a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and
- (c) a Governmental Authority.

"**Personal Information**" means information about an individual who can be identified by the Person who holds that information.

"**PILs**" means payment in lieu of corporate taxes required to be made under Section 93 of the EA.

"**Pre-Adjustment Price**" is defined in Section 2.2.

"**Privacy Laws**" means any Laws that regulate the collection, use or disclosure of Personal Information.

"Purchase Price" is defined in Section 2.2.

"**Purchased Shares**" means 1,000 common shares of STE Amalco, which will constitute all of the issued and outstanding shares in the capital of STE Amalco.

"**Release**" means to release, spill, leak, pump, pour, emit, empty, discharge, deposit, inject, leach, dispose, dump or permit to escape.

"**Remedial Order**" means any remedial order, including any notice of non-compliance, order, other complaint, direction or sanction issued, filed or imposed by any Governmental Authority pursuant to Environmental Laws, with respect to the existence of Hazardous Substances on, in or under STE Owned Lands, STE Leased Premises, Entegrus Owned Lands, Entegrus Leased Premises, or neighbouring or adjoining properties, or the Release of any Hazardous Substance from, at or on the STE Owned Lands, STE Leased Premises, entegrus Owned Lands, or Entegrus Leased Premises, or with respect to any failure or neglect to comply with Environmental Laws.

"**Representatives**" means the Affiliates of any Person, and the advisors, agents, consultants, directors, officers, management, employees, subcontractors, and other representatives, including accountants, auditors, financial advisors, lenders and lawyers of any Person and of that Person's Affiliates.

"Scotiabank" means the Bank of Nova Scotia.

"**Scotiabank Agreement**" means the agreement dated as of July 21, 2017 made among Scotiabank, AGI, STEI, AESI, Ascent Solutions Inc. and Ascent Utility Services Inc. with respect to, among other things, the payout of the bank indebtedness of AGI and STEI on the closing of the transactions contemplated by this Agreement.

"Securities" has the meaning given to that term in the Securities Act (Ontario).

"Share Transaction" is defined in Section 2.1.

"Shareholder" means each of Chatham-Kent, Corix and, following completion of the Share Transaction, St. Thomas.

"St. Thomas" is defined prior to the recitals of the Parties above.

"St. Thomas Disclosure Schedule" means Schedule 5.1 attached to this Agreement, being the disclosure schedule describing matters related to St. Thomas, AGI, STEI, AESI and each other Subsidiary of AGI.

"St. Thomas Failure" is defined in Section 9.3.2.

"STE Accounts Receivable" means the aggregate sum of all accounts receivable and other amounts due, owing or accruing due to STEI in connection with the STE Business, net of an allowance for doubtful accounts calculated in accordance with IFRS.

"STE Amalco" is defined in Section 3.1.

"STE Amalco Accounts Receivable" means the aggregate sum of all accounts receivable and other amounts due, owing or accruing due to STE Amalco in connection with the STE Amalco Business net of an allowance for doubtful accounts calculated in accordance with IFRS.

"STE Amalco Adjustment Amount" is defined in Section 2.8.1.

"STE Amalco Business" means, upon completion of the STE Amalgamation, the STE Business.

"STE Amalco Closing Net Fixed Assets" is defined in Section 2.8.3.

"STE Amalco Closing Net Regulatory Balance" is defined in Section 2.8.3.

"STE Amalco Closing Total Debt" is defined in Section 2.8.3.

"STE Amalco Closing Working Capital" is defined in Section 2.8.3.

"STE Amalco Current Assets" means the aggregate sum of STE Amalco's cash and cash equivalents, STE Amalco Accounts Receivable, *plus* unbilled revenue, Taxes receivable, STE Amalco Inventories and STE Amalco Current Prepaid Amounts.

"STE Amalco Current Liabilities" means the aggregate sum of (i) STE Amalco's accounts payable and accrued liabilities, owing or accruing due, and all other amounts owed by STE Amalco that are payable within one year of the Closing Date, (ii) all customer deposits (whether current or long-term), and (iii) all of STE Amalco's liabilities for Taxes, including all Taxes that STE Amalco was required to withhold and remit to an applicable Governmental Authority in respect of any period ending prior to the Closing Date which have not been remitted, but excluding (A) amounts due to related parties, (B) the current portion of deferred revenue relating to developer capital contributions, and (C) bank indebtedness.

"STE Amalco Current Prepaid Amounts" means the aggregate sum of all current prepaid expenses, other current assets of ongoing benefit to STE Amalco and deposits relating to the STE Amalco Business, including all current prepaid Taxes, all current prepaid charges for or purchases of water, gas, oil, hydro and other utilities, the current portion of prepaid rate rebasing cost, and all current prepaid lease payments.

"STE Amalco Inventories" means all inventories of every nature and kind owned by STE Amalco and pertaining to the STE Amalco Business including raw materials, packaging materials, all work-in-progress, including amounts otherwise included in capital assets, and finished goods.

"STE Amalco Target Closing Net Fixed Assets" is defined in Section 2.8.3.

"STE Amalco Target Closing Net Regulatory Balance" is defined in Section 2.8.3.

"STE Amalco Target Closing Total Debt" is defined in Section 2.8.3.

"STE Amalco Target Closing Working Capital" is defined in Section 2.8.3.

"**STE Amalgamation**" means the vertical short-form amalgamation of AGI and STEI as provided for in this Agreement.

"**STE Business**" means the business of distributing electricity to third parties within the geographic boundaries as set out in OEB distribution license #ED-2002-0523 and related services and activities.

"STE Collective Agreement" is defined in Section 5.29.4.

"STE Easements" means all of the Easements of STEI.

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"STE Employees" means all personnel employed, engaged or retained by STEI in connection with the STE Business, including any that are on medical or long-term disability leave, or other statutory or authorized leave or absence, but excluding independent contractors.

"STE Environmental Approvals" is defined in Section 5.25.2.

"STE Leased Premises" means all of the lands and premises which are leased by STEI.

"**STE Owned Lands**" means all of the lands and premises owned by STEI, other than the STE Easements.

"**STE Real Property Leases**" means the leases between STEI, as tenant, and the applicable landlords, and all amendments to those leases, relating to the leasing by STEI of the STE Leased Premises.

"**STEI**" is defined prior to the recitals of the Parties above.

"**STEI Financial Statements**" means the audited balance sheet and audited statement of income of STEI for the financial year ended December 31, 2016, including notes to the financial statements.

"**STEI Shareholder Direction**" means the shareholder direction made by St. Thomas as sole shareholder of AGI in relation to STEI dated effective March 21, 2016.

"**Straddle Period**" means any taxation period of AGI, STEI and STE Amalco ending after the Closing Date which commenced before the Closing Date and includes a period before the Closing Date.

"Stub Period Returns" is defined in Section 7.2.8.

"Subsidiary" means subsidiary within the meaning of the OBCA.

"TA" means the Taxation Act, 2007 (Ontario).

"**Tax**" means PILs, Transfer Tax, and all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect (including all income, capital gains, excise, use, property, capital, goods and services, business transfer and value added taxes, all customs and import duties, workers' compensation premiums, Canada Pension Plan premiums, Employment Insurance premiums, and debt retirement charges pursuant to Part V.1 of the EA and special payments pursuant to Part VI of the EA), together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Authority.

"**Tax Law**" means any Law that imposes Taxes or that deals with the administration or enforcement of liabilities for Taxes.

"**Tax Return**" means any return, report, declaration, designation, election, undertaking, waiver, notice, filing, information return, statement, form, certificate or any other document or materials relating to Taxes, including any related or supporting information with respect to any of those documents or materials listed above in this definition, filed or to be filed with any Governmental Authority in connection with the determination, assessment, collection or administration of Taxes, including those required pursuant to Parts V.1 and VI of the EA.

"Third Party Claim" is defined in Section 9.9.

"Transfer Tax" means the tax payable pursuant to Section 94 of the EA.

"Transitional Committee" is defined in Section 7.3.4.

## **1.2** Certain Rules of Interpretation

- 1.2.1 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words "including" or "includes" in this Agreement is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.
- 1.2.2 The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- 1.2.3 References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement unless otherwise specified.
- 1.2.4 Unless otherwise specified in this Agreement, time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- 1.2.5 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

This Agreement is governed by, and is to be construed and interpreted in accordance with, the Laws of the Province of Ontario and the Laws of Canada applicable in that Province.

# **1.4 Entire Agreement**

This Agreement and any other agreements and documents to be delivered pursuant to this Agreement constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, other than the provisions of the Confidentiality Agreement, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or in any of the other agreements and documents delivered pursuant to this Agreement. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or in any of the other agreement and the extent it has been reduced to writing and included as a term in this Agreement or in any of the other agreements and documents delivered pursuant to this Agreement.

# 1.5 Schedules and Exhibit

The following is a list of Schedules and Exhibit attached to and forming an integral part of this Agreement:

Schedule	Subject Matter
2.7	Purchase Price Adjustments (Examples)
5.1	St. Thomas Disclosure Schedule
6.1	Entegrus Disclosure Schedule
7.1.3	Debt Restructuring
7.3.4.7	Transitional Committee Approval Matters
Exhibit	Subject Matter
8.1.4.2	Form of Release

#### ARTICLE 2 PURCHASE AND SALE

#### 2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, immediately following the STE Amalgamation, and immediately before the LDC Amalco Amalgamation, but in any event on the Closing Date, St. Thomas shall sell, and Entegrus shall purchase, the Purchased Shares (the "Share Transaction").

#### 2.2 Purchase Price

The aggregate purchase price payable by Entegrus to St. Thomas for the Purchased Shares is \$31,908,840 (the "**Pre-Adjustment Price**"), subject to adjustment in accordance with this Article 2 (the "**Purchase Price**").

#### 2.3 Payment of Purchase Price

In consideration for the Purchased Shares and in full satisfaction of the Purchase Price (but subject to adjustment in accordance with this Article 2), Entegrus shall allot, issue and deliver to St. Thomas:

- 2.3.1 at Closing, 600 Consideration Shares; and
- 2.3.2 in accordance with Section 2.9, the remaining Consideration Shares, if any.

#### 2.4 Assumptions re Purchase Price and Consideration Shares

- 2.4.1 If there are no adjustments to the Pre-Adjustment Price as provided for in this Article 2, then Entegrus shall allot, issue and deliver to St. Thomas an additional 67 Consideration Shares pursuant to Section 2.9 such that, following completion of the Share Transaction, a total of 667 Consideration Shares will be issued to St. Thomas at an ascribed value of \$47,841 per share and:
  - 2.4.1.1 Chatham-Kent will own 2,360 Common Shares representing a 71.75% Interest;
  - 2.4.1.2 St. Thomas will own 667 Common Shares representing a 20.28% Interest; and
  - 2.4.1.3 Corix will own 262 Common Shares representing a 7.97% Interest.
- 2.4.2 The Parties acknowledge that the Pre-Adjustment Price of \$31,908,840 and the number of Consideration Shares to be issued to St. Thomas have been determined

based on the following assumptions as to the value of STE Amalco, Entegrus (on a consolidated basis) and EPI immediately prior to the Closing:

- 2.4.2.1 STE Amalco having a value of \$31,908,840, and Entegrus having a preadjusted value of \$125,441,309;
- 2.4.2.2 the Entegrus Closing Total Debt being equal to the Entegrus Target Closing Total Debt;
- 2.4.2.3 the Entegrus Closing Working Capital being equal to the Entegrus Target Closing Working Capital;
- 2.4.2.4 the EPI Closing Net Fixed Assets being equal to the EPI Target Closing Net Fixed Assets;
- 2.4.2.5 the EPI Closing Net Regulatory Balance being equal to the EPI Target Closing Net Regulatory Balance;
- 2.4.2.6 the STE Amalco Closing Total Debt being equal to the STE Amalco Target Closing Total Debt;
- 2.4.2.7 the STE Amalco Closing Working Capital being equal to the STE Amalco Target Closing Working Capital;
- 2.4.2.8 the STE Amalco Closing Net Fixed Assets being equal to the STE Amalco Target Closing Net Fixed Assets; and
- 2.4.2.9 the STE Amalco Closing Net Regulatory Balance being equal to the STE Amalco Target Closing Net Regulatory Balance.

The Parties agree to adjust the Pre-Adjustment Price referred to in Section 2.2 following the Closing in accordance with this Article 2 to reflect the differences between such assumptions and the actual situation at Closing. Set out in 0 is an illustrative example of the foregoing calculations.

# 2.5 STE Amalco Working Capital/Total Debt

Before Closing, St. Thomas, AGI and STEI shall take reasonable steps to ensure that on Closing (STE Amalco Closing Total Debt *minus* STE Amalco Closing Working Capital) *is equal to or less than* (STE Amalco Target Closing Total Debt *minus* STE Amalco Target Closing Working Capital). It is the intention of the Parties that, to the extent applicable, AGI, STEI or STE Amalco will be entitled to pay dividends or make distributions to its shareholder before Closing such that as of the Closing (STE Amalco Closing Total Debt *minus* STE Amalco Closing Working Capital) *is equal to* (STE Amalco Target Closing Total Debt *minus* STE Amalco Closing Working Capital) *is equal to* (STE Amalco Target Closing Total Debt *minus* STE Amalco Closing Working Capital).

# 2.6 Entegrus Working Capital/Total Debt

Before Closing, Chatham-Kent, Corix, Entegrus and EPI shall take reasonable steps to ensure that on Closing (Entegrus Closing Total Debt *minus* Entegrus Closing Working Capital) *is equal to or less than* (Entegrus Target Closing Total Debt *minus* Entegrus Target Closing Working Capital). It is the intention of the Parties that, to the extent applicable, Entegrus will be entitled to pay dividends or make distributions to its shareholders before Closing such that as of the Closing (Entegrus Closing Total Debt *minus* Entegrus Closing Working Capital) *is equal to* (Entegrus Closing Total Debt *minus* Entegrus Closing Working Capital).

## 2.7 Closing Balance Sheets

- 2.7.1The auditors for Entegrus shall, as soon as practicable and in any event within 90 days following Closing, complete their audit procedures and distribute to St. Thomas, Chatham-Kent and Corix audited balance sheets for EPI and, on a consolidated basis, Entegrus as of immediately before the Closing, and likewise the auditors for St. Thomas and STEI shall, as soon as practicable and in any event within 90 days following Closing, complete their audit procedures and distribute to St. Thomas, Chatham-Kent and Corix an audited balance sheet for STE Amalco as of immediately before the Closing. Each such audited balance sheet (in each case, a "Closing **Balance Sheet**") shall be prepared in accordance with IFRS applied on a basis consistent with the preparation of the STEI Financial Statements, the EPI Financial Statements and the Entegrus Financial Statements, as applicable, except that (i) the Closing Balance Sheet for STE Amalco will provide for accruals in respect of CDM bonus and LRAM (lost revenue adjustment mechanism) consistent with those being accrued by EPI and Entegrus, and (ii) the Closing Balance Sheets for EPI and Entegrus will record the current portion of prepaid rate rebasing as a current prepaid asset rather than as an intangible asset (consistent with the approach taken by STEI). The Closing Balance Sheets shall be accompanied by a report thereon by such auditors, without qualification. For the purposes of preparing and reviewing the Closing Balance Sheets, each Party shall grant such auditors and the other authorized Representatives of the other Parties reasonable access to all relevant records, facilities and personnel in its possession or within its control.
- 2.7.2 St. Thomas shall have a period of 30 days from the date it receives the Closing Balance Sheets for EPI and Entegrus and the reports of the auditor thereon during which to review the same. For the purpose of such review, St. Thomas and its authorized Representatives shall be given full access by Entegrus to examine the working papers, schedules and other documentation used or prepared by Entegrus' auditors. If no written objection to such Closing Balance Sheets is given to Chatham-Kent by St. Thomas within such 30-day period, such Closing Balance Sheets shall be deemed to have been approved by St. Thomas as of the last day of such 30-day period.

- 2.7.3 Chatham-Kent and Corix shall have a period of 30 days from the date they receive the Closing Balance Sheet for STE Amalco and the report of the auditor thereon during which to review the same. For the purpose of such review, Chatham-Kent, Corix and their respective authorized Representatives shall be given full access by St. Thomas to examine the working papers, schedules and other documentation used or prepared by St. Thomas' auditors. If no written objection to such Closing Balance Sheet is given to St. Thomas by Chatham-Kent and Corix within such 30-day period, such Closing Balance Sheet shall be deemed to have been approved by Chatham-Kent and Corix as of the last day of such 30-day period.
- 2.7.4 If St. Thomas or Chatham-Kent/Corix (acting jointly) objects to a Closing Balance Sheet within such 30-day period by giving written notice to the other such Party/Parties setting out in reasonable detail the nature of such objection, St. Thomas and Chatham-Kent/Corix (acting jointly) agree to attempt to resolve the matters in dispute within 15 days from the date on which such notice is given. If all matters in dispute are resolved by St. Thomas and Chatham-Kent/Corix, the applicable Closing Balance Sheet(s) shall be modified to the extent required to give effect to such resolution and shall be deemed to have been approved as of the date of such resolution.
- 2.7.5 If St. Thomas and Chatham-Kent/Corix (acting jointly) cannot resolve all matters in dispute within such 15-day period, all unresolved matters shall be submitted to a mutually agreed, independent, nationally recognized accounting firm (the "Expert") for resolution. The Expert shall be given access to all materials and information reasonably requested by it for such purpose. The rules and procedures to be followed in connection therewith shall be determined by the Expert in its discretion but the Expert shall be instructed to proceed as quickly as possible. Notwithstanding the foregoing, the final determination of the Expert shall be limited to the strict parameters of the dispute submitted to it and the Expert shall limit its review to the matters specifically set out in the written notice of objection and shall not assign a value to any item that is higher than the highest value for such item or lower than the lowest value for such item claimed by any Party. The Expert's determination of all such matters shall be final and binding on all Parties and shall not be subject to appeal by St. Thomas, Chatham-Kent, Corix or any other Party. The fees and expenses of the Expert shall be borne by the Parties to the dispute in a manner to be determined by the Expert based on the respective merits of their positions. The applicable Closing Balance Sheet(s) shall be modified to the extent required to give effect to the Expert's determination and shall be deemed to have been approved as of the date of such determination.

#### 2.8 Calculation of Adjustments

- 2.8.1 Upon the approval or deemed approval pursuant to Section 2.7 of the Closing Balance Sheet for STE Amalco, Entegrus shall calculate, in respect of STEI Amalco, the sum of:
  - 2.8.1.1 the STE Amalco Closing Working Capital *less* the STE Amalco Target Closing Working Capital (which sum may be positive or negative), *plus*
  - 2.8.1.2 the STE Amalco Target Closing Total Debt *less* the STE Amalco Closing Total Debt (which sum may be positive or negative), *plus*
  - 2.8.1.3 (i) the STE Amalco Closing Net Fixed Assets *less* the STE Amalco Target Closing Net Fixed Assets (which sum may be positive or negative), *plus*
  - 2.8.1.4 the STE Amalco Closing Net Regulatory Balance *less* the STE Amalco Target Closing Net Regulatory Balance (which sum may be positive or negative);

(the said sum being herein referred to as the "STE Amalco Adjustment Amount").

- 2.8.2 Upon the approval or deemed approval pursuant to Section 2.7 of the Closing Balance Sheets for Entegrus and EPI, Entegrus shall calculate, in respect of Entegrus and EPI, the sum of:
  - 2.8.2.1 the Entegrus Closing Working Capital *less* the Entegrus Target Closing Working Capital (which sum may be positive or negative), *plus*
  - 2.8.2.2 the Entegrus Target Closing Total Debt *less* the Entegrus Closing Total Debt (which sum may be positive or negative), *plus*
  - 2.8.2.3 (i) the EPI Closing Net Fixed Assets *less* the EPI Target Closing Net Fixed Assets (which sum may be positive or negative), *plus*
  - 2.8.2.4 the EPI Closing Net Regulatory Balance *less* the EPI Target Closing Net Regulatory Balance (which sum may be positive or negative);

(the said sum being herein referred to as the "Entegrus Adjustment Amount").

- 2.8.3 For the purposes of this Article 2:
  - 2.8.3.1 "STE Amalco Closing Working Capital" means the sum of the STE Amalco Current Assets *less* the STE Amalco Current Liabilities immediately prior to the Share Transaction, in each case as determined in accordance with IFRS, consistently applied and as shown on the Closing Balance Sheet of STE Amalco;

- 2.8.3.2 "STE Amalco Closing Total Debt" for STE Amalco means the aggregate amount of all long and short term interest-bearing liabilities for borrowed money and long and short term amounts owing to related parties (being, in the example set out in 0, amounts for bank debt, short-term debt, current portion of long-term borrowings, long-term borrowing, short-term and long-term portion of capital leases, due to the City of St. Thomas, related party term loans, notes payable and amounts due to St. Thomas in respect of the collection of water and sewage billings), such aggregate amount to be determined immediately prior to the Closing, as shown on the Closing Balance Sheet for STE Amalco;
- 2.8.3.3 "STE Amalco Closing Net Fixed Assets" for STE Amalco means the Fixed Assets *less* all deferred revenue relating to developer capital contributions, in each case as shown on the Closing Balance Sheet for STE Amalco;
- 2.8.3.4 "STE Amalco Closing Net Regulatory Balance" for STE Amalco means the asset regulatory balances net of deferred tax component, if any, *less* liability regulatory balances net of deferred tax component, if any, in each case as determined in accordance with IFRS, consistently applied and as shown on the Closing Balance Sheet of STE Amalco;
- 2.8.3.5 "STE Amalco Target Closing Working Capital" for STE Amalco means \$3,081,552;
- 2.8.3.6 "STE Amalco Target Closing Total Debt" for STE Amalco means \$17,287,304;
- 2.8.3.7 "**STE Amalco Target Closing Net Fixed Assets**" for STE Amalco means \$27,800,738;
- 2.8.3.8 "STE Amalco Target Closing Net Regulatory Balance" for STE Amalco means \$0;
- 2.8.3.9 "Entegrus Closing Working Capital" means the sum of the Entegrus Current Assets *less* the Entegrus Current Liabilities immediately prior to the Share Transaction, in each case as determined in accordance with IFRS, consistently applied and as shown on the Closing Balance Sheet of Entegrus;
- 2.8.3.10 "Entegrus Closing Total Debt" for Entegrus means the aggregate amount of all long and short term interest-bearing liabilities for borrowed money and long and short term amounts owing to related parties (being, in the example set out in 0, amounts for bank debt, short-term debt, current portion of long-term borrowings, long-term borrowing, short-term and

long-term portion of capital leases, due to Chatham-Kent, related party term loans, notes payable and amounts due to Chatham-Kent in respect of the collection of water and sewage billings) of the Entegrus Group on a consolidated basis, such aggregate amount to be determined immediately prior to the Closing, as shown on the Closing Balance Sheet for Entegrus;

- 2.8.3.11 "EPI Closing Net Fixed Assets" for EPI means the Fixed Assets *less* all Fixed Assets of EPI relating to the bio-gas facility of the Entegrus Group *less* all deferred revenue relating to developer capital contributions, in each case as shown on the Closing Balance Sheet for EPI;
- 2.8.3.12 "EPI Closing Net Regulatory Balance" for EPI means the asset regulatory balances net of deferred tax component, if any, *less* liability regulatory balances net of deferred tax component, if any, in each case as determined in accordance with IFRS, consistently applied and as shown on the Closing Balance Sheet of EPI;
- 2.8.3.13 **"Entegrus Target Closing Working Capital**" for Entegrus means \$9,818,688;
- 2.8.3.14 "Entegrus Target Closing Total Debt" for Entegrus means \$52,239,985;
- 2.8.3.15 "EPI Target Closing Net Fixed Assets" for EPI means \$83,194,074; and
- 2.8.3.16 "EPI Target Closing Net Regulatory Balance" for EPI means \$0.

## 2.9 Implementation of Adjustments

- 2.9.1 As soon as practicable following the final determination of the STE Amalco Adjustment Amount and the Entegrus Adjustment Amount, adjustments to the Pre-Adjustment Price and to the number of Consideration Shares issued pursuant to Section 2.3.1 will be made in accordance with this Section 2.9.
- 2.9.2 The Purchase Price adjustments provided for in this Article 2 shall be dealt with as follows:
  - 2.9.2.1 if the Net Adjustment would result in a change in St. Thomas' Interest that is equal to or less than 1% of the aggregate Interests (calculated on the basis that the Consideration Shares would total 667) (*i.e.*, if the Net Adjustment would result in a total of between 634 and 700 Consideration Shares being issued to St. Thomas pursuant to Sections 2.3.1 and 2.3.2), such adjustments shall be carried out exclusively through an adjustment in the number of Consideration Shares issued pursuant to Section 2.3.1, as provided for in Sections 2.9.4 through 2.9.6 (inclusive);

- 2.9.2.2 if the Net Adjustment would result in an increase in St. Thomas' Interest that exceeds 1% of the aggregate Interests (calculated on the basis that the Consideration Shares would total 667) (*i.e.*, if the Net Adjustment would otherwise result in a total of more than 700 Consideration Shares being issued to St. Thomas pursuant to Sections 2.3.1 and 2.3.2), St. Thomas shall be issued 100 Consideration Shares pursuant to Section 2.3.2 and the amount of such excess (the "**Excess Adjustment Amount**") shall be settled in cash as provided for in Section 2.9.8; and
- 2.9.2.3 if the Net Adjustment would result in a decrease in St. Thomas' Interest that exceeds 1% of the aggregate Interests (calculated on the basis that the Consideration Shares would total 667) (*i.e.*, if the Net Adjustment would otherwise result in a total of less than 634 Consideration Shares being issued to St. Thomas pursuant to Sections 2.3.1 and 2.3.2), St. Thomas shall be issued 34 Consideration Shares pursuant to Section 2.3.2 and the Excess Adjustment Amount shall be settled in cash as provided for in Section 2.9.8.
- 2.9.3 The Parties shall determine (i) the final adjusted Purchase Price, which shall be equal to the Pre-Adjustment Price *plus* the STE Amalco Adjustment Amount, and (ii) the final adjusted value of Entegrus, which shall be equal to the pre-adjustment value of Entegrus of \$125,441,309, *plus* the Entegrus Adjustment Amount.
- 2.9.4 Notwithstanding any other provision of this Agreement, but subject to Sections 2.9.2 and 2.9.8, the Parties agree that the total number of Consideration Shares to be issued to St. Thomas pursuant to the provisions of this Agreement shall be *equal to* (i) the total number of Common Shares outstanding immediately after the completion of the transactions contemplated by this Agreement (including all such Common Shares to be issued to St. Thomas hereunder), *multiplied by* (ii) the final adjusted Purchase Price, **divided by** (iii) the final adjusted Purchase Price, **plus** the final adjusted value of Entegrus.
- 2.9.5 If the total number of Common Shares required to be issued to St. Thomas pursuant to Section 2.9.4 is greater than the number of Consideration Shares issued to St. Thomas on Closing pursuant to Section 2.3.1, Entegrus shall promptly issue to St. Thomas such number of additional, fully paid Common Shares as is required to make up the difference. The consideration for the issuance of such additional Common Shares will be the additional value of such Common Shares resulting from the calculation set out in Section 2.9.4.
- 2.9.6 If the total number of Common Shares required to be issued to St. Thomas pursuant to Section 2.9.4 is less than the number of Consideration Shares issued to St. Thomas on Closing pursuant to Section 2.3.1, St. Thomas shall promptly donate to Entegrus for cancellation (and without consideration) such number of Consideration Shares as

is required so that the total number of Consideration Shares held by St. Thomas is then equal to the total number of Common Shares required to be issued to St. Thomas pursuant to Section 2.9.4.

- 2.9.7 Despite anything else in this Agreement to the contrary, the number of Common Shares to be issued pursuant to this Agreement, whether at Closing or pursuant to an adjustment to the Purchase Price under this Section 2.9, will be a whole number of Common Shares and no fractional Common Shares will be issued. Consequently, the number of such Common Shares will be rounded up or down to the nearest whole number with 0.5 being rounded up.
- 2.9.8 If, following an adjustment in the Pre-Adjustment Price through the issuance of additional Common Shares as Consideration Shares or the donation of Consideration Shares for cancellation as provided for in this Section 2.9, a further adjustment is required as a consequence of Section 2.9.2.2 or 2.9.2.3, then the Excess Adjustment Amount will be settled in cash through the payment thereof by St. Thomas to Chatham-Kent and Corix or by Chatham-Kent and Corix to St. Thomas, as applicable. Such payment shall be made in immediately available funds within 30 days following the final determination of the STE Amalco Adjustment Amount and the Entegrus Adjustment Amount. In the case of a required payment of the Excess Adjustment Amount by Chatham-Kent and Corix, Chatham-Kent shall pay 90% thereof and Corix shall pay 10% thereof.

## ARTICLE 3 AMALGAMATIONS

# **3.1 STE Amalgamation**

Before Closing on the Closing Date, and subject to and conditional upon the terms and conditions of this Agreement, AGI and STEI shall amalgamate with each other in accordance with applicable Law and continue as a corporation amalgamated under the laws of Ontario under the continuing name "St. Thomas Energy Inc." (and such amalgamated corporation is referred to herein as "**STE Amalco**") and shall file articles of amalgamation giving effect to the STE Amalgamation in accordance with section 177(1) of the OBCA.

## **3.2 LDC Amalgamation**

As soon as practicable after the STE Amalgamation and Closing, and subject to and conditional upon the terms and conditions of this Agreement, STE Amalco and EPI shall amalgamate with each other on the Closing Date in accordance with applicable Law and continue as a corporation amalgamated under the laws of Ontario under the continuing name "Entegrus Powerlines Inc." (and such amalgamated corporation is referred to herein as "LDC Amalco"), and shall file

articles of amalgamation giving effect to the LDC Amalco Amalgamation in accordance with section 177(2) of the OBCA.

#### ARTICLE 4 GENERAL REPRESENTATIONS AND WARRANTIES

Each of Parties hereby severally represents and warrants as follows to each other that, the representations and warranties set out below with respect to itself are true and correct on the date hereof and acknowledge that each such other Party is relying on such representations and warranties:

## 4.1 Corporate Existence

It is a corporation (in the case of Chatham-Kent and St. Thomas, a municipal corporation), duly incorporated and validly existing under the laws of Ontario.

## 4.2 Capacity to Enter Agreement

It has all necessary corporate power, authority and capacity to enter into and perform its obligations under this Agreement and each of the other documents and agreements to be entered into by it pursuant to this Agreement.

## 4.3 Binding Obligation

The execution and delivery of this Agreement and each of the other documents and agreements to be entered into by it pursuant to this Agreement and the completion of the transactions contemplated by this Agreement and such other documents and agreements by it have been duly authorized by all necessary corporate action on its part. This Agreement has been duly executed and delivered by such entity and constitutes a valid and binding obligation of such entity, enforceable against it in accordance with the terms hereof, subject to applicable bankruptcy, insolvency and other Laws of general application limiting the enforcement of creditors' rights generally and to the fact that equitable remedies, including specific performance, are discretionary and may not be ordered in respect of certain defaults.

## 4.4 Absence of Conflict

None of the execution and delivery of this Agreement and each of the other documents and agreements to be entered into by it pursuant to this Agreement, the performance by it of its obligations hereunder and thereunder or the completion of the transactions contemplated hereunder and thereunder will:

4.4.1 result in or constitute a breach of any term or provision of, or constitute a default under, the Corporate Articles, by-laws or other constating documents of such entity,

or any Contract to which such entity is a party or by which such entity's undertakings, property or assets are bound or affected;

- 4.4.2 result in the creation or imposition of any Encumbrance on any of the assets of such entity;
- 4.4.3 subject to obtaining the regulatory approvals set forth in Article 10, contravene any applicable Law; or
- 4.4.4 contravene any judgment, order, writ, injunction or decree of any Governmental Authority.

## ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF ST. THOMAS

St. Thomas represents and warrants to Chatham-Kent, Corix and Entegrus as follows, and acknowledges that each of Chatham-Kent, Corix and Entegrus is relying upon these representations and warranties in connection with the purchase of the Purchased Shares, despite any investigation made by or on behalf of Chatham-Kent, Corix or Entegrus. Each exception to the following representations and warranties that is set out in the disclosure schedule attached as Schedule 5.1 (the "St. Thomas Disclosure Schedule") is identified by reference to one or more specific individual Sections of this Agreement, provided, however, that all disclosure contained in the St. Thomas Disclosure Schedule in respect of such specific individual Sections shall nonetheless be deemed for the purposes of this Agreement to have been made with respect to all of the representations and warranties in this Article 5 to which such disclosure might reasonably be applicable. Notwithstanding anything else contained herein, St. Thomas shall not have liability to Chatham-Kent, Corix and/or Entegrus with respect to any failure by St. Thomas to disclose the existence of any matter, document or thing in the context of a particular representation and warranty set out in this Article 5, where the existence of such matter, document or thing has been disclosed as part of another representation or warranty contained in this Agreement.

# 5.1 Residence

Neither AGI nor STEI is a non-resident of Canada for purposes of the ITA.

# 5.2 Regulatory Approvals

Except as set out in Article 10 and except as has already been obtained, no authorization, approval, order, consent of, or filing with, any Governmental Authority is required on the part of St. Thomas, AGI or STEI in connection with the execution, delivery and performance by any of them of this Agreement or any other documents and agreements to be delivered under this

Agreement or in connection with the completion of the transactions contemplated hereby or thereby.

## 5.3 Competition Act

The aggregate value of all assets of AGI and STEI in Canada or the annual gross revenues from sales in and from Canada generated from all assets of AGI and STEI in Canada do not exceed, in either case, \$88 million, as determined in accordance with the Competition Act.

## 5.4 Consents

Except as disclosed in the St. Thomas Disclosure Schedule, there is no requirement to obtain any consent, approval or waiver of a party under any Material Contract to which St. Thomas, AGI or STEI is a party in order to complete the transactions contemplated by this Agreement.

## 5.5 Share Ownership, Etc.

- 5.5.1 As at the date hereof, St. Thomas is the legal and beneficial owner of 1,001 common shares of AGI with good and marketable title thereto, free and clear of all Encumbrances, being in aggregate all of the issued and outstanding shares of AGI. Immediately prior to Closing, St. Thomas will be the legal and beneficial owner of all of the issued and outstanding common shares of AGI with good and marketable title thereto, free and clear of all Encumbrances.
- 5.5.2 AGI is the legal and beneficial owner of 1,001 common shares of STEI with good and marketable title thereto, free and clear of all Encumbrances (other than Permitted Encumbrances), being in aggregate all of the issued and outstanding shares of STEI.
- 5.5.3 Except as disclosed in the St. Thomas Disclosure Schedule, AGI and STEI have no Subsidiaries. Except as disclosed in the St. Thomas Disclosure Schedule, AGI and STEI do not own or hold, directly or indirectly, any Securities of, or have any other interest in, any Person, and AGI and STEI have not entered into any agreement to acquire any such interest.
- 5.5.4 At Closing, St. Thomas will be the legal and beneficial owner of all of the Purchased Shares, free and clear of all Encumbrances, and will have the absolute and exclusive right to sell the Purchased Shares to Entegrus as contemplated by this Agreement.

## 5.6 Corporate Existence of AGI and STEI

5.6.1 AGI and STEI have been duly incorporated and organized and are validly existing and in good standing as corporations under the laws of the Province of Ontario. No

proceedings have been taken or authorized by AGI or STEI in respect of the bankruptcy, insolvency, liquidation, dissolution or winding up of AGI or STEI.

5.6.2 Upon completion of the STE Amalgamation, STE Amalco will have been duly amalgamated and organized, be validly existing and in good standing as a corporation under the laws of the Province of Ontario. As at Closing, no proceedings will have been taken or authorized by STE Amalco in respect of the bankruptcy, insolvency, liquidation, dissolution or winding-up of STE Amalco.

## 5.7 Corporate Articles

Their respective Corporate Articles constitute all of the charter documents of AGI and STEI and are in full force and effect; no action has been taken to amend AGI's or STEI's Corporate Articles and no changes to AGI's or STEI's Corporate Articles are planned other than as contemplated in this Agreement.

## 5.8 Capacity and Powers of AGI and STEI

AGI and STEI have all necessary corporate power, authority and capacity to own or lease their respective assets and to carry on the AGI Business and the STE Business, respectively, as currently being conducted.

## 5.9 Jurisdictions

Ontario is the only jurisdiction in which AGI or STEI are qualified to do business. Neither the character nor location of the STE Owned Lands or STE Leased Premises, nor the nature of the AGI Business or the STE Business, requires qualification to do business in any other jurisdiction.

## 5.10 Options, Etc.

Except as provided in this Agreement, no Person has any written or oral agreement or option or any right or privilege (whether by Law, pre-emptive, contractual or otherwise) capable of becoming an agreement or option, including Securities, warrants or convertible obligations of any nature, for:

- 5.10.1.1 the purchase of any Securities of AGI or STEI; or
- 5.10.1.2 the purchase of any of the assets of AGI or STEI other than in the ordinary course of the STE Business.

## 5.11 Corporate Records/Directors

- 5.11.1 The corporate records and minute books of AGI and STEI which have been made available to Entegrus contain in all material respects complete and accurate minutes of all meetings of, and all written resolutions passed by, the directors and shareholders of AGI and STEI, held or passed since incorporation. All those meetings were held, all those resolutions were passed, and the share certificate books, registers of shareholders, registers of transfers and registers of directors of AGI and STEI are complete and accurate in all material respects; and
- 5.11.2 The St. Thomas Disclosure Schedule contains the name of each director of AGI and STEI, including the date on which each of them was most recently elected as a director, and each such individual has been duly elected a director of the respective corporation.

## 5.12 Books and Records

The Books and Records of AGI and STEI fairly and correctly set out and disclose in accordance with IFRS in all material respects the financial position of AGI and STEI, and all material financial transactions of AGI and STEI have been accurately recorded in such Books and Records.

#### 5.13 Financial Statements

Copies of the AGI Financial Statements and the STEI Financial Statements are attached to the St. Thomas Disclosure Schedule. Such Financial Statements have been prepared in accordance with IFRS and present fairly:

- 5.13.1 the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of AGI and STEI (as applicable) as at the respective dates thereof; and
- 5.13.2 the sales, earnings and results of the operations of AGI and STEI during the periods covered by such Financial Statements;

but the unaudited interim financial statements:

- 5.13.3 do not contain all notes required under IFRS; and
- 5.13.4 are subject to normal year-end audit adjustments.

## 5.14 Tax Matters

- 5.14.1 AGI and STEI are, and STE Amalco will be, exempt from Tax under the ITA, CTA and TA but each of them is (or, in the case of STE Amalco, will be) required to make PILs payments under the EA in an amount equal to the Tax that it would be liable to pay under the ITA, CTA and TA if it were not exempt from Tax under those statutes.
- 5.14.2 Each of AGI and STEI has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by it in all applicable jurisdictions on a timely basis. All such Tax Returns are complete and correct and disclose all Taxes required to be paid for the periods covered thereby. AGI and STEI have never been required to file any Tax Returns with, and have never been liable to pay or remit Taxes to, any Governmental Authority outside Canada. AGI and STEI have paid all Taxes and all instalments of Taxes due on or before the date hereof. St. Thomas has furnished to Entegrus true, complete and accurate copies of all Tax Returns and any amendments thereto filed by AGI and STEI since December 31, 2013 and all notices of assessment and reassessment and all correspondence with Governmental Authorities relating thereto.
- 5.14.3 Assessments under the EA have been issued to AGI and STEI covering all periods up to and including its fiscal year ended December 31, 2015.
- 5.14.4 There are no audits, assessments, reassessments or other Claims in progress or, to the Knowledge of St. Thomas, threatened against AGI or STEI, in respect of any Taxes and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any such Taxes. To the Knowledge of St. Thomas, there is no contingent liability of AGI or STEI for Taxes or any grounds that could prompt an assessment or reassessment for Taxes. Neither AGI nor STEI has received any indication from any Governmental Authority that any assessment or reassessment is proposed.
- 5.14.5 Neither AGI nor STEI has entered into any transactions with any non-resident of Canada (for the purposes of the ITA) with whom AGI or STEI was not dealing at arm's length (within the meaning of the ITA). Neither AGI nor STEI has acquired property from any Person in circumstances where AGI or STEI did or could have become liable for any Taxes payable by that Person.
- 5.14.6 Neither AGI, STEI nor STE Amalco will be required to include in a taxable period ending after the Closing Date any material taxable income attributable to income that accrued in a taxable period prior to the Closing Date but was not recognized for Tax purposes in such prior taxable period (or to exclude from taxable income in a taxable period ending after the Closing Date any material deduction the recognition of which was accelerated from such taxable period to a taxable period prior to the Closing Date).

- 5.14.7 There are no circumstances existing which could result in, or which have existed and resulted in, the application of section 78 of the ITA, as it applies for purposes of the EA, in respect of an amount owing by AGI, STEI or STE Amalco on the Closing Date.
- 5.14.8 Neither AGI nor STEI has entered into any agreements, waivers or other arrangements with any Governmental Authority providing for an extension of time with respect to the issuance of any assessment or reassessment, the filing of any Tax Return, or the payment of any Taxes by or in respect of AGI or STEI. Neither AGI nor STEI is party to any agreements or undertakings with respect to Taxes.
- 5.14.9 AGI and STEI are registrants for purposes of the ETA and AGI's registration number is 863677191 RT0001 and STEI's is 890522014 RT0001. All input tax credits claimed by AGI or STEI pursuant to the ETA have been proper, correctly calculated and documented. AGI and STEI have collected, paid and remitted when due all Taxes, including goods and services tax, harmonized sales tax and retail sales tax, collectible, payable or remittable by them.
- 5.14.10 Each of AGI and STEI has remitted to the appropriate Governmental Authority when required by Law to do so all amounts collected by it on account of sales taxes including goods and services tax and harmonized sales tax imposed under the ETA.
- 5.14.11 AGI and STEI maintain their Books and Records in compliance with section 230 of the ITA.

# 5.15 Absence of Changes

Except as disclosed in the St. Thomas Disclosure Schedule, since December 31, 2016, there has not been:

- 5.15.1 any change in the financial condition, operations, results of operations, or business of AGI or STEI which has had a Material Adverse Effect, nor has there been any occurrence or circumstances which, to the Knowledge of St. Thomas, with the passage of time might reasonably be expected to have a Material Adverse Effect; or
- 5.15.2 any Loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by AGI or STEI which, to the Knowledge of St. Thomas, has had, or may reasonably be expected to have, a Material Adverse Effect.

## 5.16 Absence of Undisclosed Liabilities

Except to the extent reflected or reserved in the AGI Financial Statements and the STEI Financial Statements, or incurred subsequent to December 31, 2016 and:

- 5.16.1 disclosed in the St. Thomas Disclosure Schedule; or
- 5.16.2 incurred in the ordinary course of the AGI Business or STE Business;

neither AGI nor STEI has any material outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt) of a nature customarily reflected or reserved against in a balance sheet (including the notes to the AGI Financial Statements and the STEI Financial Statements) in accordance with IFRS. For the purposes of this Section 5.16 only, indebtedness, liabilities or obligations owing to any third party in excess of \$160,000 will be deemed to be material.

#### 5.17 Absence of Unusual Transactions

Except as disclosed or referred to in the St. Thomas Disclosure Schedule or as provided for in the Debt Restructuring, since December 31, 2016, neither AGI nor STEI has:

- 5.17.1 given any guarantee of any debt, liability or obligation of any Person;
- 5.17.2 subjected any of its assets, or permitted any of its assets to be subjected, to any Encumbrance other than the Permitted Encumbrances;
- 5.17.3 acquired, sold, leased or otherwise disposed of or transferred any assets other than, in the case of STEI, in the ordinary course of the STE Business;
- 5.17.4 made or committed to any capital expenditures, except, in the case of STEI, in the ordinary course of the STE Business;
- 5.17.5 declared or paid any dividend or otherwise made any distribution or other payment of any kind or nature to any of its shareholders or any other non-arm's length Person, or taken any corporate proceedings for that purpose;
- 5.17.6 redeemed, purchased or otherwise retired any of its shares or otherwise reduced its stated capital;
- 5.17.7 entered into or become bound by any Contract, except, in the case of STEI, in the ordinary course of the STE Business (other than this Agreement);
- 5.17.8 modified, amended or terminated any Contract (except for Contracts which expire by the passage of time) resulting in a Material Adverse Effect;
- 5.17.9 waived or released any right or rights which it has or had, or a debt or debts owed to it resulting, collectively or individually, in a Material Adverse Effect;
- 5.17.10 except as required by the STE Collective Agreement, made any change in any compensation arrangement or agreement with any Ascent Employee, STE Employee

or any officer or director of AGI or STEI in excess of \$6,500 (in respect of any individual) or by more than 3% of the total payroll (in aggregate);

- 5.17.11 made any change in any method of accounting or auditing practice (other than as disclosed in the AGI Financial Statements or STEI Financial Statements and/or in order to make its financial disclosure consistent with the financial disclosure of Entegrus as regards to accrued CDM bonus or as regards to loss revenue adjustment mechanism recoveries); or
- 5.17.12 agreed or offered to do any of the things described in this Section 5.17.

## 5.18 Title to and Condition of Assets

Each of AGI and STEI owns, possesses and has good and marketable title to all of its undertakings, property and assets not otherwise the subject of specific representations and warranties in this Article 5, including all the undertakings, property and assets reflected in the most recent balance sheet included in the AGI Financial Statements or the STEI Financial Statements (as applicable), free and clear of all Encumbrances other than Permitted Encumbrances. The undertakings, property and assets of STEI comprise all of the undertakings, property and assets necessary for it to carry on the STE Business as it is currently operated. All facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by STEI are in good operating condition and repair, ordinary wear and tear excepted, and are reasonably fit and usable for the purposes for which they are being used.

## 5.19 Real Property

- 5.19.1 The St. Thomas Disclosure Schedule contains a complete and accurate list of the STE Owned Lands, including complete legal descriptions, and the particulars of the STE Leased Premises and STE Real Property Leases. STEI does not own any real property and does not lease and has not agreed to acquire or lease any real property other than as listed in the St. Thomas Disclosure Schedule.
- 5.19.2 STEI has all Easements that are necessary for it to carry on the STE Business as it is currently operated.
- 5.19.3 Neither St. Thomas nor STEI has received any, nor to the Knowledge of St. Thomas are there any pending or threatened, notices of violation or alleged violation of any Laws against or affecting any STE Owned Lands or STE Leased Premises or STE Easements.
- 5.19.4 The buildings and other structures and improvements located on the STE Owned Lands or forming part of the STE Leased Premises, and their operation and maintenance, comply with all applicable Laws, and none of those buildings or structures or improvements encroaches upon any land not owned or leased by STEI.

- 5.19.5 There are no restrictive covenants or Laws which in any way restrict or prohibit any part of the present use of the STE Owned Lands or STE Leased Premises or STE Easements, other than the Permitted Encumbrances. STEI has such rights of entry and exit to and from the STE Owned Lands and the STE Leased Premises and the STE Easements as are reasonably necessarily to carry on the STE Business.
- 5.19.6 Except as disclosed in the St. Thomas Disclosure Schedule, no Person has any right to purchase any of the STE Owned Lands and no Person other than STEI is using or has any right to use, is in possession or occupancy, of any part of the STE Owned Lands. There exists no option, right of first refusal or other contractual rights with respect to any of the STE Owned Lands.
- 5.19.7 There are no expropriation or similar proceedings, actual or threatened, of which AGI, STEI or St. Thomas have received notice, against any of the STE Owned Lands or STE Leased Premises or STE Easements.
- 5.19.8 The STE Owned Lands are owned in fee simple, free and clear of all Encumbrances, except Permitted Encumbrances. STEI has not entered into any contract to sell, transfer, encumber, or otherwise dispose of or impair the right, title and interest of STEI in and to the STE Owned Lands or the air, density and easement rights relating to such STE Owned Lands.
- 5.19.9 All of the STE Real Property Leases are in full force and effect, unamended, and none of them are, to the Knowledge of St. Thomas, under any threat of termination.
- 5.19.10 All of the STE Easements are in full force and effect and none of them are, to the Knowledge of St. Thomas, under any threat of termination.
- 5.19.11 Neither St. Thomas, AGI nor STEI has received any notification of, nor are there any outstanding or incomplete work orders in respect of any Fixed Assets on the STE Owned Lands, STE Leased Premises or STE Easements, or of any current non-compliance (other than non-compliances which are legal non-conforming under relevant zoning by-laws) with applicable statutes and regulations or building and zoning by-laws and regulations.
- 5.19.12 All accounts for work and services performed or materials placed or furnished upon or in respect of the construction and completion of any Fixed Assets constructed on the STE Owned Lands or the STE Leased Premises or the STE Easements have been fully paid to the extent due and no Person is entitled to claim a lien under the *Construction Lien Act* (Ontario) or other similar legislation for such work.
- 5.19.13 To the Knowledge of St. Thomas, there are no matters affecting the right, title and interest of STEI in and to the STE Owned Lands or the STE Leased Premises or the STE Easements (other than the Permitted Encumbrances) or which, in the aggregate, would materially and adversely affect the ability of STEI to carry on the STE

Business upon such STE Owned Lands or the STE Leased Premises or the STE Easements.

## 5.20 Intellectual Property

- 5.20.1 The St. Thomas Disclosure Schedule includes a list of all Intellectual Property that is registered with any Governmental Authority and that is used in connection with the conduct of the AGI Business or the STE Business, including all trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, all associated registrations and applications for registration, and all associated rights, including moral rights, the jurisdictions (if any) in which that Intellectual Property is registered (or in which applications.
- 5.20.2 All necessary legal steps have been taken by AGI and STEI to preserve their respective rights to the Intellectual Property listed in the St. Thomas Disclosure Schedule. The St. Thomas Disclosure Schedule also includes a list of all licence agreements pursuant to which AGI or STEI have been granted a right to use, or otherwise exploit Intellectual Property owned by third parties, other than "off-the-shelf" software license agreements.
- 5.20.3 The Intellectual Property that is owned by AGI and STEI (as applicable) is owned free and clear of any Encumbrances other than Permitted Encumbrances, and no Person other than AGI and STEI has any right to use that Intellectual Property except as disclosed in the St. Thomas Disclosure Schedule.
- 5.20.4 The use by AGI and STEI of any Intellectual Property owned by third parties is valid, and AGI and STEI are not in default or breach of any licence agreement relating to that Intellectual Property, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach.
- 5.20.5 The conduct by AGI and STEI of the AGI Business and STE Business, respectively, does not infringe the Intellectual Property of any Person.

## 5.21 Accounts Receivable

All AGI Accounts Receivable reflected in the AGI Financial Statements and STE Accounts Receivable reflected in the STEI Financial Statements, as applicable, or which have come into existence since the date of the most recent AGI Financial Statements and STEI Financial Statements, were created in the ordinary and customary course of the AGI Business or STE Business from bona fide arm's length transactions, and, except to the extent that they have been paid in the ordinary course of such Business since the date of the AGI Financial Statements and

the STEI Financial Statements, are valid and enforceable and collectible in full, without, to the Knowledge of St. Thomas, any right of set-off or counterclaim or any reduction for any credit or allowance made or given, except to the extent of the allowance for doubtful accounts which will be included in the Closing Balance Sheet for STE Amalco.

## 5.22 Material Contracts

- 5.22.1 The St. Thomas Disclosure Schedule contains a list of all Material Contracts to which AGI or STEI is a party. St. Thomas has previously delivered or made available to Entegrus true and complete copies of such Material Contracts, all of which are in full force and effect, unamended (except for amendments which have previously been disclosed or made available to Entegrus).
- 5.22.2 No counterparty to any Material Contract to which AGI or STEI is a party is in default of any of its obligations under such Material Contract in any material respect. AGI and STEI are entitled to all benefits under each Material Contract, and have not received any notice of termination of any Material Contract, and there are no current or pending negotiations with respect to the renewal, repudiation or amendment of any Material Contract.

## 5.23 Accounts and Powers of Attorney

AGI and STEI have previously disclosed to Entegrus:

- 5.23.1 the name of each bank or other depository in which AGI or STEI maintains any bank account, trust account or safety deposit box and the names of all individuals authorized to draw on them or who have access to them; and
- 5.23.2 the name of each Person holding a general or special power of attorney from AGI or STEI and a summary of its terms.

## 5.24 Compliance with Laws, Permits

- 5.24.1 AGI is conducting the AGI Business in material compliance with all applicable Laws where the failure to do so (either individually or in the aggregate) would have a Material Adverse Effect.
- 5.24.2 STE is conducting the STE Business in material compliance with all applicable Laws where the failure to do so (either individually or in the aggregate) would have a Material Adverse Effect.
- 5.24.3 All Permits held by or granted to STEI are listed in the St. Thomas Disclosure Schedule. Such Permits are the only authorizations, registrations, permits, approvals, grants, licences, quotas, consents, commitments, rights or privileges (other than those

relating to Intellectual Property) required to enable STEI to carry on the STE Business as currently conducted and to enable it to own, lease and operate its assets. All such Permits are valid, subsisting, in full force and effect and unamended, and STEI is not in default or breach of any such Permit; no proceeding is pending or, to the Knowledge of St. Thomas, threatened to revoke or limit any such Permit, and the completion of the transactions contemplated by this Agreement will not result in the revocation of any such Permit or the breach of any term, provision, condition or limitation affecting the ongoing validity of any such Permit.

## 5.25 Environmental Conditions

Without limiting the generality of Section 5.24, and except as disclosed in the St. Thomas Disclosure Schedule:

- 5.25.1 STEI's conduct of the STE Business, and the current use and condition of each of the STE Leased Premises and STE Owned Lands have been and are in compliance with all applicable Environmental Laws in all material respects, and, to the Knowledge of St. Thomas, there are no facts which would give rise to any such non-compliance of STEI with any Environmental Laws, either in the conduct by STEI of the STE Business, or in the current uses and condition of each of the STE Leased Premises and the STE Owned Lands;
- 5.25.2 STEI has all Permits required by all Environmental Laws for the conduct by AGI and STEI of the STE Business ("**STE Environmental Approvals**"), which STE Environmental Approvals are valid and in full force and effect and listed in the St. Thomas Disclosure Schedule. STEI is in compliance with all those STE Environmental Approvals, and there have not been and are no proceedings commenced or threatened to revoke or amend any such STE Environmental Approvals in a manner that could reasonably be expected to have a Material Adverse Effect;
- 5.25.3 STEI and any Person for whom STEI is responsible pursuant to all Environmental Laws, have imported, manufactured, processed, distributed, used, treated, stored, disposed of, transported, exported or handled Hazardous Substances in strict compliance with all Environmental Laws;
- 5.25.4 to the Knowledge of St. Thomas, no Hazardous Substances have been disposed of on any of the STE Leased Premises or the STE Owned Lands, and there are no underground storage tanks on the STE Leased Premises or the STE Owned Lands and any underground storage tanks formerly on the STE Leased Premises or the STE Owned Lands have been removed and any affected soil, surface water or ground water has been remediated in compliance with all applicable Laws including Environmental Laws;

- 5.25.5 no part of the STE Owned Lands has ever been used as a landfill or for the disposal of waste;
- 5.25.6 there has been no Release of any Hazardous Substance in the course of the STE Business from, at, on, or under the STE Leased Premises or the STE Owned Lands or, to the Knowledge of St. Thomas, from or on to any other properties, except in compliance with all Environmental Laws;
- 5.25.7 STEI has not received any notice of any kind of any Release or possible Release of any Hazardous Substance from, at, on, or under any of the STE Leased Premises or STE Owned Lands, or from or on to any other properties;
- 5.25.8 to the Knowledge of St. Thomas, there are no Hazardous Substances on any adjoining properties to any of the STE Leased Premises or STE Owned Lands which may adversely affect the STE Business, or any of the STE Leased Premises or STE Owned Lands;
- 5.25.9 there has been no Remedial Order issued to STEI in respect of the STE Business, or with respect to any of the STE Leased Premises or the STE Owned Lands and, to the Knowledge of St. Thomas, no Remedial Orders are threatened, and there are no facts which could reasonably be expected to give rise to any Remedial Orders;
- 5.25.10 STEI has not received any notice of Claim, summons, order, direction or other Communication relating to non-compliance with any Environmental Laws from any Governmental Authority or other third party, and to the Knowledge of St. Thomas, there is no pending or threatened matter, act or fact which could cause STEI, the conduct of the STE Business, or any of the STE Leased Premises or STE Owned Lands to no longer be in compliance with all applicable Environmental Laws; and
- 5.25.11 No asbestos, asbestos containing materials, polychlorinated biphenyls ("**PCBs**") and PCB wastes are used, stored or otherwise present in or on the STE Owned Lands except for PCBs contained in the electrical transformers which are in service and which form an integral part of, and are necessary for the operation of, the STE Business. St. Thomas has disclosed or made available to Entegrus all inspection reports received from the Ministry of the Environment in connection with STEI's handling, transportation and storage of PCBs.

## 5.26 Suppliers and Customers

5.26.1 The St. Thomas Disclosure Schedule lists the 15 largest suppliers of goods and services from whom STEI has purchased goods or services (other than power) during the fiscal year ended December 31, 2016. No such supplier sold goods and services to STEI which represented more than 20% of its annual purchases during such period. None of the suppliers listed in the St. Thomas Disclosure Schedule has advised STEI,

either orally or in writing, that it is terminating or considering terminating its relationship with STEI, or considering negotiating its relationship with STEI on terms that would result in a Material Adverse Effect, whether as a result of the completion of the transactions contemplated by this Agreement or otherwise.

5.26.2 The St. Thomas Disclosure Schedule lists the 10 largest customers of STEI in terms of gross revenue of STEI during the fiscal year ended December 31, 2016. None of the customers listed on the St. Thomas Disclosure Schedule has advised STEI, orally or in writing, that it is terminating or considering terminating its relationship with STEI, or considering negotiating its relationship with STEI on terms that would result in a Material Adverse Effect, whether as a result of the completion of the transactions contemplated by this Agreement or otherwise.

## 5.27 **Rights to Use Personal Information**

- 5.27.1 All Personal Information in the possession of AGI and STEI has been collected, used and disclosed in compliance with all applicable Privacy Laws in those jurisdictions in which AGI and STEI conducts, or is deemed by operation of law in those jurisdictions to conduct, the STE Business.
- 5.27.2 St. Thomas has disclosed or made available to Entegrus all Contracts and facts concerning the collection, use, retention, destruction and disclosure of Personal Information by STEI, and there are no other Contracts, or facts which, on completion of the transactions contemplated by this Agreement, would restrict or interfere with the use of any Personal Information by STEI in the continued operation of the STE Business as conducted before the Closing.
- 5.27.3 Except as disclosed in the St. Thomas Disclosure Schedule, there are no Claims pending or, to the Knowledge of St. Thomas, threatened, with respect to STEI's collection, use or disclosure of Personal Information.

#### 5.28 Employees and Employment Contracts

5.28.1 St. Thomas has made available to Entegrus in the Data Room the names, titles and status (active or non-active, and if not active, reason why and period of time not active) of all STE Employees and Ascent Employees together with particulars of the material terms and conditions of their employment or engagement, including current rates of remuneration, perquisites, commissions, bonus or other incentive compensation (monetary or otherwise), most recent hire date, cumulative years of service, start and end dates of all previous periods of service, benefits, vacation or personal time off entitlements, current positions held and, if available, projected rates of remuneration, and whether the employee is a member of a collective bargaining union or agency and whether the employee is subject to the STE Collective Agreement.

- 5.28.2 To the Knowledge of St. Thomas, no STE Employee, Ascent Employee, nor any consultant with whom STEI, AGI or AESI has contracted, is in violation of any term of any employment contract, contract of engagement, services agreement, proprietary information agreement or any other agreement relating to the right of that individual to be employed, engaged or retained by STEI, AGI or AESI in any material respect, and, to the Knowledge of St. Thomas, the continued employment or engagement by STEI, AGI or AESI of its current STE Employees or Ascent Employees, as applicable, will not result in any such violation. Neither STEI, AGI nor AESI has received any notice alleging that any such violation has occurred.
- 5.28.3 Except as disclosed in the Data Room, all of the STE Employees and Ascent Employees are employed, engaged or retained for an indefinite term and none are subject to written employment agreements, contracts of engagement or services agreements. St. Thomas has made available to Entegrus in the Data Room true and complete copies of any written employment agreements, contracts of engagement or services agreements of all STE Employees and Ascent Employees. No officer or Key Employee, or any group of Key Employees, has given notice, oral or written, of an intention to cease being employed with STEI or AGI or AESI (other than the pending employee retirements disclosed in the St. Thomas Disclosure Schedule), and neither STEI, AGI nor AESI intends to terminate the employment of any officer, Key Employee or group of Key Employees.
- 5.28.4 STEI, AGI and AESI have been operated in material compliance with all Laws relating to employees, including employment standards and all Laws relating in whole or in part to the protection of employee health and safety, human rights, labour relations and pay equity. Except as disclosed or referred to in the St. Thomas Disclosure Schedule, there have been no Claims within the past three years nor, to the Knowledge of St. Thomas, are there any threatened complaints, under such Laws against STEI, AGI or AESI. To the Knowledge of St. Thomas, nothing has occurred which might lead to a Claim or complaint against STEI, AGI or AESI, under any such Laws. There are no outstanding decisions or settlements or pending settlements which place any obligation upon STEI, AGI or AESI to do or refrain from doing any act.
- 5.28.5 There is no strike or lockout occurring or affecting, or to the Knowledge of St. Thomas, threatened against, STEI, AGI or AESI.

### 5.29 Unions

5.29.1 Except as disclosed in the St. Thomas Disclosure Schedule, there are no apparent or, to the Knowledge of St. Thomas, threatened union organizing activities involving STE Employees.

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- 5.29.3 STEI has not engaged in any lay-off or other activities within the last three years in respect of the STE Business that would violate or in any way subject STEI to the group termination or lay-off requirements of the Laws of any jurisdictions where STEI operate.
- 5.29.4 Except as disclosed in the St. Thomas Disclosure Schedule, STEI is not bound by or a party to, either directly or by operation of law, any collective bargaining agreement (the "**STE Collective Agreement**") with any trade union or association which might qualify as a trade union, and no trade union, association, council of trade unions, employee bargaining agency or affiliated bargaining agent:
  - 5.29.4.1 holds bargaining rights with respect to any of the STE Employees by way of certification, interim certification, voluntary recognition, designation or successor rights;
  - 5.29.4.2 has, to the Knowledge of St. Thomas, applied to be certified or requested to be voluntarily recognized as the bargaining agent of any of the STE Employees;
  - 5.29.4.3 has, to the Knowledge of St. Thomas, applied to have STEI declared a related or successor employer under applicable provincial labour or employment Law; or
  - 5.29.4.4 has, to the Knowledge of St. Thomas, filed a complaint or charge under applicable provincial labour or employment Law within the last three years.

### 5.30 Employee Benefits Matters

- 5.30.1 Except as disclosed in the St. Thomas Disclosure Schedule, STEI and AGI are not:
  - 5.30.1.1 a party to, bound by or subject to, and do not have any liability or contingent liability relating to, any employment agreement or any other agreement or arrangement relating to Employee Benefits;
  - 5.30.1.2 in arrears in the payment of any contribution or assessment required to be made by them pursuant to any agreements or arrangements relating to Employee Benefits; or
  - 5.30.1.3 a party to or bound by or subject to any agreement or arrangement with any labour union or employee association in respect of Employee Benefits and has not made any commitment to or conducted any negotiation or

discussion with any labour union or employee association with respect to any future agreement or arrangement in respect of Employee Benefits.

- 5.30.2 All agreements and arrangements relating to Employee Benefits in respect of STE Employees and Ascent Employees set forth in the St. Thomas Disclosure Schedule (other than OMERS, with respect to which St. Thomas makes no representation under this Section 5.30.2) are, and have been, established, registered (where required), and administered without default, in material compliance with (i) the terms thereof; and (ii) all applicable Laws; and STEI and AGI have not received, in the last four years, any notice from any Person questioning or challenging such compliance (other than in respect of any claim related solely to that Person), nor does St. Thomas have any Knowledge of any such notice from any Person questioning or challenging such compliance beyond the last four years. Except as disclosed in the St. Thomas Disclosure Schedule or the STE Collective Agreement, there have been no improvements, increases or changes to, or promised improvements, increases or changes to, the benefits provided under any such agreement or arrangement within the last four years, nor does any such agreement or arrangement provide for benefit increases or the acceleration of funding obligations that are contingent upon or will be triggered by the execution of this Agreement or the Closing.
- 5.30.3 Except as disclosed in St. Thomas Disclosure Schedule, no STE Employee or Ascent Employee is on long-term disability leave, extended absence or receiving benefits pursuant to the *Workplace Safety and Insurance Act, 1997* (Ontario).
- 5.30.4 Except as disclosed in the St. Thomas Disclosure Schedule, no agreement or arrangement, other than OMERS, provides benefits beyond retirement or other termination of service to employees or former employees of STEI or AGI or to the beneficiaries or dependants of such employees or former employees. Other than OMERS, no such agreement or arrangement requires or permits a retroactive increase in premiums or payments.
- 5.30.5 All assessments under the *Workplace Safety and Insurance Act, 1997* (Ontario) in relation to the STE Business and AGI Business have been paid or accrued and STEI and AGI are not subject to any special or penalty assessment under such legislation which has not been paid.

### 5.31 Pension Plans

5.31.1 Except as disclosed in the St. Thomas Disclosure Schedule, OMERS is the only pension or retirement plan or arrangement in which employees of STEI and AGI participate and/or to which STEI and AGI contributes as a participating employer.

5.31.2 All obligations of STEI and AGI to or under OMERS (whether pursuant to the terms thereof or any applicable Laws) have been satisfied, and there are no outstanding defaults or violations thereunder by STEI, AGI or by any predecessor thereof.

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- 5.31.3 There are no going concerns with respect to unfunded actuarial liabilities, past service unfunded liabilities or solvency deficiencies respecting STEI or AGI's participation in OMERS.
- 5.31.4 All employee data necessary to administer STEI and AGI's participation in OMERS and any other agreement or arrangement listed in the St. Thomas Disclosure Schedule is in the possession of STEI and AGI and is complete, correct and in a form which is sufficient for the proper administration of STEI and AGI's participation in OMERS in accordance with the terms thereof and all applicable Laws.
- 5.31.5 All employer or employee payments, contributions or premiums required to be remitted or paid by either STEI or AGI to or in respect of OMERS have been paid or remitted in a timely fashion in accordance with the terms thereof and all Laws, and no Taxes, penalties or fees are owing or exigible on either STEI or AGI under OMERS.

# 5.32 Insurance Policies

The St. Thomas Disclosure Schedule lists all Insurance Policies, and also specifies the insurer, the amount of the coverage, the type of insurance, the policy number and any pending Claims with respect to each Insurance Policy. The Insurance Policies insure all the property and assets of AGI and STEI against Loss by all insurable hazards of risk commonly insured against in the industry. All Insurance Policies are in full force and effect and neither AGI and STEI:

- 5.32.1 is in default, whether as to the payment of premiums or otherwise, under any material term or condition of any of the Insurance Policies; or
- 5.32.2 has failed to give notice or present any Claim under any of the Insurance Policies in a due and timely fashion.

# 5.33 Litigation

- 5.33.1 Except as disclosed or referred to in the St. Thomas Disclosure Schedule, there are no Claims, whether or not purportedly on behalf of AGI or STEI, pending, commenced, or, to the Knowledge of St. Thomas, threatened, which might reasonably be expected to have a Material Adverse Effect on AGI and STEI or which might involve the possibility of an Encumbrance against the assets of AGI or STEI.
- 5.33.2 There is no outstanding judgment, decree, order, ruling or injunction involving AGI or STEI or relating in any way to the transactions contemplated by this Agreement.

# 5.34 Withholding

STEI has withheld from each payment made to any of its past or present employees, officers or directors, and to any non-resident of Canada, the amount of all Taxes and other deductions required to be withheld therefrom, including all employee and employer portions for Workers' Compensation, Canada Pension Plan, Employer Health Tax and Employment Insurance and has paid the same to the proper Governmental Authority within the time required under any applicable Laws.

### 5.35 No Expropriation

No property or asset of AGI or STEI has been taken or expropriated by any Governmental Authority within the last five years, and no notice or proceeding in respect of any such expropriation has been given or commenced or, to the Knowledge of St. Thomas, is there any intent or proposal to give any notice or commence any proceeding in respect of any such expropriation.

#### 5.36 Absence of Conflict

None of the execution and delivery of this Agreement, the performance of AGI's or STEI's obligations under this Agreement, or the completion of the transactions contemplated by this Agreement will:

- 5.36.1 result in or constitute a breach of any term or provision of, or constitute a default under, the Corporate Articles or the by-laws of such entity, or any Contract to which such entity is a party or by which any of such entity's undertakings, property or assets is bound or affected;
- 5.36.2 subject to obtaining the third party consents contemplated by Section 8.1.3, constitute an event which would permit any party to any Material Contract with AGI or STEI to terminate or sue for damages with respect to that Material Contract, or to accelerate the maturity of any indebtedness of AGI or STEI, or other obligation of AGI or STEI under that Material Contract;
- 5.36.3 result in the creation or imposition of any Encumbrance on the Purchased Shares;
- 5.36.4 subject to obtaining the regulatory approvals set forth in Article 10, contravene any applicable Law; or
- 5.36.5 contravene any judgment, order, writ, injunction or decree of any Governmental Authority.

Neither AGI nor STEI is a party to, or bound or affected by, any Contract containing any covenant expressly limiting its ability to compete in any line of business or to transfer or move any of its assets or operations, or which could reasonably be expected to have a Material Adverse Effect on the AGI Business or the STE Business.

# 5.38 AGI Business

The business of AGI is limited to the AGI Business.

# ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF CHATHAM-KENT AND CORIX

Chatham-Kent and Corix jointly and severally represent and warrant to St. Thomas as follows, and acknowledge that St. Thomas is relying upon these representations and warranties in connection with the transactions contemplated by this Agreement, despite any investigation made by or on behalf of St. Thomas. Each exception to the following representations and warranties that is set out in the disclosure schedule attached as Schedule 6.1 (the "**Entegrus Disclosure Schedule**") is identified by reference to one or more specific individual Sections of this Agreement, provided, however, that all disclosure contained in the Entegrus Disclosure Schedule in respect of such specific individual Sections shall nonetheless be deemed for the purposes of this Agreement to have been made with respect to all of the representations and warranties in this Article 6 to which such disclosure might reasonably be applicable. Notwithstanding anything else contained herein, Chatham-Kent and Corix to disclose the existence of any matter, document or thing in the context of a particular representation and warranty set out in this Article 6, where the existence of such matter, document or thing has been disclosed as part of another representation or warranty contained in this Agreement.

### 6.1 Residence

Entegrus is not a non-resident of Canada for purposes of the ITA.

# 6.2 **Regulatory Approvals**

Except as set out in Article 10 and except as has already been obtained, no authorization, approval, order, consent of, or filing with, any Governmental Authority is required on the part of Chatham-Kent, Corix or any member of the Entegrus Group in connection with the execution, delivery and performance by any of them of this Agreement or any other documents and agreements to be delivered under this Agreement or in connection with the completion of the transactions contemplated hereby or thereby.

### 6.4 Consents

Except as disclosed in the Entegrus Disclosure Schedule, there is no requirement to obtain any consent, approval or waiver of a party under any Material Contract to which Chatham-Kent, Corix or any member of the Entegrus Group is a party in order to complete the transactions contemplated by this Agreement.

#### 6.5 Share Ownership, Etc.

- 6.5.1 Chatham-Kent is the legal and beneficial owner of 2,360 Common Shares with good and marketable title thereto, free and clear of all Encumbrances, and Corix is the legal and beneficial owner of 262 Common Shares with good and marketable title thereto, free and clear of all Encumbrances, being in aggregate all of the issued and outstanding shares of Entegrus.
- 6.5.2 Entegrus is the legal and beneficial owner of 2,000 common shares of EPI with good and marketable title thereto, free and clear of all Encumbrances, being in aggregate all of the issued and outstanding shares of EPI.
- 6.5.3 Entegrus is the legal and beneficial owner of all of the issued and outstanding shares in the capital of each of the Entegrus Subsidiaries (other than EPI) with good and marketable title thereto, free and clear of all Encumbrances.
- 6.5.4 Except as disclosed in the Entegrus Disclosure Schedule:
  - 6.5.4.1 no member of the Entegrus Group has any Subsidiaries (other than the Entegrus Subsidiaries).
  - 6.5.4.2 no member of the Entegrus Group owns or holds, directly or indirectly, any Securities of, or have any other interest in, any Person (other than the Entegrus Subsidiaries) and no member of the Entegrus Group has entered into any agreement to acquire any such interest.
- 6.5.5 Upon their issuance at Closing pursuant to the Share Transaction, the Consideration Shares will be issued as fully paid and non-assessable shares in the capital of Entegrus.

### 6.6 Corporate Existence of Entegrus Group

Each member of the Entegrus Group has been duly incorporated and organized and is validly existing and in good standing as a corporation under the laws of the Province of Ontario. No proceedings have been taken or authorized by any member of the Entegrus Group in respect of

the bankruptcy, insolvency, liquidation, dissolution or winding up of any member of the Entegrus Group.

# 6.7 Corporate Articles

The respective Corporate Articles constitute all of the charter documents of Entegrus and EPI and are in full force and effect; no action has been taken to further amend Entegrus' or EPI's Corporate Articles and no changes to Entegrus' or EPI's Corporate Articles are planned, other than as contemplated by this Agreement.

# 6.8 Capacity and Powers of Entegrus Group

Each member of the Entegrus Group has all necessary corporate power, authority and capacity to own or lease its assets and to carry on the Entegrus Business as currently being conducted.

# 6.9 Jurisdictions

Ontario is the only jurisdiction in which the Entegrus Group is qualified to do business. Neither the character nor location of the Entegrus Owned Lands or Entegrus Leased Premises, nor the nature of the Entegrus Business, requires qualification to do business in any other jurisdiction.

### 6.10 Options

Except as provided in this Agreement and as provided in the current shareholders agreement of Entegrus, no Person has any written or oral agreement or option or any right or privilege (whether by Law, pre-emptive, contractual or otherwise) capable of becoming an agreement or option, including Securities, warrants or convertible obligations of any nature, for:

- 6.10.1.1 the purchase of any Securities of any member of the Entegrus Group; or
- 6.10.1.2 the purchase of any of the assets of any member of the Entegrus Group other than in the ordinary course of the Entegrus Business.

### 6.11 Corporate Records/Directors

6.11.1 The corporate records and minute books of the Entegrus Group which have been made available to St. Thomas contain in all material respects complete and accurate minutes of all meetings of, and all written resolutions passed by, the directors and shareholders of the Entegrus Group, held or passed since incorporation. All those meetings were held, all those resolutions were passed, and the share certificate books, registers of shareholders, registers of transfers and registers of directors of the Entegrus Group are complete and accurate in all material respects; and

6.11.2 The Entegrus Disclosure Schedule contains the name of each director of Entegrus and EPI, including the date on which each of them was most recently elected as a director, and each such individual has been duly elected a director of the respective corporation.

### 6.12 Books and Records

The Books and Records of the Entegrus Group fairly and correctly set out and disclose in accordance with IFRS in all material respects the financial position of the Entegrus Group, and all material financial transactions of the Entegrus Group have been accurately recorded in such Books and Records.

### 6.13 Financial Statements

Copies of the Entegrus Financial Statements are attached to the Entegrus Disclosure Schedule. The Entegrus Financial Statements have been prepared in accordance with IFRS and present fairly:

- 6.13.1 the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of Entegrus, on a consolidated basis, as at the respective dates thereof; and
- 6.13.2 the sales, earnings and results of the operations of Entegrus, on a consolidated basis, during the periods covered by the Entegrus Financial Statements;

but the unaudited interim financial statements:

- 6.13.3 do not contain all notes required under IFRS; and
- 6.13.4 are subject to normal year-end audit adjustments.

### 6.14 Tax Matters

- 6.14.1 Each member of the Entegrus Group is exempt from Tax under the ITA, CTA and TA but each of them is required to make PILs payments under the EA in an amount equal to the Tax that it would be liable to pay under the ITA, CTA and TA if it were not exempt from Tax under those statutes.
- 6.14.2 Each member of the Entegrus Group has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by it in all applicable jurisdictions on a timely basis. All such Tax Returns are complete and correct and disclose all Taxes required to be paid for the periods covered thereby. No member of the Entegrus Group has ever been required to file any Tax Returns with, or has ever been liable to pay or remit Taxes to, any Governmental Authority outside Canada.

Each member of the Entegrus Group has paid all Taxes and all instalments of Taxes due on or before the date hereof. Entegrus has furnished to St. Thomas true, complete and accurate copies of all Tax Returns and any amendments thereto filed by all members of the Entegrus Group since December 31, 2013, and all notices of assessment and reassessment and all correspondence with Governmental Authorities relating thereto.

- 6.14.3 Assessments under the EA have been issued to each member of the Entegrus Group covering all periods up to and including its fiscal year ended December 31, 2015.
- 6.14.4 There are no audits, assessments, reassessments or other Claims in progress or, to the Knowledge of Chatham-Kent/Corix, threatened against any member of the Entegrus Group, in respect of any Taxes and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any such Taxes. To the Knowledge of Chatham-Kent/Corix, there is no contingent liability of any member of the Entegrus Group for Taxes or any grounds that could prompt an assessment or reassessment for Taxes. No member of the Entegrus Group has received any indication from any Governmental Authority that any assessment or reassessment is proposed.
- 6.14.5 No member of the Entegrus Group has entered into any transactions with any nonresident of Canada (for the purposes of the ITA) with whom it was not dealing at arm's length (within the meaning of the ITA). No member of the Entegrus Group has acquired property from any Person in circumstances where it did or could have become liable for any Taxes payable by that Person.
- 6.14.6 No member of the Entegrus Group will be required to include in a taxable period ending after the Closing Date any material taxable income attributable to income that accrued in a taxable period prior to the Closing Date but was not recognized for Tax purposes in such prior taxable period (or to exclude from taxable income in a taxable period ending after the Closing Date any material deduction the recognition of which was accelerated from such taxable period to a taxable period prior to the Closing Date).
- 6.14.7 There are no circumstances existing which could result in, or which have existed and resulted in, the application of section 78 of the ITA, as it applies for purposes of the EA, in respect of an amount owing by any member of the Entegrus Group on the Closing Date.
- 6.14.8 No member of the Entegrus Group has entered into any agreements, waivers or other arrangements with any Governmental Authority providing for an extension of time with respect to the issuance of any assessment or reassessment, the filing of any Tax Return, or the payment of any Taxes by or in respect of it. No member of the Entegrus Group is party to any agreements or undertakings with respect to Taxes.

- 6.14.9 Entegrus and EPI are registrants for purposes of the ETA and their respective registration numbers are 89428 6012 RT0001 and 89429 0014 RT0001. All input tax credits claimed by any member of the Entegrus Group pursuant to the ETA have been proper, correctly calculated and documented. Each member of the Entegrus Group has collected, paid and remitted when due all Taxes, including goods and services tax, harmonized sales tax and retail sales tax, collectible, payable or remittable by it.
- 6.14.10 Each member of the Entegrus Group has remitted to the appropriate Governmental Authority when required by Law to do so all amounts collected by it on account of sales taxes including goods and services tax and harmonized sales tax imposed under the ETA.
- 6.14.11 Each member of the Entegrus Group maintains its Books and Records in compliance with section 230 of the ITA.

### 6.15 Absence of Changes

Except as referred to in the Entegrus Disclosure Schedule, since December 31, 2016, there has not been:

- 6.15.1 any change in the financial condition, operations, results of operations, or business of the Entegrus Group which has had a Material Adverse Effect, nor has there been any occurrence or circumstances which, to the Knowledge of Chatham-Kent/Corix, with the passage of time might reasonably be expected to have a Material Adverse Effect; or
- 6.15.2 any Loss, labour trouble, or other event, development or condition of any character (whether or not covered by insurance) suffered by the Entegrus Group which, to the Knowledge of Chatham-Kent/Corix, has had, or may reasonably be expected to have, a Material Adverse Effect.

### 6.16 Absence of Undisclosed Liabilities

Except to the extent reflected or reserved in the Entegrus Financial Statements, or incurred subsequent to December 31, 2016 and:

- 6.16.1 disclosed in the Entegrus Disclosure Schedule; or
- 6.16.2 incurred in the ordinary course of the Entegrus Business;

the Entegrus Group does not have any material outstanding indebtedness or any liabilities or obligations (whether accrued, absolute, contingent or otherwise, including under any guarantee of any debt) of a nature customarily reflected or reserved against in a balance sheet (including the notes to the Entegrus Financial Statements) in accordance with IFRS. For the purposes of this Section 6.16 only, indebtedness, liabilities or obligations owing to any third party in excess of \$160,000 will be deemed to be material.

### 6.17 Absence of Unusual Transactions

Except as disclosed or referred to in the Entegrus Disclosure Schedule, since December 31, 2016, no member of the Entegrus Group has:

- 6.17.1 given any guarantee of any debt, liability or obligation of any Person;
- 6.17.2 subjected any of its assets, or permitted any of its assets to be subjected, to any Encumbrance other than the Permitted Encumbrances;
- 6.17.3 acquired, sold, leased or otherwise disposed of or transferred any assets other than in the ordinary course of the Entegrus Business;
- 6.17.4 made or committed to any capital expenditures, except in the ordinary course of the Entegrus Business;
- 6.17.5 declared or paid any dividend or otherwise made any distribution or other payment of any kind or nature to any of its shareholders or any other non-arm's length Person, or taken any corporate proceedings for that purpose;
- 6.17.6 redeemed, purchased or otherwise retired any of its shares or otherwise reduced its stated capital;
- 6.17.7 entered into or become bound by any Contract, except in the ordinary course of the Entegrus Business (other than this Agreement);
- 6.17.8 modified, amended or terminated any Contract (except for Contracts which expire by the passage of time) resulting in a Material Adverse Effect;
- 6.17.9 waived or released any right or rights which it has or had, or a debt or debts owed to it resulting, collectively or individually, in a Material Adverse Effect;
- 6.17.10 made any change in any compensation arrangement or agreement with any Entegrus Employee or any officer or director of the Entegrus Group in excess of \$6,500 (in respect of any individual) or by more than 3% of the total payroll (in aggregate);
- 6.17.11 made any change in any method of accounting or auditing practice (other than in order to make its financial disclosure consistent with the financial disclosure of STEI as regards to the current portion of prepaid rate rebasing (*i.e.*, recording the current portion of prepaid rate rebasing as a current prepaid asset rather than as an intangible asset)); or

6.17.12 agreed or offered to do any of the things described in this Section 6.17.

# 6.18 Title to and Condition of Assets

The respective members of the Entegrus Group own, possess and have good and marketable title to all of its undertakings, property and assets not otherwise the subject of specific representations and warranties in this Article 6, including all the undertakings, property and assets reflected in the most recent balance sheet included in the Entegrus Financial Statements, free and clear of all Encumbrances other than Permitted Encumbrances. The undertakings, property and assets of the Entegrus Group comprise all of the undertakings, property and assets necessary for it to carry on the Entegrus Business as it is currently operated. Except as disclosed in the Entegrus Disclosure Schedule, all facilities, machinery, equipment, fixtures, vehicles and other properties owned, leased or used by the Entegrus Group are in good operating condition and repair, ordinary wear and tear excepted, and are reasonably fit and usable for the purposes for which they are being used.

# 6.19 Real Property

- 6.19.1 The Entegrus Disclosure Schedule contains a complete and accurate list of the Entegrus Owned Lands, including complete legal descriptions, and the particulars of the Entegrus Leased Premises and Entegrus Real Property Leases. No member of the Entegrus Group owns any real property and no member of the Entegrus Group leases or has agreed to acquire or lease any real property other than as listed in the Entegrus Disclosure Schedule.
- 6.19.2 The Entegrus Group has all Easements that are necessary for it to carry on the Entegrus Business as it is currently operated.
- 6.19.3 The Entegrus Group has not received any, nor to the Knowledge of Chatham-Kent/Corix are there any pending or threatened, notices of violation or alleged violation of any Laws against or affecting any Entegrus Owned Lands or Entegrus Leased Premises or Entegrus Easements.
- 6.19.4 The buildings and other structures and improvements located on the Entegrus Owned Lands or forming part of the Entegrus Leased Premises, and their operation and maintenance, comply with all applicable Laws, and none of those buildings or structures or improvements encroaches upon any land not owned or leased by the Entegrus Group.
- 6.19.5 There are no restrictive covenants or Laws which in any way restrict or prohibit any part of the present use of the Entegrus Owned Lands or Entegrus Leased Premises or Entegrus Easements, other than the Permitted Encumbrances. The Entegrus Group has such rights of entry and exit to and from the Entegrus Owned Lands and the

Entegrus Leased Premises and Entegrus Easements as are reasonably necessarily to carry on the Entegrus Business.

- 6.19.6 Except as disclosed in the Entegrus Disclosure Schedule, no Person has any right to purchase any of the Entegrus Owned Lands and no Person other than the Entegrus Group is using or has any right to use, is in possession or occupancy, of any part of the Entegrus Owned Lands. There exists no option, right of first refusal or other contractual rights with respect to any of the Entegrus Owned Lands.
- 6.19.7 There are no expropriation or similar proceedings, actual or threatened, of which the Entegrus Group has received notice, against any of the Entegrus Owned Lands or Entegrus Leased Premises or Entegrus Easements.
- 6.19.8 The Entegrus Owned Lands are owned in fee simple, free and clear of all Encumbrances, apart from Permitted Encumbrances. No member of the Entegrus Group has entered into any contract to sell, transfer, encumber, or otherwise dispose of or impair the right, title and interest of such member in and to the Entegrus Owned Lands or the air, density and easement rights relating to such Entegrus Owned Lands.
- 6.19.9 All of the Entegrus Real Property Leases are in full force and effect, unamended, and none of them are, to the Knowledge of Chatham-Kent/Corix, under any threat of termination.
- 6.19.10 All of the Entegrus Easements are in full force and effect and none of them are, to the Knowledge of Chatham-Kent/Corix, under any threat of termination.
- 6.19.11 The Entegrus Group has not received any notification of, nor are there any outstanding or incomplete work orders in respect of any Fixed Assets on the Entegrus Owned Lands, or Entegrus Leased Premises or Entegrus Easements or of any current non-compliance (other than non-compliances which are legal non-conforming under relevant zoning by-laws) with applicable statutes and regulations or building and zoning by-laws and regulations.
- 6.19.12 All accounts for work and services performed or materials placed or furnished upon or in respect of the construction and completion of any Fixed Assets constructed on the Entegrus Owned Lands or Entegrus Leased Premises or Entegrus Easements have been fully paid to the extent due and no Person is entitled to claim a lien under the *Construction Lien Act* (Ontario) or other similar legislation for such work.
- 6.19.13 To the Knowledge of Chatham-Kent/Corix, there are no matters affecting the right, title and interest of the Entegrus Group in and to the Entegrus Owned Lands or Entegrus Leased Premises or Entegrus Easements or which, in the aggregate, would materially and adversely affect the ability of the Entegrus Group to carry on the Entegrus Business upon such Entegrus Owned Lands or Entegrus Leased Premises or Entegrus Council Lands or Entegrus Leased Premises or Entegrus Owned Lands or Entegrus Leased Premises or Entegrus Business upon such Entegrus Owned Lands or Entegrus Leased Premises or Entegrus Easements.

## 6.20 Intellectual Property

- 6.20.1 The Entegrus Disclosure Schedule includes a list of all Intellectual Property that is registered with any Governmental Authority and that is used in connection with the conduct of the Entegrus Business, including all trade-marks and trade-mark applications, trade names, certification marks, patents and patent applications, copyrights, domain names, industrial designs, trade secrets, know-how, formulae, processes, inventions, technical expertise, research data and other similar property, all associated registrations and applications for registration, and all associated rights, including moral rights, the jurisdictions (if any) in which that Intellectual Property is registered (or in which application for registration has been made) and the applicable expiry dates of all listed registrations.
- 6.20.2 All necessary legal steps have been taken by the Entegrus Group to preserve its rights to the Intellectual Property listed in the Entegrus Disclosure Schedule. The Entegrus Disclosure Schedule also includes a list of all licence agreements pursuant to which a member of the Entegrus Group has been granted a right to use, or otherwise exploit Intellectual Property owned by third parties, other than "off-the-shelf" software license agreements.
- 6.20.3 The Intellectual Property that is owned by the Entegrus Group is owned free and clear of any Encumbrances other than Permitted Encumbrances, and no Person other than the Entegrus Group has any right to use that Intellectual Property except as disclosed in the Entegrus Disclosure Schedule.
- 6.20.4 The use by the Entegrus Group of any Intellectual Property owned by third parties is valid, and no member of the Entegrus Group is in default or breach of any licence agreement relating to that Intellectual Property, and there exists no state of facts which, after notice or lapse of time or both, would constitute a default or breach.
- 6.20.5 The conduct by the Entegrus Group of the Entegrus Business does not infringe the Intellectual Property of any Person.

### 6.21 Accounts Receivable

All Entegrus Accounts Receivable reflected in the Entegrus Financial Statements, or which have come into existence since the date of the most recent Entegrus Financial Statements, were created in the ordinary and customary course of the Entegrus Business from bona fide arm's length transactions, and, except to the extent that they have been paid in the ordinary course of the Entegrus Business since the date of the Entegrus Financial Statements, are valid and enforceable and collectible in full, without, to the Knowledge of Chatham-Kent/Corix, any right of set-off or counterclaim or any reduction for any credit or allowance made or given, except to the extent of the allowance for doubtful accounts which will be included in the Closing Balance Sheet for Entegrus.

# 6.22 Material Contracts

6.22.1 The Entegrus Disclosure Schedule contains a list of all Material Contracts to which a member of the Entegrus Group is a party. Entegrus has previously delivered or made available to St. Thomas true and complete copies of such Material Contracts, all of which are in full force and effect, unamended (except for amendments which have previously been disclosed or made available to St. Thomas).

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- 6.22.2 Except as disclosed in the Entegrus Disclosure Schedule, no member of the Entegrus Group is in default or breach of any Material Contract in any material respect, and there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach.
- 6.22.3 No counterparty to any Material Contract to which a member of the Entegrus Group is a party is in default of any of its obligations under such Material Contract in any material respect. The Entegrus Group is entitled to all benefits under each Material Contract, and has not received any notice of termination of any Material Contract, and there are no current or pending negotiations with respect to the renewal, repudiation or amendment of any Material Contract.

## 6.23 Compliance with Laws, Permits

- 6.23.1 The Entegrus Group is conducting the Entegrus Business in material compliance with all applicable Laws where the failure to do so (either individually or in the aggregate) would have a Material Adverse Effect.
- 6.23.2 All Permits held by or granted to the Entegrus Group are listed in the Entegrus Disclosure Schedule. Such Permits are the only authorizations, registrations, permits, approvals, grants, licences, quotas, consents, commitments, rights or privileges (other than those relating to Intellectual Property) required to enable the Entegrus Group to carry on the Entegrus Business as currently conducted and to enable them to own, lease and operate their respective assets. All such Permits are valid, subsisting, in full force and effect and unamended, and the Entegrus Group is not in default or breach of any such Permit; no proceeding is pending or, to the Knowledge of Chatham-Kent/Corix, threatened to revoke or limit any such Permit, and the completion of the transactions contemplated by this Agreement will not result in the revocation of any such Permit or the breach of any term, provision, condition or limitation affecting the ongoing validity of any such Permit.

## 6.24 Environmental Conditions

Without limiting the generality of Section 6.23, and except as disclosed or referred to in the Entegrus Disclosure Schedule:

- 6.24.1 the Entegrus Group's conduct of the Entegrus Business, and the current use and condition of each of the Entegrus Leased Premises and Entegrus Owned Lands have been and are in compliance with all applicable Environmental Laws in all material respects, and, to the Knowledge of Chatham-Kent/Corix, there are no facts which would give rise to any such non-compliance of the Entegrus Group with any Environmental Laws, either in the conduct by them of the Entegrus Business, or in the current uses and condition of each of the Entegrus Leased Premises and the Entegrus Owned Lands;
- 6.24.2 the Entegrus Group has all Permits required by all Environmental Laws for the conduct by the Entegrus Group of the Entegrus Business ("Entegrus Environmental Approvals"), which Entegrus Environmental Approvals are valid and in full force and effect and listed in the Entegrus Disclosure Schedule. The Entegrus Group is in compliance with all those Entegrus Environmental Approvals, and there have not been and are no proceedings commenced or threatened to revoke or amend any such Entegrus Environmental Approvals in a manner that could reasonably be expected to have a Material Adverse Effect;
- 6.24.3 the Entegrus Group and any Person for whom a member of the Entegrus Group is responsible pursuant to all Environmental Laws, have imported, manufactured, processed, distributed, used, treated, stored, disposed of, transported, exported or handled Hazardous Substances in strict compliance with all Environmental Laws;
- 6.24.4 to the Knowledge of Chatham-Kent/Corix, no Hazardous Substances have been disposed of on any of the Entegrus Leased Premises or the Entegrus Owned Lands, and there are no underground storage tanks on the Entegrus Leased Premises or the Entegrus Owned Lands and any underground storage tanks formerly on the Entegrus Leased Premises or the Entegrus Owned Lands have been removed and any affected soil, surface water or ground water has been remediated in compliance with all applicable Laws including Environmental Laws;
- 6.24.5 no part of the Entegrus Owned Lands has ever been used as a landfill or for the disposal of waste;
- 6.24.6 there has been no Release of any Hazardous Substance in the course of the Entegrus Business from, at, on, or under the Entegrus Leased Premises or the Entegrus Owned Lands or, to the Knowledge of Chatham-Kent/Corix, from or on to any other properties, except in compliance with all Environmental Laws;
- 6.24.7 the Entegrus Group has not received any notice of any kind of any Release or possible Release of any Hazardous Substance from, at, on, or under any of the Entegrus Leased Premises or Entegrus Owned Lands, or from or on to any other properties;

- 6.24.8 to the Knowledge of Chatham-Kent/Corix, there are no Hazardous Substances on any adjoining properties to any of the Entegrus Leased Premises or Entegrus Owned Lands which may adversely affect the Entegrus Business, or any of the Entegrus Leased Premises or Entegrus Owned Lands;
- 6.24.9 there has been no Remedial Order issued to a member of the Entegrus Group in respect of the Entegrus Business, or with respect to any of the Entegrus Leased Premises or the Entegrus Owned Lands and, to the Knowledge of Chatham-Kent/Corix, no Remedial Orders are threatened, and there are no facts which could reasonably be expected to give rise to any Remedial Orders;
- 6.24.10 the Entegrus Group has not received any notice of Claim, summons, order, direction or other Communication relating to non-compliance with any Environmental Laws from any Governmental Authority or other third party, and to the Knowledge of Chatham-Kent/Corix, there is no pending or threatened matter, act or fact which could cause the Entegrus Group, the conduct of the Entegrus Business, or any of the Entegrus Leased Premises or Entegrus Owned Lands to no longer be in compliance with all applicable Environmental Laws; and
- 6.24.11 no asbestos, asbestos containing materials, PCBs and PCB wastes are used, stored or otherwise present in or on the Entegrus Owned Lands except for PCBs contained in the electrical transformers which are in service and which form an integral part of, and are necessary for the operation of, the Entegrus Business. Entegrus has disclosed or made available to St. Thomas all inspection reports received from the Ministry of the Environment in connection with the Entegrus Group's handling, transportation and storage of PCBs.

### 6.25 Suppliers and Customers

- 6.25.1 The Entegrus Disclosure Schedule lists the 15 largest suppliers of goods and services from whom the Entegrus Group has purchased goods or services (other than power) during the fiscal year ended December 31, 2016. No such supplier sold goods and services to the Entegrus Group which represented more than 20% of its annual purchases during such period. None of the suppliers listed in the Entegrus Disclosure Schedule has advised the Entegrus Group, either orally or in writing, that it is terminating or considering terminating its relationship with the Entegrus Group, or considering negotiating its relationship with the Entegrus Group on terms that would result in a Material Adverse Effect, whether as a result of the completion of the transactions contemplated by this Agreement or otherwise.
- 6.25.2 The Entegrus Disclosure Schedule lists the 10 largest customers of the Entegrus Group in terms of consolidated gross revenue of the Entegrus Group during the fiscal year ended December 31, 2016. None of the customers listed on the Entegrus Disclosure Schedule has advised the Entegrus Group orally or in writing, that it is

terminating or considering terminating its relationship with the Entegrus Group, or considering negotiating its relationship with the Entegrus Group on terms that would result in a Material Adverse Effect, whether as a result of the completion of the transactions contemplated by this Agreement or otherwise.

### 6.26 **Rights to Use Personal Information**

- 6.26.1 All Personal Information in the possession of the Entegrus Group has been collected, used and disclosed in compliance with all applicable Privacy Laws in those jurisdictions in which the Entegrus Group conducts, or is deemed by operation of law in those jurisdictions to conduct, the Entegrus Business.
- 6.26.2 Entegrus has disclosed or made available to St. Thomas all Contracts and facts concerning the collection, use, retention, destruction and disclosure of Personal Information by the Entegrus Group, and there are no other Contracts, or facts which, on completion of the transactions contemplated by this Agreement, would restrict or interfere with the use of any Personal Information by the Entegrus Group in the continued operation of the Entegrus Business as conducted before the Closing.
- 6.26.3 Except as disclosed in the Entegrus Disclosure Schedule, there are no Claims pending or, to the Knowledge of Chatham-Kent/Corix, threatened, with respect to the Entegrus Group's collection, use or disclosure of Personal Information.

### 6.27 Entegrus Employees and Employment Contracts

- 6.27.1 Entegrus has made available to St. Thomas in the Data Room the names, titles and status (active or non-active, and if not active, reason why and period of time not active) of all Entegrus Employees, together with particulars of the material terms and conditions of their employment or engagement, including current rates of remuneration, perquisites, commissions, bonus or other incentive compensation (monetary or otherwise), most recent hire date, cumulative years of service, start and end dates of all previous periods of service, benefits, vacation or personal time off entitlements, current positions held and, if available, projected rates of remuneration, and whether the employee is a member of a collective bargaining union or agency and whether the employee is subject to an Entegrus Collective Agreement (and if so, which Entegrus Collective Agreement).
- 6.27.2 To the Knowledge of Chatham-Kent/Corix, no Entegrus Employee, nor any consultant with whom the Entegrus Group has contracted, is in violation of any term of any employment contract, contract of engagement, services agreement, proprietary information agreement or any other agreement relating to the right of that individual to be employed, engaged or retained by the Entegrus Group in any material respect, and, to the Knowledge of Chatham-Kent/Corix, the continued employment or engagement by the Entegrus Group of its current Entegrus Employees will not result

in any such violation. The Entegrus Group has not received any notice alleging that any such violation has occurred.

- 6.27.3 Except as disclosed in the Data Room, all of the Entegrus Employees are employed, engaged or retained for an indefinite term and none are subject to written employment agreements, contracts of engagement or services agreements. Entegrus has made available to St. Thomas in the Data Room true and complete copies of any written employment agreements, contracts of engagement or services agreements of all Entegrus Employees. No officer or Key Employee, or any group of Key Employees, has given notice, oral or written, of an intention to cease being employed with the Entegrus Group (other than the pending employee retirements disclosed in the Entegrus Disclosure Schedule), and the Entegrus Group does not intend to terminate the employment of any officer, Key Employee or group of Key Employees.
- 6.27.4 The Entegrus Group has been operated in material compliance with all Laws relating to employees, including employment standards and all Laws relating in whole or in part to the protection of employee health and safety, human rights, labour relations and pay equity. There have been no Claims within the past three years nor, to the Knowledge of Chatham-Kent/Corix, are there any threatened complaints, under such Laws against the Entegrus Group. To the Knowledge of Chatham-Kent/Corix, nothing has occurred which might lead to a Claim or complaint against the Entegrus Group, under any such Laws. There are no outstanding decisions or settlements or pending settlements which place any obligation upon the Entegrus Group to do or refrain from doing any act.
- 6.27.5 There is no strike or lockout occurring or affecting, or to the Knowledge of Chatham-Kent/Corix, threatened against, the Entegrus Group.

### 6.28 Unions

- 6.28.1 Except as disclosed in the Entegrus Disclosure Schedule, there are no apparent or, to the Knowledge of Chatham-Kent/Corix, threatened union organizing activities involving Entegrus Employees.
- 6.28.2 The Entegrus Group does not have any labour problems that would reasonably be expected to result in a Material Adverse Effect, or lead to any interruption of operations at any location.
- 6.28.3 The Entegrus Group has not engaged in any lay-off or other activities within the last three years in respect of the Entegrus Business that would violate or in any way subject the Entegrus Group to the group termination or lay-off requirements of the Laws of any jurisdictions where the Entegrus Group operates.

- 6.28.4 Except as disclosed in the Entegrus Disclosure Schedule, the Entegrus Group is not bound by or a party to, either directly or by operation of law, any collective bargaining agreement (each, an "Entegrus Collective Agreement") with any trade union or association which might qualify as a trade union, and no trade union, association, council of trade unions, employee bargaining agency or affiliated bargaining agent:
  - 6.28.4.1 holds bargaining rights with respect to any of the Entegrus Employees by way of certification, interim certification, voluntary recognition, designation or successor rights;
  - 6.28.4.2 has, to the Knowledge of Chatham-Kent/Corix, applied to be certified or requested to be voluntarily recognized as the bargaining agent of any of the Entegrus Employees;
  - 6.28.4.3 has, to the Knowledge of Chatham-Kent/Corix, applied to have any member of the Entegrus Group declared a related or successor employer under applicable provincial labour or employment Law; or
  - 6.28.4.4 has, to the Knowledge of Chatham-Kent/Corix, filed a complaint or charge under applicable provincial labour or employment Law within the last three years.

### 6.29 Employee Benefits Matters

- 6.29.1 Except as disclosed in the Entegrus Disclosure Schedule, the Entegrus Group is not:
  - 6.29.1.1 a party to, bound by or subject to, and does not have any liability or contingent liability relating to, any employment agreement or any other agreement or arrangement relating to Employee Benefits;
  - 6.29.1.2 in arrears in the payment of any contribution or assessment required to be made by it pursuant to any agreements or arrangements relating to Employee Benefits; or
  - 6.29.1.3 a party to or bound by or subject to any agreement or arrangement with any labour union or employee association in respect of Employee Benefits and has not made any commitment to or conducted any negotiation or discussion with any labour union or employee association with respect to any future agreement or arrangement in respect of Employee Benefits.
- 6.29.2 All agreements and arrangements relating to Employee Benefits set forth in the Entegrus Disclosure Schedule (other than OMERS, with respect to which Chatham-Kent and Corix make no representation under this Section 6.29.2) are, and have been, established, registered (where required), and administered without default, in material

compliance with (i) the terms thereof; and (ii) all applicable Laws; and the Entegrus Group has not received, in the last four years, any notice from any Person questioning or challenging such compliance (other than in respect of any claim related solely to that Person), nor does Entegrus have any knowledge of any such notice from any Person questioning or challenging such compliance beyond the last four years. Except as disclosed in the Entegrus Disclosure Schedule or an Entegrus Collective Agreement, there have been no improvements, increases or changes to, or promised improvements, increases or changes to, the benefits provided under any such agreement or arrangement within the last four years, nor does any such agreement or arrangement provide for benefit increases or the acceleration of funding obligations that are contingent upon or will be triggered by the execution of this Agreement or the Closing.

- 6.29.3 Except as disclosed in Entegrus Disclosure Schedule, no Employee of the Entegrus Group is on long-term disability leave, extended absence or receiving benefits pursuant to the *Workplace Safety and Insurance Act, 1997* (Ontario).
- 6.29.4 Except as disclosed in the Entegrus Disclosure Schedule, no agreement or arrangement, other than OMERS, provides benefits beyond retirement or other termination of service to employees or former employees of the Entegrus Group or to the beneficiaries or dependants of such employees or former employees. Other than OMERS, no such agreement or arrangement requires or permits a retroactive increase in premiums or payments.
- 6.29.5 All assessments under the *Workplace Safety and Insurance Act, 1997* (Ontario) in relation to the Entegrus Business have been paid or accrued and the Entegrus Group is not subject to any special or penalty assessment under such legislation which has not been paid.

#### 6.30 Pension Plans

- 6.30.1 Except as disclosed in the Entegrus Disclosure Schedule, OMERS is the only pension or retirement plan or arrangement in which employees of the Entegrus Group participate and/or to which the Entegrus Group contributes as a participating employer.
- 6.30.2 All obligations of the Entegrus Group to or under OMERS (whether pursuant to the terms thereof or any applicable Laws) have been satisfied, and there are no outstanding defaults or violations thereunder by the Entegrus Group or by any predecessor thereof.
- 6.30.3 There are no going concerns with respect to unfunded actuarial liabilities, past service unfunded liabilities or solvency deficiencies respecting the Entegrus Group's participation in OMERS.

- 6.30.4 All employee data necessary to administer the Entegrus Group's participation in OMERS and any other agreement or arrangement listed in the Entegrus Disclosure Schedule is in the possession of the Entegrus Group and is complete, correct and in a form which is sufficient for the proper administration of the Entegrus Group's participation in OMERS in accordance with the terms thereof and all applicable Laws.
- 6.30.5 All employer or employee payments, contributions or premiums required to be remitted or paid by the Entegrus Group to or in respect of OMERS have been paid or remitted in a timely fashion in accordance with the terms thereof and all Laws, and no Taxes, penalties or fees are owing or exigible on the Entegrus Group under OMERS.

### 6.31 Insurance Policies

The Entegrus Disclosure Schedule lists all Insurance Policies, and also specifies the insurer, the amount of the coverage, the type of insurance, the policy number and any pending Claims with respect to each Insurance Policy. The Insurance Policies insure all the property and assets of the Entegrus Group against Loss by all insurable hazards of risk commonly insured against in the industry. All Insurance Policies are in full force and effect and the Entegrus Group:

- 6.31.1 is not in default, whether as to the payment of premiums or otherwise, under any material term or condition of any of the Insurance Policies; and
- 6.31.2 has not failed to give notice or present any Claim under any of the Insurance Policies in a due and timely fashion.

### 6.32 Litigation

- 6.32.1 Except as disclosed or referred to in the Entegrus Disclosure Schedule, there are no Claims, whether or not purportedly on behalf of the Entegrus Group, pending, commenced, or, to the Knowledge of Chatham-Kent/Corix, threatened, which might reasonably be expected to have a Material Adverse Effect on the Entegrus Group or which might involve the possibility of an Encumbrance against the assets of the Entegrus Group.
- 6.32.2 There is no outstanding judgment, decree, order, ruling or injunction involving the Entegrus Group or relating in any way to the transactions contemplated by this Agreement.

## 6.33 Withholding

The Entegrus Group has withheld from each payment made to any of its past or present employees, officers or directors, and to any non-resident of Canada, the amount of all Taxes and other deductions required to be withheld therefrom, including all employee and employer portions for Workers' Compensation, Canada Pension Plan, Employer Health Tax and Employment Insurance and has paid the same to the proper Governmental Authority within the time required under any applicable Laws.

# 6.34 No Expropriation

No property or asset of the Entegrus Group has been taken or expropriated by any Governmental Authority within the last five years, and no notice or proceeding in respect of any such expropriation has been given or commenced or, to the Knowledge of Chatham-Kent/Corix, is there any intent or proposal to give any notice or commence any proceeding in respect of any such expropriation.

# 6.35 Absence of Conflict

None of the execution and delivery of this Agreement, the performance of Entegrus' and EPI's obligations under this Agreement, or the completion of the transactions contemplated by this Agreement will:

- 6.35.1 result in or constitute a breach of any term or provision of, or constitute a default under, the Corporate Articles or the by-laws of Entegrus or EPI, or any Contract to which any member of the Entegrus Group is a party or by which any of the Entegrus Group's undertakings, property or assets is bound or affected;
- 6.35.2 subject to obtaining the third party consents contemplated by Section 8.3.3, constitute an event which would permit any party to any Material Contract with any member of the Entegrus Group to terminate or sue for damages with respect to that Material Contract, or to accelerate the maturity of any indebtedness of the Entegrus Group, or other obligation of the Entegrus Group under that Material Contract;
- 6.35.3 result in the creation or imposition of any Encumbrance on the Consideration Shares;
- 6.35.4 subject to obtaining the regulatory approvals set forth in Article 10, contravene any applicable Law; or
- 6.35.5 contravene any judgment, order, writ, injunction or decree of any Governmental Authority.

## 6.36 **Restrictive Covenants**

The Entegrus Group is not a party to, or bound or affected by, any Contract containing any covenant expressly limiting its ability to compete in any line of business or to transfer or move any of its assets or operations, or which could reasonably be expected to have a Material Adverse Effect on the Entegrus Business.

#### 6.37 North-Kent Wind Limited Partnership

All material Contracts in connection with the development, construction and financing of the wind power project of North-Kent Wind Limited Partnership (the "**Project**") have been executed, delivered and are in full force and effect, and true and complete copies thereof have been provided to St. Thomas. The Project has not been abandoned, terminated, suspended or permanently halted. All material Permits required for the current state of development and construction of the Project have been obtained and are in full force and effect, and effect, and except as disclosed in the Entegrus Disclosure Schedule, all other material Permits required in connection with the development, construction, financing and operation of such wind power project have been obtained and are in full force and effect. Chatham-Kent and Corix have no reasonable belief that, in connection with the Project, any required material Permit which has not yet been obtained will not be obtained prior to the time it becomes necessary for the relevant stage of construction or operation of the Project. Chatham-Kent and Corix expect the Project to achieve commercial operation during 2018.

## ARTICLE 7 COVENANTS

#### 7.1 Covenants of St. Thomas

- 7.1.1 **Conduct of Business Before Closing.** During the period beginning on the date of this Agreement and ending at the Closing Time, St. Thomas will cause AGI and STEI:
  - 7.1.1.1 to conduct the AGI Business and the STE Business in the ordinary course substantially consistent with past practice (except as may be otherwise required or contemplated by the provisions of this Agreement or with the prior written consent of Entegrus, which shall not be unreasonably withheld);
  - 7.1.1.2 except as required by the terms of and in accordance with the STE Collective Agreement (including as may be required in connection with the renewal of the STE Collective Agreement) or applicable Law, or with the prior written consent of Entegrus, which shall not be unreasonably withheld, to refrain from:
    - i) hiring, engaging or retaining any new employees or independent contractors to be employed, engaged or retained in connection with the AGI Business or STE Business;

- ii) terminating any STE Employees or Ascent Employees or transferring any STE Employees or Ascent Employees to any other position;
- iii) increasing remuneration of STE Employees or Ascent Employees before the Closing Date, except as consistent with its past practice; and
- iv) taking any action to materially amend any Contract with any STE Employee or Ascent Employee;
- 7.1.1.3 except with the prior written consent of Entegrus (which shall not be unreasonably withheld), to refrain from entering into any Material Contract;
- 7.1.1.4 to continue in full force the Insurance Policies;
- 7.1.1.5 to comply in all material respects with all Laws applicable to the AGI Business and the STE Business; and
- 7.1.1.6 to apply for, maintain in good standing and renew all Permits.

#### 7.1.2 Access for Investigation

- 7.1.2.1 St. Thomas will, and will cause AGI and STEI to, permit Entegrus through its authorized Representatives, until the Closing Date, to have reasonable access during normal business hours to the STE Owned Lands and the STE Leased Premises and to all the Books and Records of AGI and STEI and to the properties and assets of AGI and STEI.
- 7.1.2.2 St. Thomas and Entegrus will co-operate in good faith in arranging any such meetings as Entegrus may reasonably request with:
  - 7.1.2.2.1 management of AGI and STEI employed in the AGI Business or STE Business and management of St. Thomas; and
  - 7.1.2.2.2 suppliers, distributors, service providers or others who have a business relationship with STEI in respect of the STE Business.
- 7.1.2.3 St. Thomas will also furnish to Entegrus any financial and operating data and other information with respect to AGI, STEI, the AGI Business and the STE Business as Entegrus reasonably requests to enable confirmation of the accuracy of the matters represented and warranted in Article 5.

Entegrus will be provided ample opportunity to make a full investigation of all aspects of the financial affairs of AGI and STEI.

- 7.1.2.4 The exercise of any rights of inspection by or on behalf of Entegrus under this Section 7.1 shall not mitigate or otherwise affect any of the representations and warranties of St. Thomas hereunder, which will continue in full force and effect as provided in Article 9.
- 7.1.3 **Debt Restructuring.** Before Closing, St. Thomas, AGI and STEI (and, where applicable, Entegrus) will complete the steps to restructure both AGI's indebtedness to Scotiabank and STEI's indebtedness to St. Thomas, all in accordance with the steps, and on the terms and conditions, set out in Schedule 7.1.3 ("**Debt Restructuring**").
- 7.1.4 **Termination of STEI Shareholder Direction.** Before Closing, St. Thomas shall terminate the STEI Shareholder Direction.
- 7.1.5 **Articles of Amalgamation.** Immediately before Closing, St. Thomas shall cause AGI and STEI to execute, deliver and duly file under the OBCA the articles of amalgamation that give effect to the STE Amalgamation.
- 7.1.6 **Resignation of Directors and Officers.** St. Thomas will cause all of the directors and officers of STE Amalco to resign in favour of nominees of Entegrus, such resignations to be effective at the Closing Time.
- 7.1.7 Disclosure Supplements. During the period beginning on the date of this Agreement and ending at the Closing Time, St. Thomas will promptly notify Entegrus with respect to any matter, condition or occurrence arising which, if existing at or occurring before or on the date of this Agreement, would have been required to be set out or described in the St. Thomas Disclosure Schedule. The Parties will use commercially reasonable efforts to resolve any issues arising from any such notification, including if necessary amending this Agreement. Where the Parties fail to resolve any such issues and where the effect of such notification would reasonably be expected to cause a Material Adverse Effect in respect of STE Amalco, then at the option of any Party, exercisable by written notice to each of the other Parties, this Agreement will terminate and be of no further force and effect with no liability to any of the Parties. Notification under this Section 7.1.7 will not, in any case, be deemed to cure any breach of any representation or warranty made in this Agreement or have any effect on the right of Chatham-Kent and Corix to indemnity provided for in under this Agreement or have any effect for the purpose of determining the satisfaction of the conditions set out in Article 8 or the compliance by St. Thomas with any covenants or agreements contained in this Agreement.
- 7.1.8 **Delivery of Books and Records.** At the Closing Time, St. Thomas will turn over possession and control of, or cause to be delivered to Entegrus, all of the Books and

Records of and related to AGI and STEI, the AGI Business and the STE Business, including copies of all of the Insurance Policies.

7.1.9 **Governmental Authorities.** St. Thomas authorizes all Governmental Authorities having jurisdiction to release all information in their possession respecting the AGI Business, the STE Business, the STE Leased Premises, and the STE Owned Lands to Entegrus, and further authorizes each of them to carry out inspections of the STE Leased Premises and STE Owned Lands upon the request of Entegrus. St. Thomas will execute and cause AGI and STEI to execute any specific authorization pursuant to this Section 7.1.9 within three Business Days after being requested to do so by Entegrus.

### 7.2 Covenants of Entegrus, Chatham-Kent and Corix

- 7.2.1 **Conduct of Business Before Closing.** During the period beginning on the date of this Agreement and ending at the Closing Time, Entegrus will (and will cause each Entegrus Subsidiary):
  - 7.2.1.1 to conduct the Entegrus Business in the ordinary course substantially consistent with past practice (except as may be otherwise required or contemplated by the provisions of this Agreement or with the prior written consent of St. Thomas, which shall not be unreasonably withheld);
  - 7.2.1.2 except as required by the terms of and in accordance with any Entegrus Collective Agreement or applicable Law, or with the prior written consent of St. Thomas, which shall not be unreasonably withheld, to refrain from:
    - i) hiring, engaging or retaining any new employees or independent contractors to be employed, engaged or retained in connection with the Entegrus Business;
    - ii) terminating any Entegrus Employees or transferring any Entegrus Employees to any other position;
    - iii) increasing remuneration of Entegrus Employees before the Closing Date, except as consistent with its past practice; and
    - iv) taking any action to materially amend any Contract with any Entegrus Employee;
  - 7.2.1.3 except with the prior written consent of St. Thomas, which shall not be unreasonably withheld, to refrain from entering into any Material Contract;
  - 7.2.1.4 to continue in full force the Insurance Policies;

- 7.2.1.5 to comply in all material respects with all Laws applicable to the Entegrus Business; and
- 7.2.1.6 to apply for, maintain in good standing and renew all Permits.
- 7.2.2 **Permitted Conduct.** Notwithstanding the restrictions in Section 7.2.1, during the period beginning on the date of this Agreement and ending at the Closing Time, the written consent of St. Thomas shall not be required for the following:
  - 7.2.2.1 the establishment of Fibre Co; and
  - 7.2.2.2 subject to Section 7.3.6, the investment by Fibre Co in certain fibre businesses through a joint venture with TekSavvy Solutions Inc.

#### 7.2.3 Access for Investigation

- 7.2.3.1 Entegrus will, and will cause the Entegrus Subsidiaries to, permit St. Thomas, AGI and STEI through their authorized Representatives, until the Closing Date, to have reasonable access during normal business hours to the Entegrus Owned Lands and the Entegrus Leased Premises and to all the Books and Records of the Entegrus Group and to the properties and assets of the Entegrus Group.
- 7.2.3.2 St. Thomas and Entegrus will co-operate in good faith in arranging any such meetings as St. Thomas may reasonably request with:
  - 7.2.3.2.1 management of the Entegrus Group employed in the Entegrus Business; and
  - 7.2.3.2.2 suppliers, distributors, service providers or others who have a business relationship with the Entegrus Group in respect of the Entegrus Business.
- 7.2.3.3 Entegrus will also furnish to St. Thomas any financial and operating data and other information with respect to the Entegrus Group or the Entegrus Business as St. Thomas reasonably requests to enable confirmation of the accuracy of the matters represented and warranted in Article 6. St. Thomas will be provided ample opportunity to make a full investigation of all aspects of the financial affairs of the Entegrus Group.
- 7.2.3.4 The exercise of any rights of inspection by or on behalf of St. Thomas under this Section 7.2 shall not mitigate or otherwise affect any of the representations and warranties of Chatham-Kent, Corix or Entegrus hereunder, which will continue in full force and effect as provided in Article 9.

7.2.4 **Disclosure Supplements.** During the period beginning on the date of this Agreement and ending at the Closing Time, Entegrus will promptly notify St. Thomas with respect to any matter, condition or occurrence arising which, if existing at or occurring before or on the date of this Agreement, would have been required to be set out or described in the Entegrus Disclosure Schedule. The Parties will use commercially reasonable efforts to resolve any issues arising from any such notification, including if necessary amending this Agreement. Where the Parties fail to resolve any such issues and where the effect of such notification would reasonably be expected to cause a Material Adverse Effect in respect of the Entegrus Group, then at the option of any Party, exercisable by written notice to each of the other Parties, this Agreement will terminate and be of no further force and effect with no liability to any of the Parties. Notification under this Section 7.2.4 will not, in any case, be deemed to cure any breach of any representation or warranty made in this Agreement or have any effect on St. Thomas' right to indemnity provided for in under this Agreement or have any effect for the purpose of determining the satisfaction of the conditions set out in Article 8 or the compliance by Chatham-Kent, Corix, Entegrus or EPI with any covenants or agreements contained in this Agreement.

# 7.2.5 **Employment and Location Guarantees.**

- 7.2.5.1 Entegrus agrees that, following the Closing Date for a period of three years (the "Guarantee Period"), and subject to the term of any specific employment agreement with STEI or AGI, it will, subject to (i) its rights to dismiss for just cause or significant performance-related issues and (ii) any voluntary cessation of employment by an STE Employee, Ascent Employee or Entegrus Employee, maintain the continued employment with LDC Amalco or with Entegrus or another Entegrus Subsidiary of each full-time STE Employee, Ascent Employee and Entegrus Employee who is an STE Employee, Ascent Employee or Entegrus Employee on the Closing Date on the same terms and conditions and at no less than the same salary, seniority and benefits, and at the same office or work place location as such STE Employees, Ascent Employees and Entegrus Employees are currently situated, and will not, during the Guarantee Period, terminate the employment of any such STE Employee, Ascent Employee or Entegrus Employee, except for just cause or significant performance-related issues.
- 7.2.5.2 Section 7.2.5.1 will not prohibit the relocation of STE Employees, Ascent Employees or Entegrus Employees with their prior consent. From and after the Closing Date, STE Employees, Ascent Employees and Entegrus Employees may apply for positions within the Entegrus Group and will be considered for such positions on a fair and equal basis with other employees of the Entegrus Group.

- 7.2.5.3 Section 7.2.5.1 does not apply to any STE Employee, Ascent Employee or Entegrus Employee who is on long-term disability leave on the Closing Date or to any STE Employees or Ascent Employees who as of November 6, 2016 were identified by St. Thomas as retired or retiring (as identified in the St. Thomas Disclosure Schedule).
- 7.2.6 **Pension Plan.** Entegrus will cause the STE Employees to continue to participate in OMERS and will permit the Ascent Employees to participate in OMERS and will perform all of the obligations and duties of an associated employer under OMERS with respect to the STE Employees and Ascent Employees.
- 7.2.7 **Books and Records.** Entegrus will preserve the Books and Records delivered or turned over by St. Thomas to it pursuant to Section 7.1.8 for a period of not less than seven years after the Closing Date, or for such longer period as is required by applicable Law, and will permit St. Thomas or its Representatives reasonable access thereto in connection with the affairs of St. Thomas, including in connection with any Claims made by or against St. Thomas in connection with this Agreement or any of the agreements or documents entered into pursuant to this Agreement.
- 7.2.8 Tax Returns. Entegrus will cause to be prepared and filed on a timely basis all Tax Returns for STE Amalco and its predecessors for any period which ends on or before the Closing Date and for which Tax Returns have not been filed as of the Closing Date. In preparing such Tax Returns Entegrus may rely upon the auditors for St. Thomas who will be preparing the audited financial statements for St. Thomas and its Affiliates for the period ending December 31, 2017. Entegrus will also cause to be prepared and filed on a timely basis all Tax Returns for STE Amalco and its predecessors for all Straddle Periods (all these Tax Returns together with the Tax Returns referred to in the first sentence of this Section 7.2.8 being referred to as "Stub Period Returns"). St. Thomas and Entegrus will co-operate fully with each other and make available to each other in a timely fashion all data and other information as may reasonably be required for the preparation of all Stub Period Returns and will preserve that data and other information until the expiration of any applicable limitation period for maintaining Books and Records under any applicable Tax Law with respect to the Stub Period Returns. Entegrus will provide to STE Amalco's auditor for its review a copy of the Stub Period Returns and St. Thomas will pay to Entegrus one-half of the third party costs of the preparation and filing of the Stub Period Returns.
- 7.2.9 Articles of Amalgamation. Immediately following Closing, Entegrus shall execute, deliver and duly file under the OBCA the articles of amalgamation that give effect to the LDC Amalco Amalgamation.

# 7.3 Mutual Covenants

- 7.3.1 Actions to Satisfy Closing Conditions. Each Party will take or cause to be taken all actions that are within its power to control, and will make all commercially reasonable best efforts to cause other actions to be taken which are not within its power to control, so as to ensure its compliance with, and satisfaction of, all conditions in Article 8 that are for the benefit of the other Parties.
- 7.3.2 **Personal Information.** The collection, use and disclosure of Personal Information by any of the Parties before the Closing is restricted to those purposes that relate to the transactions contemplated by this Agreement or to other purposes as may be permitted by applicable Law.

#### 7.3.3 **Confidentiality.**

- 7.3.3.1 The Parties shall treat as confidential this Agreement, the terms and conditions set out herein and all information provided to one another in accordance with this Agreement. All such information shall be deemed received pursuant to the terms of the Confidentiality Agreement, be kept in the strictest confidence and not divulged to any unrelated third party or used by any Party other than in accordance with the Confidentiality Agreement.
- 7.3.3.2 Each Party that is not a party to or bound by the Confidentiality Agreement hereby agrees, covenants and acknowledges to be bound by the terms and conditions of the Confidentiality Agreement as if it was an original signatory thereto and acknowledges having received a copy of the Confidentiality Agreement on or before the date of this Agreement. Notwithstanding any other provision of this Agreement, nothing shall prevent the disclosure of any agreement or information, and no party shall be held liable for the disclosure of any agreement or information, if and to the extent that any such disclosure is required by applicable Law, including the *Municipal Act, 2001* (Ontario) and the *Municipal Freedom of Information and Protection of Privacy Act* (Ontario).

# 7.3.4 **Transitional Committee**.

7.3.4.1 The Parties agree to appoint a transitional committee (the "**Transitional Committee**"). The Transitional Committee will become the first Board effective immediately following the Closing and, accordingly, will be constituted and elected in accordance with the relevant provisions of the form of Entegrus Shareholders Agreement that is approved by Shareholders concurrently with the execution and delivery of this Agreement. Such Board will remain in place until changed in accordance with the Entegrus Shareholders Agreement.

- 7.3.4.2 During the Interim Period the President and Chief Executive Officer of Entegrus and the Chief Operating Officer of STEI will each provide information to the Transitional Committee both on their own initiative and as and when requested by the Transitional Committee.
- 7.3.4.3 Meetings of the Transitional Committee shall be held on at least two Business Days' notice delivered to each of the appointees in writing, but if a quorum is not present the meeting shall be adjourned for at least a further two Business Days. Quorum for the initial meeting shall be a majority of the appointees and the adjourned meeting shall proceed whether or not a quorum is present.
- 7.3.4.4 The Transitional Committee will have no decision-making authority in respect of any matters provided for in this Agreement and its mandate is restricted to making recommendations to the Parties during the Interim Period. All such recommendations shall require a majority vote of the Transitional Committee by those members present at the relevant meeting.
- 7.3.4.5 Minutes of each meeting of the Transitional Committee shall be kept and promptly delivered to each of the members of the Transitional Committee.
- 7.3.4.6 Promptly following Closing, each of St. Thomas, Chatham-Kent and Corix, as shareholders of Entegrus, agrees to confirm the election of the members of the Transitional Committee to the Board and to ratify, confirm and approve any and all recommendations of the Transitional Committee that are made in accordance with this Section 7.3.4 and that are within the scope of the authority of the Transitional Committee set out in this Section 7.3.4.
- 7.3.4.7 The Transitional Committee will have the authority to make recommendations with respect to the matters set out in Schedule 7.3.4.7.

### 7.3.5 **Entegrus Shareholders Agreement.**

On Closing, (i) each of St. Thomas, Chatham-Kent, Corix and Entegrus shall execute and deliver the Entegrus Shareholders Agreement, and (ii) each of Chatham-Kent and Corix shall execute and deliver to St. Thomas a release of Claims against the Entegrus Group, including a release of all Claims arising under the current shareholders agreement among Chatham-Kent, Corix and Entegrus, but excluding matters relating to the existing shareholder loans and on-going matters in respect of the service contracts referred to in the Entegrus Shareholders Agreement, such release to be in a form acceptable to St. Thomas, acting reasonably.

#### 7.3.6 Equity Issuances/Dividends.

- 7.3.6.1 St. Thomas shall ensure that neither AGI nor STEI issues any additional equity at any time prior to the Closing Time, except as contemplated by the Debt Restructuring.
- 7.3.6.2 Chatham-Kent and Corix shall ensure that no member of the Entegrus Group issues any additional equity at any time prior to the Closing Time, except on the basis that the issuance price for any Common Shares issued is not less than the issuance price hereunder for each of the Consideration Shares.
- 7.3.6.3 Chatham-Kent and Corix shall continue to accept payment of all dividends declared by Entegrus in the ordinary course in accordance with past practice (and shall not defer payment of same).

# ARTICLE 8 CLOSING CONDITIONS

#### 8.1 Conditions for the Benefit of Chatham-Kent, Corix and Entegrus

The obligation of Chatham-Kent, Corix and Entegrus to complete the Share Transaction and the other transactions contemplated by this Agreement is subject to the fulfilment of the following conditions at or before the Closing Time:

8.1.1 Representations, Warranties and Covenants. The representations and warranties of St. Thomas, AGI and STEI made in this Agreement or in any other agreement or document delivered pursuant to this Agreement will be true and accurate at the Closing Time with the same force and effect as though those representations and warranties had been made as of the Closing Time. At Closing, St. Thomas, AGI and STEI will have performed or complied with all covenants and agreements agreed to be performed or complied with by them under this Agreement and any other agreement or document delivered pursuant to this Agreement at or before the Closing Time. In addition, each of St. Thomas, AGI and STEI will have delivered to Chatham-Kent, Corix and Entegrus a certificate of a senior officer confirming the same. Such certificate shall, where applicable refer to STE Amalco instead of, or in addition to, AGI and STEI. The receipt of those certificates and the completion of the Closing will not be deemed to constitute a waiver of any of the representations, warranties or covenants of St. Thomas, AGI and STEI contained in this Agreement or in any other agreement or document delivered pursuant to this Agreement. Those representations, warranties and covenants will continue in full force and effect as provided in Article 9, or, if Article 9 does not apply, the terms of the agreement or document in which they are made.

- 8.1.2 **No Material Adverse Effect.** Since the date of this Agreement there will not have been any change in any of the assets, financial condition, earnings, results of operations or prospects of AGI or STEI, or in the AGI Business or STE Business (whether or not covered by insurance) that has had, or might reasonably be expected to have, a Material Adverse Effect.
- 8.1.3 **Consents and Regulatory Approvals**. All filings, notifications, approvals and consents with, to or from Governmental Authorities and third parties, including the parties to the Material Contracts and the lessors of the STE Leased Premises, will have been made, given or obtained on terms acceptable to Entegrus, acting reasonably, so that the transactions contemplated by this Agreement may be completed without resulting in the violation of, or a default under, or any termination, amendment or acceleration of any obligation under any Permit, STE Real Property Lease, or Material Contract of or affecting the STE Amalco Business, including the OEB Approval.
- 8.1.4 **Deliveries.** St. Thomas will have delivered to Chatham-Kent, Corix and Entegrus the following in form and substance satisfactory to Entegrus:
  - 8.1.4.1 duly executed resignations effective as at the Closing Time of each director and officer of STE Amalco in accordance with Section 7.1.6;
  - 8.1.4.2 releases from St. Thomas and each of the individuals specified in Section 8.1.4.1 of all Claims they may have against AGI, STEI and STE Amalco substantially on the terms of the release attached as Exhibit 8.1.4.2;
  - 8.1.4.3 all deeds, conveyances, assurances, transfers and assignments and any other instruments necessary or reasonably required to transfer the Purchased Shares to Entegrus with good title, free and clear of all Encumbrances, including any payout letters and termination of any guarantees from AGI or STEI pursuant to the Debt Restructuring;
  - 8.1.4.4 possession or control of all Books and Records of and related to AGI and STEI, the AGI Business and the STE Business, including copies of all of the Insurance Policies; and
  - 8.1.4.5 all documentation and other evidence reasonably requested by Entegrus in order to establish the due authorization and completion of the transactions contemplated by this Agreement, including the taking of all corporate proceedings by the boards of directors and shareholders of AGI and STEI and by the municipal council of St. Thomas required to effectively carry out the obligations of AGI, STEI and St. Thomas pursuant to this Agreement.

- 8.1.5 **Debt Restructuring.** To the extent constituting steps or matters to be taken or performed by St. Thomas, AGI, STEI and/or Scotiabank, the Debt Restructuring will have been completed in accordance with Schedule 7.1.3 and on terms and conditions satisfactory to Entegrus.
- 8.1.6 **Fibre Asset Purchase**. The transaction provided for in the Fibre Asset Purchase Agreement shall have been completed on or before the Closing Date.
- 8.1.7 **No Transfer Tax.** No Transfer Tax shall be payable by any Party to the Ontario Electricity Financial Corporation in connection with the transfer of the Purchased Shares or the other transactions contemplated by this Agreement.
- 8.1.8 **Scotiabank Agreement.** The Scotiabank Agreement shall remain in full force and effect as of the Closing.

# 8.2 Waiver or Termination by Chatham-Kent, Corix and Entegrus

The conditions contained in Section 8.1 are inserted for the exclusive benefit of Chatham-Kent, Corix and Entegrus and may be waived in whole or in part by them at any time without prejudice to any of their rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 8.1 are not fulfilled or complied with by the time that is required under this Agreement, Chatham-Kent, Corix and Entegrus (acting jointly) may, at or before the Closing Time, terminate this Agreement by notice in writing after that time to St. Thomas. In that event, all Parties will be released from all obligations under this Agreement (except as set out in Section 9.3).

### 8.3 Conditions for the Benefit of St. Thomas, AGI and STEI

The obligation of St. Thomas, AGI and STEI to complete the Share Transaction and the other transactions contemplated by this Agreement is subject to the fulfilment of the following conditions at or before the Closing Time:

8.3.1 **Representations, Warranties and Covenants**. The representations and warranties of Chatham-Kent, Corix and Entegrus made in this Agreement or in any other agreement or document delivered pursuant to this Agreement will be true and accurate at the Closing Time with the same force and effect as though those representations and warranties had been made as of the Closing Time. At Closing, Chatham-Kent, Corix and Entegrus will have performed or complied with all covenants and agreements agreed to be performed or complied with by them under this Agreement and any other agreement or document delivered pursuant to this Agreement at or before the Closing Time. In addition, each of Chatham-Kent, Corix and Entegrus will have delivered to St. Thomas a certificate of a senior officer of Chatham-Kent, Corix and Entegrus confirming the same. The receipt of those certificates and the completion of the Closing will not be deemed to constitute a

waiver of any of the representations, warranties or covenants of Chatham-Kent, Corix and Entegrus contained in this Agreement or in any other agreement or document delivered pursuant to this Agreement. Those representations, warranties and covenants will continue in full force and effect as provided in Article 9 or, if Article 9 does not apply, the terms of the agreement or document in which they are made.

- 8.3.2 **No Material Adverse Effect.** Since the date of this Agreement there will not have been any change in any of the assets, financial condition, earnings, results of operations or prospects of the Entegrus Group or in the Entegrus Business (whether or not covered by insurance) that has had, or might reasonably be expected to have, a Material Adverse Effect.
- 8.3.3 **Consents and Regulatory Approvals.** All filings, notifications, approvals and consents with, to or from Governmental Authorities and third parties, including the parties to the Material Contracts and the lessors of the Entegrus Leased Premises, will have been made, given or obtained on terms acceptable to St. Thomas, acting reasonably, so that the transactions contemplated by this Agreement may be completed without resulting in the violation of, or a default under, or any termination, amendment or acceleration of any obligation under any Permit, Entegrus Real Property Lease, or Material Contract of or affecting the Entegrus Business, including the OEB Approval.
- 8.3.4 **Deliveries**. Entegrus will have delivered to St. Thomas the following in form and substance satisfactory to St. Thomas:
  - 8.3.4.1 all documentation and other evidence reasonably requested by St. Thomas in order to establish the due authorization and completion of the transactions contemplated by this Agreement, including the taking of all corporate proceedings by the boards of directors and shareholders of Entegrus, EPI and Corix and by the municipal council of Chatham-Kent required to effectively carry out the obligations of Chatham-Kent, Corix, Entegrus and EPI pursuant to this Agreement.
- 8.3.5 **Debt Restructuring.** To the extent constituting steps or matters to be taken or performed by Entegrus, the Debt Restructuring will have been completed in accordance with Schedule 7.1.3 and on terms and conditions satisfactory to St. Thomas.
- 8.3.6 **Fibre Asset Purchase**. The transaction provided for in the Fibre Asset Purchase Agreement shall have been completed on or before the Closing Date.
- 8.3.7 **No Transfer Tax.** No Transfer Tax shall be payable by any Party to the Ontario Electricity Financial Corporation in connection with the transfer of the Purchased Shares or the other transactions contemplated by this Agreement.

8.3.8 **IESO Confirmation.** Entegrus will have delivered to St. Thomas a written confirmation from the IESO confirming (i) that the IESO has received a guarantee of Entegrus of the obligations of STEI, EPI and STE Amalco, and (ii) that, based thereon, the IESO will release on Closing the letter of credit issued to it by Scotiabank on behalf of STEI.

## 8.4 Waiver or Termination by St. Thomas, AGI and STEI

The conditions contained in Section 8.3 are inserted for the exclusive benefit of St. Thomas, AGI and STEI and may be waived in whole or in part by them at any time without prejudice to any of their rights of termination in the event of non-performance of any other condition in whole or in part. If any of the conditions contained in Section 8.3 are not fulfilled or complied with by the time that is required under this Agreement, St. Thomas, AGI and STEI (acting jointly) may, at or before the Closing Time, terminate this Agreement by notice in writing after that time to Chatham-Kent, Corix and Entegrus. In that event, all Parties will be released from all obligations under this Agreement (except as set out in Section 9.3).

# 8.5 Condition Precedent

The purchase and sale of the Purchased Shares is subject to the following condition to be fulfilled at or before the Closing Time, which condition is a true condition precedent to the completion of the transactions contemplated by this Agreement:

- 8.5.1 **No Action to Restrain.** No order of any Governmental Authority will be in force, and no action or proceeding will be pending or threatened by any Person:
  - 8.5.1.1 to restrain or prohibit the completion of the transactions contemplated in this Agreement, including the sale and purchase of the Purchased Shares;
  - 8.5.1.2 to restrain or prohibit AGI or STEI from carrying on the AGI Business or the STE Business, respectively;
  - 8.5.1.3 to restrain or prohibit the Entegrus Group from carrying on the Entegrus Business; or
  - 8.5.1.4 which would have a Material Adverse Effect on the Entegrus Group (taken as a whole) or on AGI and STEI (taken as a whole).

If this condition precedent has not been fulfilled at or before the Closing Time, unless otherwise agreed by the Parties in writing, this Agreement will be terminated and the Parties will be released from all obligations under this Agreement (except as set out in Section 9.3).

# ARTICLE 9 SURVIVAL AND INDEMNIFICATION

# 9.1 Survival of Covenants and Representations and Warranties

All of the covenants and representations and warranties contained in this Agreement and in any other agreement or document delivered pursuant to this Agreement, including this Article 9, will survive the Closing.

# 9.2 Survival Following Termination

If this Agreement is terminated at or before the Closing Time pursuant to Sections 7.1.7, 8.2, 8.4 or 8.5, the provisions of Section 7.3.3 will remain in full force and effect, and this Article 9 will survive the termination of this Agreement and apply to any Claim that is made under the indemnities set out in Sections 9.7 and 9.8.

### 9.3 Mutual Indemnifications for Breaches of Warranty, etc.

Subject to the remaining provisions of this Article 9:

- 9.3.1 Chatham-Kent and Corix agree that if Chatham-Kent, Corix, Entegrus and/or EPI fail to observe or perform any covenant or obligation to be complied with or performed by them in this Agreement, or breach any of their representations and warranties contained in this Agreement (an "**Entegrus Failure**"), Chatham-Kent and Corix will jointly and severally indemnify and hold harmless St. Thomas from and against the full amount of any Loss which St. Thomas may suffer as a result of such Entegrus Failure; and
- 9.3.2 St. Thomas agrees that if St. Thomas, AGI and/or STEI fail to observe or perform any covenant or obligation to be complied with or performed by them in this Agreement, or breach any of their representations and warranties contained in this Agreement (a "**St. Thomas Failure**"), St. Thomas will indemnify and hold harmless Chatham-Kent and Corix (or Entegrus) from and against the full amount of any Loss which it/they may suffer as a result of such St. Thomas Failure;

(the Party or Parties making a Claim for indemnification under any provision of this Article 9 being the "**Indemnified Party**", and the Party or Parties providing indemnification being the "**Indemnifying Party**" for the purposes of this Article 9).

# 9.4 Limitation on Mutual Indemnification

The indemnification obligations of Chatham-Kent and Corix (on the one hand) and St. Thomas (on the other hand) pursuant to Section 9.3 are:

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- 9.4.1 limited to the sum of fifty percent (50%) of the Purchase Price, in the aggregate, in the case of all St. Thomas' Failures, but there will be no limit with respect to a breach of Section 5.14 (Tax Matters), in respect of any Claims related to Ascent Solutions Inc. or Ascent Utility Services Inc. (including the litigation matters relating to MVA Power, Naylor Renewable Energy Inc., Bow Lake/MasTec Renewable Construction, Gail Millar and Marlene Seiman (slip and fall) and Canada Bread Company and a potential Claim related to a former officer of AGI) or in respect of any indemnification arising as a consequence of fraud, wilful misrepresentation or gross negligence on the part of St. Thomas, AGI and/or STEI;
- 9.4.2 limited to the sum of fifty percent (50%) of the Purchase Price, in the aggregate, in the case of all Entegrus' Failures, but there will be no limit with respect to a breach of Section 6.14 (Tax Matters) or in respect of any indemnification arising as a consequence of fraud, wilful misrepresentation or gross negligence on the part of Chatham-Kent, Corix, Entegrus and/or EPI; and
- 9.4.3 not applicable to indemnify an Indemnified Party unless and until the aggregate of all of its Indemnity Claims exceeds \$75,000, in which case, the Indemnifying Party will be obligated to pay the entire amount owing in respect of those Claims without a deductible.

# 9.5 Tax Indemnity

- 9.5.1 St. Thomas will indemnify and hold harmless Chatham-Kent and Corix (or Entegrus) from and against any Loss suffered by it/them as a result of any assessment or reassessment for Taxes relating to AGI, STEI or STE Amalco for any taxation year ending on or before the Closing Date, to the extent that the amount of Taxes payable as a result of that assessment or reassessment exceeds the amount accrued as a liability for those Taxes on the STE Amalco Closing Balance Sheet.
- 9.5.2 Despite Section 9.5.1, St. Thomas will have no obligation under the indemnity in Section 9.5.1 for any assessment or reassessment arising from:
  - 9.5.2.1 the post-Closing amendment of any Tax Return filed by or on behalf of AGI, STEI or STE Amalco and for any taxation year ending on or before the Closing Date unless that amendment is consented to by St. Thomas, which consent is not to be unreasonably withheld, or any other action taken by Entegrus, STE Amalco, LDC Amalco, AGI or STEI after the Closing Date which has the effect of shifting income, deduction, credit, or allowance from one fiscal period to another fiscal period or between or among AGI or STEI and another Person that results in an increase in Taxes for any taxation year or Straddle Period;

- 9.5.2.2 a post-Closing change in any Tax Law or a post-Closing publicly announced or disseminated change in the policy of any Governmental Authority in administering any Tax Law; or
- 9.5.2.3 a post-Closing reorganization involving STE Amalco or LDC Amalco which has the effect of creating a liability for Taxes with respect to a period before Closing.
- 9.5.3 Chatham-Kent and Corix will jointly and severally indemnify and hold harmless St. Thomas from and against any Loss suffered by it as a result of any assessment or reassessment for Taxes relating to the Entegrus Group for any taxation year ending on or before the Closing Date, to the extent that the amount of Taxes payable as a result of that assessment or reassessment exceeds the amount accrued as a liability for those Taxes on the Entegrus Closing Balance Sheet.

#### 9.6 Indemnity re Litigation and Certain Other Matters

- 9.6.1 St. Thomas will indemnify and hold harmless (but without any duplication) Chatham-Kent, Corix and Entegrus from and against any Loss suffered by it/them as a result of or in connection with:
  - 9.6.1.1 any of the litigation matters disclosed or referred to in the St. Thomas Disclosure Schedule,
  - 9.6.1.2 any current or future Claims arising under the AGI guarantee dated as of May 13, 2016 in favour of Tal Trees Power Services Corp. and Tiltran Power Services Corp.,
  - 9.6.1.3 any current or future Claims that relate to any of AGI's Affiliates (other than STEI, Claims against which are dealt with elsewhere in this Agreement) as of the Closing Date,
  - 9.6.1.4 any other Claims that arise after the date of this Agreement and that relate to the acts or omissions of St. Thomas, AGI, STEI or any of AGI's other Affiliates before the Closing (but other than any such Claim to the extent taken into account in determining the Purchase Price), and
  - 9.6.1.5 in the event that Closing does not occur for any reason, any Claims arising under the guarantee of Entegrus to be provided to the IESO pursuant to Section 8.3.8 to the extent that such Claims relate to any of the obligations of STEI.
- 9.6.2 Chatham-Kent and Corix will jointly and severally indemnify and hold harmless St. Thomas from and against any Loss suffered by it as a result of or in connection with

- 9.6.2.1 any of the litigation matters disclosed or referred to in the Entegrus Disclosure Schedule,
- 9.6.2.2 all fines, charges, penalties and similar amounts payable by the Entegrus Group arising out of the occupational health and safety investigation by the Ontario Ministry of Labour described in Schedules 6.15 and 6.32 of the Entegrus Disclosure Schedule to the extent (if any) not paid by the Closing Date and exceeding the amounts accrued therefor in the Closing Balance Sheet for Entegrus, and
- 9.6.2.3 any other Claims that arise after the date of this Agreement and that relate to the acts or omissions of the Entegrus Group before the Closing.
- 9.6.3 For greater certainty, the indemnities set out in this Section 9.6 are not subject to the limitations set out in Section 9.4.

# 9.7 Additional St. Thomas Indemnity

St. Thomas will indemnify and hold harmless Chatham-Kent and Corix (or Entegrus) from and against all Losses up to \$500,000 resulting from the termination of this Agreement under the terms of Section 8.2, if the Loss arises from the non-fulfilment or non-performance of the relevant condition(s) as a result of a breach of covenant, or representation and warranty, of St. Thomas, AGI and/or STEI.

### 9.8 Additional Entegrus Indemnity

Chatham-Kent and Corix will jointly and severally indemnify and hold harmless St. Thomas from and against all Losses up to \$500,000 resulting from the termination of this Agreement under the terms of Section 8.4, if the Loss arises from the non-fulfilment or non-performance of the relevant condition(s) as a result of a breach of covenant, or representation and warranty, of Chatham-Kent, Corix, Entegrus and/or EPI.

### 9.9 Notice of Claim

If an Indemnified Party becomes aware of a Loss or potential Loss in respect of which the Indemnifying Party has agreed to indemnify it under this Agreement, the Indemnified Party will promptly give written notice (an "Indemnity Notice") of its Claim or potential Claim for indemnification (an "Indemnity Claim") to the Indemnifying Party. An Indemnity Notice must specify whether the Indemnity Claim arises as the result of a Claim made against the Indemnified Party by a person who is not a Party (a "Third Party Claim") or as a result of a Loss that was suffered directly by an Indemnified Party (a "Direct Claim"), and must also specify with reasonable particularity (to the extent that the information is available):

# 9.9.1 the factual basis for the Indemnity Claim; and

9.9.2 the amount of the Indemnity Claim, if known.

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive an Indemnity Notice of an Indemnity Claim in time to effectively contest the determination of any liability capable of being contested, the Indemnifying Party will be entitled to set off against the amount claimed by the Indemnified Party the amount of any Loss incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give an Indemnity Notice on a timely basis.

#### 9.10 Time Limits for Notice

- 9.10.1 Subject to, and other than for Indemnity Claims in respect of which a different time period is expressly set out in the remaining provisions of this Section 9.10, no Indemnity Claim may be made under Section 9.3, 9.7 or 9.8 unless an Indemnity Notice of that Indemnity Claim is delivered to the Indemnifying Party within 18 months after the Closing Date or, in respect of an Indemnity Claim arising from a breach of Section 5.25 or 6.24 (Environmental Conditions), within five years from the Closing Date.
- 9.10.2 No Indemnity Claim arising out of a breach by St. Thomas of Section 5.14, or the indemnity obligations of St. Thomas under Section 9.5, may be made unless an Indemnity Notice of that Indemnity Claim is delivered to St. Thomas within 180 days after the last day upon which any of the relevant Governmental Authorities is entitled to assess or reassess AGI or STEI with respect to any Tax, having regard to any waivers given by AGI or STEI in respect of Tax, and any entitlement of a Governmental Authority to assess or reassess in the event of fraud or misrepresentation or attributable to neglect, carelessness or wilful default.
- 9.10.3 No Indemnity Claim arising out of a breach by Chatham-Kent or Corix of Section 6.14, or the indemnity obligations of Chatham-Kent or Corix under Section 9.5, may be made unless an Indemnity Notice of that Indemnity Claim is delivered to Chatham-Kent and Corix within 180 days after the last day upon which any of the relevant Governmental Authorities is entitled to assess or reassess any member of the Entegrus Group with respect to any Tax, having regard to any waivers given by the Entegrus Group in respect of Tax, and any entitlement of a Governmental Authority to assess or reassess in the event of fraud or misrepresentation or attributable to neglect, carelessness or wilful default.
- 9.10.4 An Indemnity Notice of an Indemnity Claim may be delivered to the Indemnifying Party at any time with respect to the following (subject to the applicable statute of limitations):

- 9.10.4.2 a breach of the representations and warranties of St. Thomas contained in Sections 5.5 (Share Ownership, Etc.), 5.6 (Corporate Existence of AGI and STEI), 5.8 (Capacity and Powers of AGI and STEI), 5.10 (Options, Etc.) or 5.36 (Absence of Conflict);
- 9.10.4.3 a breach of the representations and warranties of Chatham-Kent and Corix contained in Sections 6.5 (Share Ownership, Etc.), 6.6 (Corporate Existence of Entegrus Group), 6.8 (Capacity and Powers of Entegrus Group), 6.10 (Options) or 6.35 (Absence of Conflict);
- 9.10.4.4 a breach of any of the Indemnifying Party's covenants or representations and warranties, if that breach is attributable to fraud, wilful misrepresentation or gross negligence;
- 9.10.4.5 a breach of the covenants contained in Section 7.3.3 (as limited by the provisions of such Section); and
- 9.10.4.6 a breach of the covenants contained in Sections 7.2.5 (Employment and Location Guarantees), 7.2.6 (Pension Plan) and 7.2.7 (Books and Records).

# 9.11 Procedure for Direct Claims

Following receipt of an Indemnity Notice from the Indemnified Party of a Direct Claim, the Indemnifying Party will have 20 Business Days to make any investigations it considers necessary or desirable. For the purpose of those investigations, the Indemnified Party will make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Direct Claim, together with all other information that the Indemnifying Party may reasonably request. If both Parties agree at or before the expiration of such period (or any mutually agreed upon extension) to the validity and amount of the Direct Claim, the Indemnifying Party the Indemnified Party the Indemnifying Party will pay immediately to the Indemnified Party the full agreed upon amount of the Loss for which the Direct Claim is made, and no subsequent proceeding will be brought in any court of law concerning that Direct Claim.

# 9.12 Procedure for Third Party Claims

9.12.1 Despite any other provision of this Agreement, if the Indemnified Party is required by applicable Law to make a payment into court, into escrow, or to any third party, with respect to a Third Party Claim before the completion of related settlement negotiations or legal proceedings, the Indemnified Party may make the required

payment and the Indemnifying Party will, promptly after demand by the Indemnified Party, reimburse the Indemnified Party for the required payment made. If the Indemnifying Party makes that reimbursement in full, and if the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which the required payment was made, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party will, promptly after recovery of the surplus amount left over from the required payment, pay that surplus amount to the Indemnifying Party.

- 9.12.2 The Indemnified Party will promptly deliver to the Indemnifying Party copies of all correspondence, notices, assessments or other written Communication received by the Indemnified Party in respect of any Third Party Claim.
- 9.12.3 The Indemnified Party will not negotiate, settle, compromise or pay any Third Party Claim with respect to which it has asserted or proposes to assert an Indemnity Claim, without the prior written consent of the Indemnifying Party, which consent will not be unreasonably withheld.
- 9.12.4 The Indemnified Party will not cause or permit the termination of any right of appeal in respect of any Third Party Claim which is or might become the basis of an Indemnity Claim without giving the Indemnifying Party written notice of the contemplated or potential termination in time to grant the Indemnifying Party an opportunity to contest the Third Party Claim.
- 9.12.5 If the Indemnifying Party first acknowledges in writing its obligation to satisfy an Indemnity Claim to the extent of any binding determination or settlement in connection with a Third Party Claim (or enters into arrangements otherwise satisfactory to the Indemnified Party), in any legal or administrative proceeding in connection with the matters forming the basis of a Third Party Claim, the following will apply:
  - 9.12.5.1 the Indemnifying Party will have the right, subject to the rights of any Person having potential liability for it, by written notice delivered to the Indemnified Party within ten Business Days of receipt by the Indemnifying Party of an Indemnity Notice, to assume carriage and control of the negotiation, defence or settlement of a Third Party Claim and the conduct of any related legal or administrative proceedings at the expense of the Indemnifying Party and by its own counsel;
  - 9.12.5.2 if the Indemnifying Party elects to assume carriage and control, the Indemnified Party will have the right to participate at its own expense in the negotiation, defence or settlement of a Third Party Claim assisted by counsel of its own choosing;

- 9.12.5.3 each of the Indemnified Party and the Indemnifying Party will make all reasonable efforts to make available to the Party, who has assumed carriage and control of the negotiation, defence or settlement of a Third Party Claim, those employees whose assistance or evidence is necessary to assist that Party in evaluating and defending that Third Party Claim and all documents, records and other materials in the possession or control of that Party required for use in the negotiation, defence or settlement of that Third Party Claim;
- 9.12.5.4 despite Sections 9.12.5.1, 9.12.5.2 and 9.12.5.3, the Indemnifying Party will not settle a Third Party Claim or conduct any related legal or administrative proceeding in a manner which would, in the opinion of the Indemnified Party, acting reasonably, have a material adverse effect on the Indemnified Party except with the Indemnified Party's prior written consent; and
- 9.12.5.5 subject to Section 9.12.5.2, the Indemnifying Party will indemnify and hold harmless the Indemnified Party from and against any Loss incurred or suffered as a result of the Indemnifying Party's settlement of the Third Party Claim or conduct of any related legal or administrative proceeding.
- 9.12.6 When the amount of the Loss with respect to a Third Party Claim is finally determined in accordance with this Section 9.12, including any amount described in Section 9.12.5.5, the Indemnifying Party will immediately pay the full amount of that Loss to the Indemnified Party.
- 9.12.7 If the Indemnified Party has been permitted by the Indemnifying Party to assume the carriage and control of the negotiation, defence, or settlement of the Third Party Claim, the Indemnifying Party will not contest the amount of that Loss.
- 9.12.8 The Indemnifying Party will have no obligation to make any payment with respect to any Third Party Claim that is settled or contested in violation of the terms of this Section 9.12.

# 9.13 No Delay

Each Indemnifying Party will pursue any Indemnity Claim made by an Indemnified Party under this Agreement with reasonable diligence and dispatch, and without unnecessary delay, once the circumstances that give rise to that Indemnity Claim are known to it.

# 9.14 Set-off

Each Indemnified Party will be entitled to set-off the amount of any Loss for which it seeks indemnification under this Article 9 once, if applicable, finally determined in accordance with

Section 9.11 or Section 9.12, as the case may be, as damages or by way of indemnification against any other amounts payable by it to the Indemnifying Party whether under this Agreement or otherwise.

# 9.15 Exclusive Remedy

- 9.15.1 Subject to Sections 2.7 and 9.15.2, the rights of indemnity in this Article 9 are the sole and exclusive remedy of each Party for any Loss suffered in connection with the transactions contemplated by this Agreement.
- 9.15.2 Nothing in this Section 9.15 will prevent a Party from seeking equitable remedies with respect to a breach of the confidentiality covenants contained in this Agreement.
- 9.15.3 Unless otherwise specifically agreed by the Parties, this Section 9.15 will remain in full force and effect in all circumstances and will not be terminated by any breach (fundamental, negligent or otherwise) by any Party of its covenants, representations or warranties in this Agreement or under any agreement or other document delivered pursuant to this Agreement, or by any termination or rescission of this Agreement.

# ARTICLE 10 REGULATORY APPROVAL

### **10.1 OEB** Approval

- 10.1.1 Each of St. Thomas/AGI/STEI and Entegrus will, as promptly as practicable after the execution of this Agreement (but in no event later than 60 days after the execution of this Agreement), file or caused to be filed with the OEB an application under the OEB Act for the OEB Approval.
- 10.1.2 Entegrus and St. Thomas/AGI/STEI will share equally the cost of the filing fee in respect of such application. Each of St. Thomas/AGI/STEI and Entegrus will use its best efforts (which shall not be less than commercially reasonable efforts) to co-operate and assist the other, so that the OEB Approval can be obtained on or prior to December 31, 2017. To the extent the Parties incur costs from their own advisors, such costs shall be borne by the party incurring them.

## **10.2** Minister of Finance Notice

10.2.1 St. Thomas/AGI/STEI and Entegrus will as promptly as practicable after the execution of this Agreement (but in no event later than 60 days prior to the Closing Date), jointly file or cause to be filed with the Ontario Minister of Finance the notification required under subsection 4(2) of Ontario Regulation 124/99 made under the EA and shall indicate that subsection 94(1) of the EA does not apply to the

transfer of the Purchased Shares by reason of subsection 3(21) of Ontario Regulation 124/99 made under the EA and shall request a certificate under section 6 of Ontario Regulation 124/99 made under the EA as required in respect of the Minister of Finance Notice.

- 10.2.2 If requested by the Ontario Ministry of Finance for purposes of obtaining a certificate under section 6 of Ontario Regulation 124/99 made under the EA, Entegrus will give security satisfactory to the Ontario Electricity Financial Corporation for any payment required to be made by St. Thomas under subsection 94(1) of the EA in connection with the transfer of the Purchased Shares.
- 10.2.3 If the Ontario Ministry of Finance requests payment of Transfer Tax in respect of the transfer of the Purchased Shares by St. Thomas to Entegrus, this Agreement will terminate and be of no further force and effect with no liability to any of the Parties.
- 10.2.4 Each Party will be responsible for the costs incurred by it in connection with the Minister of Finance Notice.

# ARTICLE 11 CLOSING ARRANGEMENTS

### 11.1 Closing

The Closing will take place at the Closing Time on the Closing Date at such place or places as the Parties may agree.

### **11.2** Closing Procedures

- 11.2.1 At the Closing Time, upon fulfilment of all the conditions set out in Article 8 that have not been waived in writing by Chatham-Kent, Corix and Entegrus or by St. Thomas, AGI and STEI, as applicable:
  - 11.2.1.1 St. Thomas will deliver or cause to be delivered to Entegrus original share certificates representing the Purchased Shares in fully transferable form and accompanied by a certified copy of a resolution authorizing the transfer of the Purchased Shares and will cause the transfer of such shares to be duly recorded in the name of Entegrus; and
  - 11.2.1.2 Entegrus will deliver or cause to be delivered to St. Thomas an original share certificate representing the Consideration Shares to be issued pursuant to Section 2.3.1 registered in the name of St. Thomas, in fully transferable form and accompanied by a certified copy of a resolution

authorizing the issuance of such Consideration Shares and will cause the issuance of such shares to be duly recorded in the name of St. Thomas.

# ARTICLE 12 GENERAL

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# **12.1** Submission to Jurisdiction

Each of the Parties irrevocably and unconditionally submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario to determine all issues, whether at law or in equity, arising from this Agreement. To the extent permitted by applicable Law, each of the Parties:

- 12.1.1 irrevocably waives any objection, including any Claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of that Province, or that the subject matter of this Agreement may not be enforced in those courts;
- 12.1.2 irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called upon to enforce the judgment of the courts referred to in this Section 12.1, of the substantive merits of any suit, action or proceeding; and
- 12.1.3 to the extent a Party has or may acquire any immunity from the jurisdiction of any court or from any legal process, whether through service or notice, attachment before judgment, attachment in aid of execution, execution or otherwise, with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

### 12.2 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective counsel.

### 12.3 Costs and Expenses

Except as otherwise specified in this Agreement, all costs and expenses (including the fees and disbursements of accountants, financial advisors, legal counsel and other professional advisers) incurred in connection with this Agreement, the obligations under this Agreement and the completion of the transactions contemplated by this Agreement, are to be paid by the Party incurring those costs and expenses. If there is a breach of this Agreement or this Agreement is terminated, the obligation of each Party to pay its own costs and expenses is subject to each Party's respective rights arising from such breach or termination.

### **12.4** Time of Essence

Time is of the essence in all respects of this Agreement.

#### 12.5 Notices

Any Communication must be in writing and either:

- 12.5.1 delivered personally or by courier;
- 12.5.2 sent by prepaid registered mail; or
- 12.5.3 transmitted by facsimile or e-mail.

Any Communication must be sent to the intended recipient at its address as follows:

to St. Thomas, AGI or STEI at:

545 Talbot Street, PO Box 520 St. Thomas, Ontario N5P 3V7 Attention: City Clerk Fax: (519) 633-9019 E-mail: mkonefal@stthomas.ca

to Entegrus or EPI at:

320 Queen Street, Box 70
Chatham, Ontario N7M 5K2
Attention: President & Chief Executive Officer
Fax: (519) 351-4059
E-mail: jim.hogan@entegrus.com

to Chatham-Kent at:

315 King Street, PO Box 640
Chatham, Ontario N7M 5K8
Attention: Director of Municipal Governance/Clerk
Fax: (519) 436-3237
E-mail: judys@chatham-kent.ca

to Corix at:

#1160-1188 West Georgia St. Vancouver, BC V6E 4A2 Attention: SVP Canadian Utilities Fax: (604)697-6703 E-mail: Eric.vanRoon@corix.com

with a copy to:

#1160-1188 West Georgia St.
Vancouver, BC V6E 4A2
Attention: Chief Legal Officer and Corporate Secretary
Fax: (604) 697-6703
E-mail: hamish.cumming@corix.com

or at any other address as any Party may at any time advise the other Parties by Communication given or made in accordance with this Section 12.5. Any Communication delivered to the Party to whom it is addressed will be deemed to have been given or made and received on the day it is delivered at that Party's address, provided that if that day is not a Business Day then the Communication will be deemed to have been given or made and received on the next Business Day. Any Communication sent by prepaid registered mail will be deemed to have been given or made and received on the fifth Business Day after which it is mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Communication must be delivered personally or by courier or transmitted by facsimile or e-mail. Any Communication transmitted by facsimile or e-mail will be deemed to have been given or made and received on the day on which it is transmitted; but if the Communication is transmitted on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient), the Communication will be deemed to have been given or made and received on the next Business Day.

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# **12.6** Further Assurances

Each Party will, at that Party's own cost and expense, execute and deliver any further agreements and documents and provide any further assurances, undertakings and information as may be reasonably required by the requesting Party to give effect to this Agreement and, without limiting the generality of this Section 12.6, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required at any time by all Governmental Authorities.

# 12.7 No Broker

Each Party represents and warrants to the other Parties that all negotiations relating to this Agreement and the transactions contemplated by this Agreement have been carried on between them directly, without the intervention of any other Person on behalf of any Party in such manner as to give rise to any valid Claim against the Entegrus Group, AGI or STEI for a brokerage commission, finder's fee or other similar payment.

### 12.8 Public Notice

All public notices to third parties and all other announcements, press releases and publicity concerning this Agreement or the transactions contemplated by this Agreement, must be jointly planned and co-ordinated by St. Thomas and Entegrus, and neither St. Thomas nor Entegrus will act unilaterally in this regard without the prior consent of Entegrus (in the case of St. Thomas) or St. Thomas (in the case of Entegrus).

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### 12.9 Amendment and Waiver

No amendment, discharge, modification, restatement, supplement, termination or waiver of this Agreement or any Section of this Agreement is binding unless it is in writing and executed by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any Section of this Agreement constitutes a waiver of any other Section (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

### **12.10** Assignment and Enurement

Neither this Agreement nor any right or obligation under this Agreement may be assigned by any Party without the prior written consent of the other Parties, which consent will be within their sole discretion. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors (including any successor by amalgamation or operation of law) and permitted assigns.

### 12.11 Severability

Each Section of this Agreement is distinct and severable. If any Section of this Agreement, in whole or in part, is or becomes illegal, invalid, void, voidable or unenforceable in any jurisdiction by any court of competent jurisdiction, the illegality, invalidity or unenforceability of that Section, in whole or in part, will not affect:

- 12.11.1 the legality, validity or enforceability of the remaining Sections of this Agreement, in whole or in part; or
- 12.11.2 the legality, validity or enforceability of that Section, in whole or in part, in any other jurisdiction.

# 12.12 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which will be an original, and those counterparts will together constitute one and the same instrument.

# **12.13** Electronic Execution

Delivery of this Agreement may be effected by one or more Parties by facsimile or other electronic transmission of the execution pages hereof to the other Parties. A Party or Parties so delivering this Agreement will thereafter forthwith deliver to the other Parties original execution pages hereof with its/their original signature(s) located thereon, provided, however, that any failure by a Party or Parties to so deliver such original execution pages will not affect the validity or enforceability hereof against that Party or Parties.

# THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Each Party has executed and delivered this Agreement as of the date noted at the beginning of the Agreement.

# THE CORPORATION OF THE CITY OF ST. THOMAS

Per:

Name: Heather Jackson Title: Mayor

Per:

Name: Maria Konefal Title: City Clerk

# ASCENT GROUP INC.

Per:

Name: Robert Kent Title: Interim CEO

# ST. THOMAS ENERGY INC.

Per:

Name: Robert Kent Title: Interim CEO

# THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT

Per:

Name: Randy Hope Title: Mayor

Per:

Name: Judy Smith Title: Municipal Clerk

# **CORIX ENERGY INC.**

Per:

Name: Eric van Roon Title: Senior VP Canadian Utilities

Per:

Name: Hamish Cummings Title: Chief Legal Officer & Corporate Secretary

# ENTEGRUS INC.

Per:

Name: Jim Hogan Title: President & CEO

# ENTEGRUS POWERLINES INC.

Per:

Name: Jim Hogan Title: President & CEO

# SCHEDULE 2.7 PURCHASE PRICE ADJUSTMENTS (examples)

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Project Talbot Examples of Closing Adjustments At Closing Date (\$ millions)

# Closing numbers utilized below are for illustrative purposes only and do not reflect the actual figures and closing audited financial statements

#### A. Working Capital

В.

C.

D.

	Closing Working Capital (See Note 2)	Target Closing Working Capital (See Note 1)	Closing Adjustment
Entegrus Inc. Consolidated	\$7.254	\$9.819	(\$2.565)
STE Amalco	\$6.744	\$3.082	\$3.662
. Total Debt	Target Closing Total Debt (See Note 1)	Closing Total Debt (See Note 3)	Closing Adjustment
Entegrus Inc. Consolidated	\$52.240	\$48.900	\$3.340
STE Amalco	\$17.287	\$19.587	(\$2.300)
Net Regulatory Balance	Closing Net Regulatory Balance (See Note 4)	Target Closing Net Regulatory Balance (See Note 1)	Closing Adjustment
Entegrus Powerlines Inc.	\$0.693	\$0.000	\$0.693
STE Amalco	(\$1.128)	\$0.000	(\$1.128)
Net regulatory balance to exclude deferred tax amounts as	ssociated with regulatory balances.		
. Closing Net Fixed Assets			

	Closing	Target Closing Net Fixed	Closing
	Net Fixed Assets (See Note 5)	Assets (See Note 1)	Adjustment
Entegrus Powerlines Inc.	\$83.194	\$83.194	\$0.000
STE Amalco	\$27.801	\$27.801	\$0.000

Closing net fixed assets balance to exclude work in process and Bio-gas facility net fixed asset amounts.

#### Ε. **Total Net Closing Adjustments**

	Net Closing Adjustment
Entegrus Inc. Consolidated	\$1.468
STE Amalco	\$0.234

#### Note 1

Target amounts are as stated in Section 2.8.3 of the Merger Agreement.

#### Note 2

Closing Working Capital Closing working capital is to be calculated based on the audited closing financial statement balance sheet

accounts as follows:		
	Entegrus Inc.	STE
	Consolidated	Amalco
Current assets		
Cash and cash equivalents	3.540	3.582
Accounts receivable	7.604	4.253
Accounts receivable - unbilled revenue	14.396	4.239
Taxes receivable	0.000	0.000
Inventories	1.108	0.016
Current portion of prepaid expenses (including current COS Receivable)	0.533	0.165
Work in progress (F/S Capital Asset Note)	0.220	0.038
	27.401	12.293
Less		
Liabilities		
Accounts payable and accrued liabilities	16.350	5.238
Payment in lieu of taxes	0.000	0.000
Taxes payable	0.179	0.000
Current portion of customer deposits	1.000	0.094
Long-term portion of customer deposits	2.618	0.217
	20.147	5.549
Closing working capital	\$7.254	\$6.744

#### Note 3

Closing Total Debt Closing total debt is to be calculated based on the audited closing financial statement balance sheet accounts as follows:

	Entegrus Inc. Consolidated	STE Amalco
Bank debt	2.000	17.287
Due from related parties	0.000	0.000
Due to related parties	0.000	0.000
Due to the City of St. Thomas	0.000	2.300
Due to the Municipality of Chatham-Kent	23.400	0.000
Related party term loan	0.000	0.000
Notes payable	23.500	0.000
Closing total debt	\$48.900	\$19.587

Note 4

Closing Net Regulatory Balance Closing net regulatory balance is to be calculated based on the audited closing financial statement balance sheet accounts as follows:

	Entegrus Powerlines Inc.	STE Amalco
Regulatory debit balances	0.693	2.832
Excluding deferred tax amount associated with regulatory debit balances	0.000	0.000
Regulatory debit balances excluding deferred tax amounts	0.693	2.832
Less		
Regulatory credit balances	2.298	3.960
Excluding deferred tax amount associated with regulatory credit balances	(2.298)	0.000
Regulatory credit balances excluding deferred tax amounts	0.000	3.960
Closing net regulatory balance	\$0.693	(\$1.128)

#### Note 5

Closing Net Fixed Assets Closing net fixed assets is to be calculated based on the audited closing financial statement balance sheet accounts as follows:

	Entegrus Powerlines Inc.	STE Amalco
Net fixed assets at closing		
Capital assets	86.004	0.000
Property, plant and equipment Less:	0.000	29.216
Current portion of deferred capital funding	0.000	0.000
Current portion of deferred revenue (relating to developer capital contributions)	0.000	0.048
Deferred capital funding	0.000	0.000
Non-current portion of deferred revenue (relating to developer capital contributions) Less:	1.848	1.329
Bio-gas facility net fixed assets Work in	0.742	0.000
process	0.220	0.038
Closing net fixed assets	\$83.194	\$27.801

# **EXECUTION VERSION**

# SCHEDULE 5.1 ST. THOMAS DISCLOSURE SCHEDULE

See attached

# **EXECUTION VERSION**

# SCHEDULE 6.1 ENTEGRUS DISCLOSURE SCHEDULE

See attached

# **EXECUTION VERSION**

#	Description	Timing	Comments
1.	City of St. Thomas (" <b>St.</b> <b>Thomas</b> ") acquires shares of Ascent Energy Services Inc. (" <b>AESI</b> ") (which owns the shares of Ascent Solutions Inc. (" <b>ASI</b> ") and Ascent Utility Services Inc. (" <b>AUSI</b> ")) from Ascent Group Inc. (" <b>AGI</b> ") for nominal amount (i.e., \$1.00).	Summer/Fall 2017.	To remove AESI, ASI and AUSI from structure to be included in Entegrus transaction.
2.	AGI accounts for transfer of debt from ASI and AUSI to AGI and direct from AESI to AGI. AGI is the counterparty to Scotiabank. Balances adjusted to fair market value (" <b>FMV</b> ") (i.e., nil).	Summer/Fall 2017.	Accounting recognition to record bank debt in AGI, as counterparty to Scotiabank, and to move debt into entity to be included in Entegrus transaction. AESI FMV adjustment to be net of \$1M expected proceeds on sale of fibre assets/business. Adjustment to FMV creates tax asset in AGI.
3.	AUSI and ASI are wound down (insolvency options to be considered). AESI preserved to meet obligations under fibre business asset purchase agreement.	Summer/Fall 2017.	
4.	Fibre assets/business purchased by Entegrus Services Inc. from AESI for \$1M pursuant to fibre business asset purchase agreement.	December 27, 2017.	Proceeds applied to Scotiabank debt.

# SCHEDULE 7.1.3 DEBT RESTRUCTURING

	Scotiabank undertakes as part of closing to discharge its security interest in fibre assets/business upon receipt of closing proceeds.		
5.	St. Thomas converts short- term note and long-term note into equity. If there is any shortfall in the financial position of AGI / St. Thomas Energy Inc. (" <b>STEI</b> ") prior to the transaction, St. Thomas may advance additional monies in the form of equity to achieve targeted debt structure. St. Thomas to discharge its mortgage against STEI head office (and any other security against AGI and STEI) as part of this conversion process. <b>Mechanics:</b> (a) St. Thomas will advance to AGI an amount equal to the promissory note of STEI	Near-closing (but before December 19, 2017).	To maximize St. Thomas equity position.
	<ul> <li>in favour of St. Thomas</li> <li>(\$7,714,426); these funds will</li> <li>be used to subscribe for additional shares of AGI.</li> <li>(b) AGI will deposit these funds against the Scotiabank facility.</li> <li>(c) STEI will then draw</li> <li>\$7,714,426 against the Scotiabank facility in order to pay out the promissory note of STEI in favour of St.</li> </ul>		Scotiabank's net debt exposure does not change.

6.	Thomas. (d) St. Thomas will then convert its remaining shareholder loan to AGI into equity of AGI. Scotiabank to provide payout letter, including undertaking to discharge all security held by it against AGI and STEI upon payment of amount owing to it.	December 19, 2017.	Entegrus protected as amounts owing to Scotiabank included in Purchase Price adjustments under merger agreement (as part of "STE Amalco Closing Total Debt").
7.	Entegrus Inc. to advance amount specified in Scotiabank payout letter to Scotiabank's counsel pending closing.	On or before December 29, 2017.	Funds to be held in trust/escrow pending closing.
8.	AGI to terminate interest rate swap agreement with Scotiabank (including payment of resulting costs).	On or before December 29, 2017.	
9.	Entegrus Inc. to provide IESO with guarantee of obligations of EPI, STEI and "STE Amalco" in order to obtain cancellation/release of Scotiabank letter of credit in favour of IESO posted by STEI.	On or before December 29, 2017.	
10.	AGI and STEI amalgamate to form "STE Amalco".	Immediately before closing.	OEB approval for amalgamation to be obtained as part of a common MAAD application for Entegrus transaction.

11.	STE Amalco acquired by Entegrus in exchange for shares in Entegrus.	Closing.	Expected to be January 1, 2018.
12.	All parties to advise Scotiabank's counsel that closing has occurred.	Immediately after closing.	Scotiabank deemed to have been paid out on notice that closing occurring.
13.	STE Amalco and EPI are amalgamated.	Immediately after closing or day after closing (or as otherwise agreed).	To bring LDCs together as part of common MAAD application.
14.	Scotiabank counsel to release funds received from Entegrus to Scotiabank.	Day after closing.	Any costs of repaying Scotiabank are for the account of St. Thomas.

### SCHEDULE 7.3.4.7 TRANSITIONAL COMMITTEE APPROVAL MATTERS

- (a) Recommending the initial governance guidelines for the Board such as: Board mandate; identifying Board committees and their mandates; Board and committee member roles; recommending officers for Entegrus;
- (b) Recommending the form and content of the shareholder direction for each Subsidiary of Entegrus;
- (c) Subject to the terms of the Entegrus Shareholders Agreement, recommending the composition and structure of the board of directors of each Subsidiary of Entegrus as well as officers of each Subsidiary;
- (d) Provide direction on the initial business plan for Entegrus and its Subsidiaries;
- (e) Recommending material communications from and to stakeholders and communities;
- (f) Receiving information on the restructuring and transition plan for the merger; and
- (g) Receiving information on matters that may constitute a breach of the covenants in Sections 7.1.1, 7.1.2, 7.2.1 and 7.2.3.

### EXHIBIT 8.1.4.2 FORM OF RELEASE

#### RELEASE

#### TO: St. Thomas Energy Inc. (the "**Corporation**")

RE: Merger agreement dated July 21, 2017 between the Corporation of the City of St. Thomas, Ascent Group Inc., St. Thomas Energy Inc., the Corporation of the Municipality of Chatham-Kent, Corix Energy Inc., Entegrus Inc. and Entegrus Powerlines Inc. (the "**Merger Agreement**")

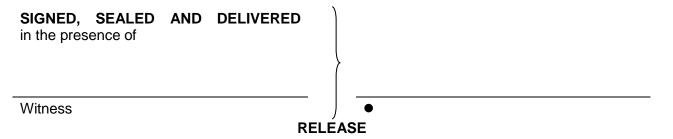
For value received, the undersigned irrevocably releases the Corporation, and each of its predecessors (all such persons and entities being called the "**Releasees**") from all claims, demands, actions, causes of action, suits, arbitrations, investigations, proceedings, complaints, grievances, charges, prosecutions, assessments and reassessments, including without limitation any appeals or applications for review (collectively, "**Claims**") of any kind which the undersigned or his or her heirs, executors, administrators, legal representatives, successors or assigns ever had, now have, or may in the future have against any of the Releasees by reason of any cause, whether known or unknown, including any Claim arising out of the undersigned having been a director, officer, employee, fiduciary or representative of the Corporation but nothing in this Release will release the Releasees from any indemnification or other obligations that they have to the undersigned under applicable law or under the terms of the Corporation's or any of its predecessors' by-laws.

In addition, the undersigned:

- 1. represents and warrants that he or she has not assigned and will not assign to any other person or entity any of the Claims which the undersigned is releasing in this Release; and
- 2. agrees not to make any claim or to initiate any proceedings against any person who or entity which, in respect of the Claims released by this Release, might claim contribution from, or to be indemnified by, any of the Releasees.

The provisions of this Release will be binding upon the undersigned and his or her heirs, executors, administrators, legal representatives, successors and assigns. This Release is governed by, and is to be interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

The undersigned has executed this Release as of this ● day of ●, 2018.



- TO: St. Thomas Energy Inc. (the "Corporation")
- RE: Merger agreement dated July 21, 2017 between the Corporation of the City of St. Thomas, Ascent Group Inc., St. Thomas Energy Inc., the Corporation of the Municipality of Chatham-Kent, Corix Energy Inc., Entegrus Inc. and Entegrus Powerlines Inc. (the "**Merger Agreement**")

For value received, the undersigned irrevocably releases the Corporation, and each of its predecessors (all such persons and entities being called the "**Releasees**") from all claims, demands, actions, causes of action, suits, arbitrations, investigations, proceedings, complaints, grievances, charges, prosecutions, assessments and reassessments, including without limitation any appeals or applications for review (collectively, "**Claims**") of any kind which the undersigned or its successors or assigns ever had, now have, or may in the future have against any of the Releasees by reason of any cause, whether known or unknown, including any Claim arising out of the undersigned having been a shareholder, fiduciary or representative of the Corporation but nothing in this Release will release the Releasees from any indemnification or other obligations that they have to the undersigned under the Merger Agreement or under any other agreement or document delivered pursuant to the Merger Agreement.

In addition, the undersigned:

- 1. represents and warrants that it has not assigned and will not assign to any other person or entity any of the Claims which the undersigned is releasing in this Release; and
- 2. agrees not to make any claim or to initiate any proceedings against any person who or entity which, in respect of the Claims released by this Release, might claim contribution from, or to be indemnified by, any of the Releasees.

The provisions of this Release will be binding upon the undersigned and its successors and assigns. This Release is governed by, and is to be interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in that Province.

The undersigned has executed this Release as of this ● day of ●, 2018.

# THE CORPORATION OF THE CITY OF ST. THOMAS

Per:

Name: Heather Jackson Title: Mayor

Per:

Name: Maria Konefal Title: City Clerk

#### **SCHEDULE 5.1**

#### ST. THOMAS DISCLOSURE SCHEDULE

These schedules (collectively, the "St. Thomas Disclosure Schedule") are dated as of July 21, 2017.

Reference is made to the Merger Agreement made as of July 21, 2017 between The Corporation of the City of St. Thomas, Ascent Group Inc., St. Thomas Energy Inc., The Corporation of the Municipality of Chatham-Kent, Corix Energy Inc., Entegrus Inc. and Entegrus Powerlines Inc. (the "Merger Agreement").

Capitalized terms used in this St. Thomas Disclosure Schedule have the same meanings herein as in the Merger Agreement. References in this St. Thomas Disclosure Schedule to Article and Section numbers are references to the relevant Articles or Sections of the Merger Agreement.

The term "Nil" as used in this St. Thomas Disclosure Schedule indicates that no facts or circumstances are required to be disclosed under the Merger Agreement in respect of the applicable Article or Section of the Merger Agreement.

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# Section 1.1 Permitted Encumbrances

# Head Office

 <u>135 Edward Street, St. Thomas ON</u> Lot 8, Plan 287, St. Thomas, Except Parts 1 to 3, 11R8155; T/W E439278, St. Thomas, described as PIN 35188-0023(LT). *See attached parcel register.*

# **Substations**

2. <u>**19 Hammond Street, St. Thomas ON**</u> Lot 14, RCP 321 St. Thomas, described as PIN 35181-0031(LT). *See attached parcel register.* 

# 3. 305 Forest Ave., St. Thomas ON

PCL 3-1 Sec M1; Part Lot 3 Pl M1 Yarmouth commencing at a point in the north easterly angle of said lot three (3); thence westerly along the northerly limit of said lot number three (3) a distance of thirty-five feet (35'); thence southerly, parallel to the easterly limit of said lot number three (3) a distance of seventy feet (70')l thence easterly parallel with the northerly limit of said lot a distance of thirty-five feet (35') to a point in the easterly limit of said lot number three (3); thence northerly along said easterly limit a distance of seventy fee (70') to the point of commencement.; St. Thomas, described as PIN 35207-0115(LT).

See attached parcel register.

# 4. Holland Street, St. Thomas ON

Block K Plan 284 St. Thomas; described as PIN 35237-0067(LT). See attached parcel register.

# 5. South Edgeware Road, St. Thomas ON

Part Lot 21 Plan 287, St. Thomas as in E121930; St. Thomas, described as PIN 35189-0007(LT). See attached parcel register.

# 6. Elm Street, St. Thomas, ON

Block T Plan 305 St. Thomas; s/t E135647; St. Thomas, described as PIN 35244-0149(LT). See attached parcel register.

# 7. 452½ Wellington Street, St. Thomas, ON

PCL 9-8; Sec YAR-8; Part Lot 9; Concession 8; Yarmouth; Part 7-11R1522; St. Thomas, described as PIN 35200-0054(LT). *See attached parcel register.* 

**SUBJECT, ON FIRST REG ** SUBSECTION 4 ** AND ESCHEATS ** THE RIGHTS C ** CONVENTION. ** ANY LEASE T ** ANY LEASE T 11R2057 1980/04/17 11R297 1985/10/28 11R2997 1985/10/28 280611 1987/01/23	AND ESCHEATS OR FORFEITURE TO THE CROWN.       THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE       IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIFTION, MISDESCRIPTION       ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLIES       ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLLES       ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLLES       ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLLES       ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLLES       ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLLES       ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLLES       ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLLES       11R2057     1980/04/17       11R2097     1987/01/12       PLAN REFERENCE     \$80,000       E280511     1987/01/12       PLAN REFERENCE     \$80,000	ON FIRST REG STRATEON UNDER THE LAND TITLES ACT, TO SUBSECTION 4/(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, SUBSECTION 4/(1) OF THE LAND TITLES A THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES A IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDE CONVENTION. ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT / ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT / ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT / 1980/04/17 PLAN REFERENCE 1980/04/17 PLAN REFERENCE 1987/01/12 PLAN REFERENCE 1987/01/12 TRANSFER 1987/01/04 MANSFER	TER SOMUSSION QUALIFIED TE SOMUSSION QUALIFIED AND TROWNS FOR QUALIFIED T. THOMAS FORMERY INC. T. THOMAS FORMERY INC. T. THOMAS FORMERY INC. THOMAS FO	PIN CREATION DATE: 2005/10/24 PARTIES TO THE PUBLIC OTILITIES COMMISSION OF THE CITY OF ST. THOMAS THE PUBLIC OTILITIES COMMISSION OF THE CITY OF ST. THOMAS	CERT/ CERT/
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NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCALPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY. NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER REGISTRY OFFICE #11 * CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT	PEC 3-1 SEC M1; FT LT 3 PL M1 YARMOUTH COMMENCING AT A POINT IN THE NORTH EASTERLY ANGLE OF SAID LOT THREE (3); THENCE WESTERLY ALONG THE NORTHERLY LINIT OF SAID LOT NUMBER THREE (3) A DISTANCE OF THIRTY-FIVE FEET (35'); THENCE SOUTHERLY, PARALLEL TO THE EASTERLY LINIT OF SAID LOT NUMBER THREE (3) A DISTANCE OF SEVENTY FEET (70'); THENCE EASTERLY PARALLEL WITH THE NORTHERLY LINIT OF SAID LOT TO THE EASTERLY LINIT OF SAID LOT NUMBER THREE (3)' TO A POINT IN THE EASTERLY LINIT OF SAID LOT NUMBER THREE (3); THENCE NORTHERLY ALONG SAID EASTERLY LINIT OF SAID LOT TO THE EASTERLY LINIT OF ADDIT EASTERLY LINIT OF SAID LOT NUMBER THREE (3); THENCE NORTHERLY ALONG SAID EASTERLY LINIT A DISTANCE OF SEVENTY FEET (70') TO THE POINT IN THE EASTERLY LINIT OF SAID LOT NUMBER THREE (3); THENCE NORTHERLY ALONG SAID EASTERLY LINIT A DISTANCE OF SEVENTY FEET (70') TO THE POINT IN THE COMMENCEMENT.; ST. THOMAS	RECENTLY: FIRST CONVERSION FROM BOOK	ARE	PARTIES FROM	T INCLUDED) **		THE PUBLIC UTILITIES COMMISSION OF ST. TEOMAS
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PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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CERT/ CHKD υ υ ON 2017/07/20 AT 15:40:24 PREPARED FOR BDolgos1 PIN CREATION DATE: 2005/04/25 PARTIES TO ÷ TO RESERVATIONS IN CROWN GRANT ST. THOMAS ENERGY INC. \* SUBJECT (II) 35200-0054 TITLES ACT THE CORPORATION OF THE CITY OF ST. THOMAS PARTIES FROM \* CERTIFIED IN ACCORDANCE WITH THE LAND PCL 9-8 SEC YAR-8; PT LT 9 CON 8 YARMOUTH PT 7 11R1522; ST. THOMAS RECENTLY: FIRST CONVERSION FROM BOOK : INCLUDED) OFFICE #11 CAPACITY SHARE REGISTRY INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT \$2 LAND AMOUNT Contario ServiceOntario INSTRUMENT TYPE PLAN REFERENCE TRANSFER 1978/05/15 2017/07/13 OWNERS' NAMES ST. THOMAS ENERGY INC. PROPERTY DESCRIPTION: DATE ESTATE/OUALIFIER: FEE SIMPLE ABSOLUTE PROPERTY REMARKS: \*\* PRINTOUT REG. NUM. CT142331 11R1522

PAGE 1 OF 1

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY, NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

#### Section 5.4 Consents

- 2 -

- 1. Loan and security agreements and documentation with The Bank of Nova Scotia (note: BNS to be paid out immediately after Closing by Entegrus as part of the Debt Restructuring).
- 2. Restructuring promissory note of St. Thomas Energy Inc. in favour of The Corporation of the City of St. Thomas dated December 2, 2015 in the principal amount of \$7,714,426 (note: this debt is to be converted into equity prior to the Closing as part of the Debt Restructuring).

#### Section 5.5.3 Share Ownership and Subsidiaries

#### Ascent Group Inc.

1,001 Common Shares issued to/held by The Corporation of the City of St. Thomas (additional Common Shares to be issued by Ascent Group Inc. to The Corporation of the City of St. Thomas as part of the Debt Restructuring).

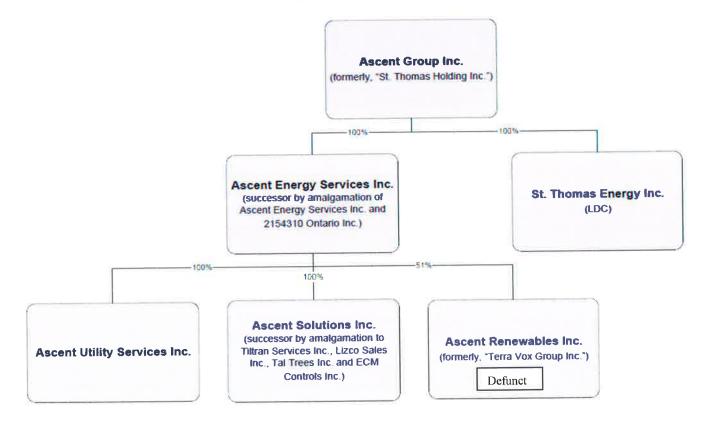
#### St. Thomas Energy Inc.

1,001 Common Shares issued to/held by Ascent Group Inc.

#### Other Securities Held

One Common Share of Utility Collaborative Services Inc. (UCS) issued to/held by St. Thomas Energy Inc.

**Corporate Chart** (as of the date of this St. Thomas Disclosure Schedule)



## ASCENT GROUP OF COMPANIES

## Section 5.11.2 Directors

# Ascent Group Inc.

Name

## **Most Recent Election Date**

John Laverty	January 1, 2017
Heather Jackson	January 1, 2017
Gary Clarke	January 1, 2017
Linda Stevenson	January 1, 2017

# St. Thomas Energy Inc.

# NameMost Recent Election DateJames HerbertJanuary 1, 2017Joe BrophyJanuary 1, 2017Heather JacksonJanuary 1, 2017Gary ClarkeJanuary 1, 2017

# Section 5.13 Financial Statements

See attached.

**Financial Statements** 

December 31, 2016

# **Financial Statements**

# For the Year Ended December 31, 2016

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P. 519-633-0700 · F. 519-633-7009 450 Sunset Drive, St. Thomas, ON N5R 5V1 P. 519-773-9265 · F. 519-773-9683 25 John Street South, Aylmer, ON N5H 2C1

www.grahamscottenns.com

#### INDEPENDENT AUDITORS' REPORT

To the Shareholder of St. Thomas Energy Inc.

We have audited the accompanying financial statements of St. Thomas Energy Inc., which comprise the statement of financial position as at December 31, 2016 and the statements of comprehensive income, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards; this includes determining that the basis of accounting is an acceptable basis for the preparation of these financial statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the statement of financial position of **St. Thomas Energy Inc.** as at December 31, 2016 and the statements of comprehensive income, changes in equity, and cash flows for the year then ended in accordance with International Financial Reporting Standards.

St. Thomas, Ontario

April 24, 2017

Graham Scott Enns LLP

CHARTERED PROFESSIONAL ACCOUNTANTS Licensed Public Accountants

# Statement of Financial Position As At December 31, 2016

	2016 \$	2015 \$
ASSETS		<del></del>
CURRENT ASSETS		
Cash (Note 11)	2,983,881	6,359,784
Accounts receivable (Note 16)	<b>4,058,97</b> 7	
Unbilled revenue	4,156,086	4,289,732
Inventory	15,769	3,109
Current portion of prepaid expenses (Note 5)	<u>    165,553</u>	219,619
Total Current Assets	11,380,266	14,168,033
NON-CURRENT ASSETS		
Property, plant and equipment (Note 7)	28,081,667	27,229,191
Prepaid expenses (Note 5)	135,095	194,362
Deferred tax assets (Note 15)	732,281	1,130,753
Total Non-Current Assets	28,949,043	28,554,306
TOTAL ASSETS	40,329,309	42,722,339
<b>REGULATORY BALANCES (NOTE 4)</b>	2,951,682	3,981,769
TOTAL ASSETS AND REGULATORY BALANCES	43,280,991	46,704,108

# Statement of Financial Position As At December 31, 2016

	2016	2015
LIABILITIES		\$
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	5,135,523	4,655,369
Current customer deposits	169,500 107,065	123,802 4,172
Payment in lieu of income taxes payable Due to related parties (Note 13)	593,027	386,476
Current portion of deferred developer contributions (Note 6)	20,000	-
Due to City of St. Thomas (Note 13)	2,270,713	8,041,278
Total Current Liabilities	8,295,828	13,211,097
NON-CURRENT LIABILITIES		
Related party term loan (Note 13)	3,500,000	3,500,000
Deferred developer contributions (Note 6)	1,029,421	461,143
Promissory note payable to City of St. Thomas (Note 10), (Note 13)	7,714,426 349,883	7,714,426 370,575
Long-term customer deposits Post-employment benefits (Note 8)	1,237,721	1.235.576
Total Non-Current Liabilities	13,831,451	13,281,720
TOTAL LIABILITIES	22,127,279	26,492,817
SHAREHOLDER'S EQUITY		
SHARE CAPITAL (NOTE 12)	7,714,426	7,714,426
RETAINED EARNINGS	9,704,735	8,170,373
ACCUMULATED OTHER COMPREHENSIVE LOSS	<u>(90,021</u> )	<u>(90,021</u> )
	17,329,140	15,794,778
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	39,456,419	42,287,595
<b>REGULATORY BALANCES (NOTE 4)</b>	3,824,572	4,416,513
TOTAL LIABILITIES, SHAREHOLDER'S EQUITY AND REGULATORY BALANCES	43,280,991	46,704,108

On Behalf of the	Board		1	0 0	
Director	/	Director	J	U	

See accompanying notes to the financial statements.

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# Statement of Comprehensive Income For the Year Ended December 31, 2016

	2016 	2015 
REVENUES	38,531,451	31,837,044
Sale of energy Distribution	7,310,965	6,960,243
Other	1,684,131	1,746,889
Other		
	47,526,547	40,544,176
OPERATING EXPENDITURES	27 564 220	21 571 800
Cost of power purchased	37,564,320	31,571,809 1,973,749
Employee salaries and benefits	2,056,085 3,631,529	3,378,812
Operating expenses	1,254,621	1,148,681
Amortization	1,40 1,021	
	44,506,555	38,073,051
INCOME FROM OPERATING ACTIVITIES OTHER ITEMS	3,019,992	2,471,125
Finance income	161,493	208,033
Finance costs	(519,939)	(867,699)
(Loss) gain on disposal of property, plant and equipment		(422,504)
INCOME BEFORE PAYMENT IN LIEU OF INCOME TAXES	2,661,546	1,388,955
PROVISION FOR PAYMENT IN LIEU OF TAXES (NOTE 15)	290,565	192,526
NET INCOME FOR THE YEAR	2,370,981	1,196,429
NET MOVEMENT IN REGULATORY BALANCES	<u>(836,619</u> )	173,609
NET INCOME FOR THE YEAR AND NET MOVEMENT IN REGULATORY BALANCES, NET OF TAX	1,534,362	1,370,038
OTHER COMPREHENSIVE INCOME	7	
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,534,362	1,370,038

# Statement of Changes in Equity For the Year Ended December 31, 2016

	Share Capital \$	A Retained Earnings \$	ccumulated oth comprehensive loss 	
BALANCE, JANUARY 1, 2016	7,714,426	8,170,373	(90,021)	15,794,778
Net income after net movement net movement in regulatory balances	<del>_</del>	_1,534,362		1,534,362
BALANCE, DECEMBER 31, 2016	7,714,426	9,704,735	(90,021)	17,329,140
	Share Capital \$	A Retained Earnings \$	Accumulated oth comprehensive loss 	
BALANCE, JANUARY 1, 2015	7,714,426	6,800,335	(90,021)	14,424,740
Net income after net movement				
in regulatory balances		1,370,038		1,370,038

# Statement of Cash Flows For the Year Ended December 31, 2016

	2016 	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES Net income for the year after net movements in regulatory balances	1,534,362	1,370,038
Adjustments for Amortization of property, plant and equipment Change in post-employment benefits	1,254,621 2,145	1,148,680 4,248
Loss (gain) on disposal of property, plant and equipment Income from deferred capital contributions	(20,006)	422,504 <u>(7,177</u> )
	2,771,122	2,938,293
Changes in non-cash working capital (note 9)	(5,691,381)	(381,962)
Net movement in regulatory balances (note 4)	836,618	(173,609)
	(2,083,641)	2,382,722
CASH FLOW FROM INVESTING ACTIVITIES Additions to property, plant and equipment	(2,107,097)	(2,612,101) 12,900
Proceeds on disposal of property, plant and equipment Contributed capital contributions in aid of construction	<u>608,284</u>	355,700
	(1,498,813)	(2,243,501)
CASH FLOW FROM FINANCING ACTIVITIES	33,199	152,129
Increase in due to Ascent Energy Services Inc. Increase in due to Ascent Group Inc.	119,265	14,947
(Decrease) increase in due to Ascent Solutions Inc.	54,087	(17,181)
	206,551	149,895
NET CHANGE IN CASH	(3,375,903)	289,116
CASH, BEGINNING OF YEAR	6,359,784	6,070,668
CASH, END OF YEAR	2,983,881	6,359,784
SUPPLEMENTAL INFORMATION:		
Interest received	<u> </u>	208,033
Interest paid	519,939	867,699
Income Taxes Paid		215,302

# Notes to the Financial Statements For the Year Ended December 31, 2016

#### 1. **REPORTING ENTITY**

St. Thomas Energy Inc. (the "Corporation") is a rate regulated, municipally owned hydro distribution company incorporated under the Business Corporations Act (Ontario, Canada) on November 3, 2000.

The address of the Corporation's registered office is 135 Edward Street, St. Thomas, Ontario N5P 4A8.

The Corporation is wholly owned by Ascent Group Inc. ("AGI"), which is in turn owned 100% by the Corporation of the City of St. Thomas. The principal business of the Corporation is providing electricity distribution services to residential and commercial customers within the City of St. Thomas, Ontario, under a license issued by the Ontario Energy Board ("OEB").

#### 2. BASIS OF PRESENTATION

#### Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the International Account Standards Board ("IASB") and interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, including accounting principles prescribed by the Ontario Energy Board in the Accounting Procedures Handbook for Electric Distribution Utilities.

The financial statements were approved by the Board of Directors on April 24, 2017.

#### Basis of Measurement

These financial statements have been prepared on the historical cost basis, unless otherwise stated.

#### Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

#### Rate Setting and Regulation

The OEB has regulatory oversight of electricity matters in the Province of Ontario. The Ontario Energy Board Act, 1998 sets out the OEB's powers, including the issuance of distribution licenses that must be obtained by owners or operators of a distribution system under the Ontario Energy Board Act, 1998. The OEB prescribes license requirements and conditions of service to local distribution companies ("LDCs"), including, among other things, specified accounting records, regulatory accounting principles and filing process requirements for rate-setting purposes. The OEB's authority and responsibilities include the power to approve and set rates for the transmission and distribution of electricity, providing continued rate protection for electricity consumers in Ontario, and the responsibility of ensuring the electricity distribution companies fulfill obligations to connect and service customers.

# Notes to the Financial Statements For the Year Ended December 31, 2016

#### 2. BASIS OF PRESENTATION

#### Rate Setting and Regulation (continued)

The Corporation is required to charge its customers for the following amounts (all of which, other than the distribution rates, represent a pass through of amounts payable to third parties):

- i) Electricity Price The electricity price represents the commodity cost of electricity;
- ii) Distribution Rate The distribution rate is designed to recover the costs incurred by the Corporation in delivering electricity to customers and the OEB allowed rate of return;
- iii)Global Adjustment The difference between the rate paid to regulated and contracted electricity generators and the spot market price;
- iv) Retail Transmission Rate The retail transmission rate represents the wholesale costs incurred by the Corporation in respect of the transmission of electricity from generating stations to the local areas, and,
- v) Wholesale Market Services Charge The wholesale market services charge represents the cost of services provided by the Independent Electricity System Operator ("IESO") to operate the wholesale electricity market and maintain the reliability of the power grid.

The Corporation is required, pursuant to regulation, to remit such amounts to these third parties, irrespective of whether the Corporation ultimately collects these amounts from customers.

On October 18, 2012, the Ontario Energy Board released its Report, Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach ("RRFE). This renewed regulatory approach is intended to evolve the focus from costs and cost recovery to focusing on long-term value for money for customers.

The OEB has established three rate-setting methods under RRFE. Each LDC will select the method that best meets its needs and circumstances, and apply to the OEB to have its rates set on that basis.

For the distribution revenue included in sale of energy, the Corporation files a "Cost of Service" ("COS") rate application with the OEB every five years where rates are determined through a review of the forecasted annual amount of operating and capital expenditures, debt and shareholder's equity required to support the Corporation's business. The Corporation estimates electricity usage and the costs to service each customer class to determine the appropriate rates to be charged to each customer class.

The COS application is reviewed by the OEB and interveners and rates are approved based upon this review, including any revisions resulting from that review.

Between rate basing years, the OEB regulates the rates of the Corporation under an Incentive Rate Mechanism application ("IRM") regime.

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# Notes to the Financial Statements For the Year Ended December 31, 2016

#### 2. BASIS OF PRESENTATION

## Rate Setting and Regulation (continued)

An IRM application results in a formulaic adjustment to distribution rates that were set under the last COS application. The IRM rate setting process provides an increase in rates for inflationary costs partially offset by expected productivity and efficiency gains established by the OEB.

The Corporation last filed a COS application in 2014 for rates effective January 1, 2015 to December 31, 2019.

#### Rate Setting Electricity rates

The OEB sets electricity prices for low volume consumers twice each year based on an estimate of how much it will cost to supply the province with electricity for the next year. All remaining consumers pay the market price for electricity. The Corporation is billed for the cost of the electricity that its customers use and passes this cost on to the customer at cost without a markup.

The OEB has the general ability to include or exclude costs and revenues in the rates of a specific period, resulting in a change in the timing of accounting recognition from that which would have applied in an unregulated company under IFRS.

In January 2014, the IASB issued IFRS14, *Regulatory Deferral Accounts*, as an interim standard giving entities conducting rate-regulated activities the option of continuing to recognize regulatory balances according to their previous GAAP. Regulatory balances provide useful information about the Corporation financial position, financial performance and cash flows.

#### Use of Estimates and Judgments

# (a) Assumptions and estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates, in particular including changes as a result of future decisions made by the OEB.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in earnings in the year in which the estimates are revised and in any future years affected.

# Notes to the Financial Statements For the Year Ended December 31, 2016

# 2. BASIS OF PRESENTATION (CONTINUED)

## Use of Estimates and Judgments (continued)

Significant accounting estimates and assumptions may result in material adjustments to the carrying amount of assets and liabilities in the next financial year. Financial statement items requiring the use of management estimates include:

- i) Accounts receivable and distribution revenue measurement of unbilled revenue (Note 3);
- ii) Property, plan and equipment estimation of useful lives (Note 3);
- iii)Employee future benefits measurement of accrued benefit liability (Note 3)

(b) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

(i) Note 3 - leases: whether an arrangement contains a lease

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in all years presented in these financial statements.

Financial Instruments

All financial assets are classified as loans and receivables and all financial liabilities are classified as other liabilities. These financial instruments are recognized initially at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method less any impairment for the financial assets as described in Note 16. The Corporation does not enter into derivative instruments.

Hedge accounting has not been used in the preparation of these financial statements.

Cash equivalents include short-term investments with maturities of three months or less when purchased, of which the Corporation had none.

# Notes to the Financial Statements For the Year Ended December 31, 2016

# 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial Instruments (Continued)

#### Inventories

Inventory consists primarily of materials and supplies, the majority of which is consumed by the Corporation in the provision of its services. Inventory is carried at the lower of cost and net realizable value, with cost determined on an average cost basis and includes expenditures incurred in acquiring the materials and supplies and other costs incurred in bringing them to their existing location and condition. Items considered to be major future components of property, plant and equipment are recorded as property, plant and equipment.

#### **Revenue Recognition**

## (i) Sale and Distribution of Electricity

Revenue from the sale and distribution of electricity is recorded based on OEB-approved distribution rates and is recognized as electricity is delivered to customers on the basis of cyclical billings. Unbilled revenue is based on estimates of customer usage from the last meter reading to the end of the year. Revenue includes the cost of electricity supplied, as well as distribution and any other regulatory charges. The related cost of power is recorded on the basis of power used in the month to which it relates.

For customer billings related to electricity generated by third parties and the related costs of providing electricity service, such as transmission services and other services provided by third parties, the Corporation has determined that it is acting as a principal for these electricity charges and, therefore, has presented electricity revenue on a gross basis.

Customer billings for debt retirement charges are recorded on a net basis as the Corporation is acting as an agent for this billing stream.

#### (ii) Other Revenues

Revenue earned from the provision of services is recognized as the service is rendered.

Certain customers and developers are required to contribute towards the capital cost of construction of distribution assets in order to provide ongoing service. Cash contributions are recorded as deferred revenue.

# Notes to the Financial Statements For the Year Ended December 31, 2016

# 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue Recognition (Continued)

When an asset other than cash is received as a capital contribution, the asset is initially recognized at its fair value, with a corresponding amount recognized as deferred revenue. The deferred revenue, which represents the Corporation's obligation to continue to provide the customers access to the supply of electricity, is amortized to income on the same basis as the cost is amortized over the useful life of the related asset.

Government grants and the related performance incentive payments under CDM programs are recognized as revenue in the year when there is reasonable assurance that the program conditions have been satisfied and the payment will be received.

#### Water/Sewer Accounts Receivable

Water and sewer accounts receivable are maintained by the Corporation on behalf of the City of St. Thomas.

#### Property, Plant & Equipment

Property, plant and equipment ("PP&E") used in rate-regulated activities are measured at cost, or, where the item is contributed by customers, its fair value, less accumulated amortization.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes contracted services, materials and transportation costs, direct labour, overhead costs, borrowing costs and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Borrowing costs on qualifying assets are capitalized as part of the cost of the asset based upon the weighted average cost of debt incurred on the Corporation's borrowings. Qualifying assets are considered to be those that take in excess of 12 months to construct.

When parts of an item of PP&E have different useful lives, they are accounted for as separate items (major components) of PP&E.

When items of PP&E are retired or otherwise disposed of, a gain or loss on disposal is determined by comparing the proceeds from disposal, if any, with the carrying amount of the item and is included in profit or loss.

Major spare parts and standby equipment are recognized as items of PP&E.

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# Notes to the Financial Statements For the Year Ended December 31, 2016

# 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Property, Plant & Equipment (Continued)

The cost of replacing a part of an item of PP&E is recognized in the net book value of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. In this event, the replaced part of PP&E is written off, and the related gain or loss is included in profit or loss. The costs of the day-to-day servicing of PP&E are recognized in profit or loss as incurred.

The need to estimate the decommissioning costs at the end of the useful lives of certain assets is reviewed periodically. The Corporation has concluded it does not have any legal or constructive obligation to remove PP&E.

Amortization is calculated to write off the cost of items of PP&E using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Amortization methods, useful lives, and residual values are reviewed at each reporting date and adjusted prospectively if appropriate. Land is not amortized. Construction-in-progress assets are not amortized until the project is complete and the asset is available for use.

The estimated useful lives are as follows, with half of the annual amortization expensed in year of acquisition:

1	Life Years	Rate
Buildings	60	1.7%
Distribution system	40 - 60	1.7% - 2.5%
Transformers	40	2.5%
Meters	15 - 30	3.3% - 6.7%
Substations	40 - 45	2.2% - 2.5%
Graphical information system	15	6.7%
Rolling stock	5 - 15	6.7% - 20.0%
Mobile substations	15	6.7%
Miscellaneous equipment	10	10.0%
Computer hardware and software	5 - 10	10.0% - 20.0%
Solar panels	20	5.0%

#### Impairment

(i) Financial assets measured at amortized cost

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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# Notes to the Financial Statements For the Year Ended December 31, 2016

# 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment (Continued)

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Interest on the impaired assets continues to be recognized through the unwinding of the discount. Losses are recognized in profit or loss. An impairment loss is reversed through profit or loss if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

#### (ii) Non-financial assets

The carrying amounts of the Corporation's non-financial assets, other than materials and supplies and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### Customer Deposits

Customer deposits represent cash deposits from electricity distribution customers and retailers to guarantee the payment of energy bills. Interest is paid on customer deposits.

Deposits are refundable to customers who demonstrate an acceptable level of credit risk as determined by the Corporation in accordance with policies set out by the OEB or upon termination of their electricity distribution service.

# Notes to the Financial Statements For the Year Ended December 31, 2016

# 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

#### **Regulatory Balances**

Regulatory deferral account debit balances represent costs incurred in excess of amounts billed to the customer at OEB approved rates. Regulatory deferral account credit balances represent amounts billed to the customer at OEB approved rates in excess of costs incurred by the Corporation.

Regulatory deferral account debit balances are recognized if it is probable that future billings in an amount at least equal to the deferred cost will result from inclusion of that cost in allowable costs for rate-making purposes. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. When the customer is billed at rates approved by the OEB for the recovery of the deferred costs, the customer billings are recognized in revenue. The regulatory debit balance is reduced by the amount of these customer billings with the offset to net movement in regulatory balances in profit or loss or OCI.

The probability of recovery of the regulatory deferral account debit balances is assessed annually based upon the likelihood that the OEB will approve the change in rates to recover the balance. The assessment of likelihood of recovery is based upon previous decisions made by the OEB for similar circumstances, policies or guidelines issued by the OEB, etc. Any resulting impairment loss is recognized in profit or loss in the year incurred.

When the Corporation is required to refund amounts to ratepayers in the future, the Corporation recognizes a regulatory deferral account credit balance. The offsetting amount is recognized in net movement in regulatory balances in profit or loss or OCI. The amounts returned to the customers are recognized as a reduction of revenue. The credit balance is reduced by the amount of these customer repayments with the offset to net movement in regulatory balances in profit or loss or OCI.

# Notes to the Financial Statements For the Year Ended December 31, 2016

# 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Post-employment Benefits

#### (i) Pension Plan

The Corporation provides a pension plan for all its full-time employees through Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards and public utilities. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. To the extent that the Fund finds itself in an under-funded position, additional contribution rates may be assessed to participating employers and members.

OMERS is a defined benefit plan. However, as OMERS does not segregate its pension asset and liability information by individual employers, there is insufficient information available to enable the Corporation to directly account for the plan. Consequently, the plan has been accounted for as a defined contribution plan. The Corporation is not responsible for any other contractual obligations other than the contributions. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss when they are due.

# (ii) Post-employment benefits, other than pension

The Corporation provides some of its retired employees with life insurance and medical benefits beyond those provided by government sponsored plans.

The obligations for these post-employment benefit plans are actuarially determined by applying the projected unit credit method and reflect management's best estimate of certain underlying assumptions. Remeasurements of the net defined benefit obligations, including actuarial gains and losses and the return on plan assets (excluding interest), are recognized immediately in other comprehensive income. When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized immediately in profit or loss.

#### Leased Assets

Leases, where the terms cause the Corporation to assume substantially all the risks and rewards of ownership, are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. All other leases are classified as operating leases and the leased assets are not recognized on the Corporation's statement of financial position. Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

# Notes to the Financial Statements For the Year Ended December 31, 2016

# 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Finance Income and Finance Costs

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance income comprises interest earned on cash and cash equivalents and dividend income.

Finance costs comprise interest expense on borrowings, finance lease obligations and unwinding of the discount on provisions, net interest expense on post-employment benefits and impairment losses on financial assets. Finance costs are recognized in profit or loss unless they are capitalized as part of the cost of qualifying assets.

#### Payment in lieu of taxes

Under the <u>Electricity Act</u>, 1998, and effective October 1, 2001, the Corporation incurs Payment in lieu of taxes ("PILS") that are remitted to the Ministry of Finance. These payments are calculated in accordance with the rules for computing income and taxable capital and other relevant amounts contained in the *Income Tax Act* (Canada) and the *Corporations Tax Act* (Ontario) as modified by the *Electricity Act*, 1998 and related regulations.

The Corporation recognizes deferred tax using the liability method. Under the liability method, current income taxes payable are recorded based on taxable income. The Corporation recognizes deferred tax assets and liabilities for future tax consequences of events that have been included in the financial statements or income tax returns. Deferred tax assets and liabilities are determined based on the difference between the carrying value of the assets and liabilities on the balance sheet and their respective tax basis, using the tax rates enacted or substantively enacted by the balance sheet date that are in effect for the year in which the differences are expected to reverse. Tax benefits associated with income tax positions taken, or expected to be taken, in a tax return are recorded only when it is probably that they will be realized, and are measured at the best estimate of the tax amount expected to be paid to or recovered from the taxation authorities.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized. The calculation of the current and deferred taxes requires management to make certain judgements with respect to changes in tax interpretations, regulations, and legislation, and to estimate probable outcomes on the timing and reversal of temporary differences and tax authority audits of income tax.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

# Notes to the Financial Statements For the Year Ended December 31, 2016

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Payment in lieu of taxes (continued)

Deferred tax is recognized in respect of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted, at the reporting date.

#### Future Accounting Changes

There are new standards, amendments to standards and interpretations which have not been applied in preparing these financial statements. In particular, this includes the following:

[i] IFRS 15 - Revenue from Contracts with Customers:

IFRS 15 will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

#### [ii] IFRS 9 - Financial Instruments (IFRS 9 (2014)):

In July 2014, the IASB issued the complete IFRS 9 - Financial Instruments (IFRS 9 (2014)). The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted.

#### [iii] IFRS 16 Leases:

In January 2016, the IASB issued IFRS 16 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17 Leases.

Management has not evaluated the impact of these changes on the Corporation's financial statements.

# Notes to the Financial Statements For the Year Ended December 31, 2016

#### 4. REGULATORY BALANCES

Reconciliation of the carrying amount for each class of regulatory balances

	January 1, 2016 \$	Additions \$	Recovery/ reversal \$	December 31 2016 
<b>Regulatory deferral account debit balances</b> Group 1 deferred accounts Group 2 deferred accounts	3,567,006 <u>414,763</u>	415,245 215,085	(1,576,134) (84,283)	2,406,117 545,565
	3,981,769	630,330	(1,660,417)	2,951,682
<b>Regulatory deferral account credit balances</b> Group 1 deferred accounts Deferred tax liabilities	(3,285,761) (1,130,752)	(965,188)	1,158,657 	(3,092,292) (732,280)
	(4,416,513)	(965,188)	1,557,129	(3,824,572)
	January 1, 2015 _\$	Additions	Recovery/ reversal \$	December 31 2015 
<b>Regulatory deferral account debit balances</b> Group 1 deferred accounts Group 2 deferred accounts	2,270,381 <u>106,759</u>	2,013,570 <u>430,960</u>	(716,945) (122,956)	3,567,006 <u>414,763</u>
	2,377,140	2,444,530	(839,901)	3,981,769
	2,511(110	23111,230	mana ana kaominina kaominin'	<b></b>
<b>Regulatory deferral account credit balances</b> Group 1 deferred accounts Deferred tax liabilities	(1,854,741) (1,255,644)	(2,118,871)	687,851 124,892	(3,285,761) (1,130,752)

The regulatory balances are recovered or settled through rates approved by the OEB which are determined using estimates of future consumption of electricity by its customers. Future consumption is impacted by various factors including the economy and weather. The Corporation has received approval from the OEB to establish its regulatory balances.

# Notes to the Financial Statements For the Year Ended December 31, 2016

## 4. REGULATORY BALANCES (CONTINUED)

Settlement of the Group 1 and Group 2 deferral accounts is done on an annual basis through application to the OEB. During the year, an application was made to the OEB to repay (liability) \$219,035 (2015 - recover (asset) \$485,120) of the Group 1 deferral accounts in 2017. On December 1, 2016, \$442,351 of this application was approved for repayment in 2017. On December 1, 2016, \$178,799 of the Group 2 deferral accounts was also approved for recovery (asset). Once approval is received, the approved account balance is moved to the regulatory settlement account. The OEB requires the Corporation to estimate its income taxes when it files a COS application to set its rates. As a result, the Corporation has recognized a regulatory deferral account for the amount of deferred taxes that will ultimately be recovered from/paid back to its customers. This balance will fluctuate as the Corporation's deferred tax balance fluctuates. The OEB will generally only approve material balances and as such the Corporation may not seek disposition of the IFRS costs in the next IRM.

Regulatory balances attract interest at OEB prescribed rates, which are based on Bankers' Acceptances three-month rate plus a spread of 25 basis points. The rate used in 2016 was 1.10% (2015 - 1.10%).

#### Deferred income taxes

This balance represents the amount expected to be refunded in rates arising from the temporary differences in the recognition of deferred tax assets. In the absence of regulatory treatment, net earnings for the current year would have decreased \$398,472 (2015 - decreased \$124,892).

2015

2016

#### 5. PREPAID EXPENSES

		2016 <u>\$</u>	2015 \$
	Rate rebasing costs Other	194,362 <u>106,286</u>	259,149 <u>154,832</u>
	Less: Current portion	300,648 (165,553)	413,981 (219,619)
		135,095	194,362
6.	DEFERRED DEVELOPER CONTRIBUTIONS	2016 	2015 
	Developer contributions received Accumulated amortization	1,076,604 (27,183)	468,320 <u>(7,177</u> )
	Current portion	1,049,421 (20,000)	461,143
	-	1,029,421	461,143

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# Notes to the Financial Statements For the Year Ended December 31, 2016

# 7. PROPERTY, PLANT & EQUIPMENT

	Land and Buildings \$	Distribution Equipment \$	Other Fixed Assets \$	Construction in Process 	Major Spare Parts 	Total \$
<b>Cost</b> Balance, January 1, 2016 Additions	172,862	24,525,206 2,028,233	4,085,024 187,021	36,991 1,417	639,287	29,459,370 2,216,671
Transfers Disposals/retirements Balance, December 31, 2016	172,862	26,553,439	4,272,045	38,408	- (109,575) 529,712	- (109,575) 31,566,466
Accumulated Amortization Balance, January 1, 2016		1,583,216	628,108	-	18,854	2,230,178
Amortization		875,368	367,425	-	11,828	1,254,621
Disposals/retirements Balance, December 31, 2016		2,458,584	995,533		30,682	3,484,799
<b>Cost</b> Balance, January 1, 2015 Additions	181,825 3,936	22,711,307 2,282,577	3,880,008 205,016	13,775 28,069	541,931 97,356	27,328,846 2,616,954 (4,853)
Transfers Disposals/retirements Balance, December 31, 2015	(12,900) 172,861	(468,678) 24,525,206	4,085,024	(4,853) 	639,287	(4,835) (481,578) 29,459,369
Accumulated Amortization Balance, January 1, 2015 Amortization Disposals/retirements	2 8 9 1	814,232 815,158 (46,174)	307,256 320,852		6,183 12,671	1,127,671 1,148,681 (46,174)
Balance, December 31, 2015		1,583,216	628,108		18,854	2,230,178
<b>Carrying Amounts</b> At December 31, 2016	172,862	24,094,855	3,276,512	38,408	499,030	28,081,667
At December 31, 2015	172,861	22,941,990	3,456,916	36,991	620,433	27,229,191

# Notes to the Financial Statements For the Year Ended December 31, 2016

#### 8. POST-EMPLOYMENT BENEFITS

#### (a) OMERS pension plan

The Corporation provides a pension plan for its employees through OMERS. The plan is a multiemployer, contributory defined pension plan with equal contributions by the employer and its employees. In 2016, the Corporation made employer contributions of \$224,348 to OMERS (2015 -\$229,885).

As at December 31, 2016, OMERS had approximately 470,000 members, of which approximately 30 are current employees of the Corporation. Each year, an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits the members have earned to date. The most recent actuarial valuation of the Plan was conducted December 31, 2015, and the results of this valuation disclosed actuarial liabilities of \$81.9 billion in respect of benefits accrued for service with actuarial assets at that date of \$74.9 billion leaving an actuarial deficit of \$7.0 billion.

## (b) Post-employment benefits other than pension

The Corporation pays certain medical and life insurance benefits on behalf of some of its retired employees. The Corporation recognizes these post-employment benefits in the year in which employees' services were rendered. The Corporation is recovering its post-employment benefits in rates based on the expense and remeasurements recognized for post-employment benefit plans.

	2016 	2015 \$
Reconciliation of the Obligation:		
Defined benefit obligation, beginning of year	1,235,576	1,231,328
Current service cost (included in profit or loss) Interest cost (included in profit or loss) Benefits paid for the year	30,342 45,551 <u>(73,748</u> )	29,231 45,452 (70,435)
Defined benefit obligation, end of year	1,237,721	1,235,576

# Notes to the Financial Statements For the Year Ended December 31, 2016

# 8. POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions:	<u>2016</u>	<u>2015</u>
Discount (interest) rate	3.80 %	3.80 %
Salary levels	3.00 %	3.00 %
Medical costs (ultimate rate)	4.60 %	4.60 %
Dental costs	4.60 %	4.60 %

A 1% increase in the assumed discount rate would result in the defined benefit obligation decreasing by approximately \$132,000. A 1% decrease in the assumed discount rate would result in the defined benefits obligation increasing by approximately \$163,000.

# 9. CHANGES IN NON-CASH WORKING CAPITAL

9. CHANGES IN NON-CASH WORKING CALITAL	2016 	2015 
Accounts receivable Unbilled revenue Prepaid expenses Inventory Accounts payables and accrued liabilities Due to City of St. Thomas Current portion of customer deposits Income taxes paid Customer deposits	(763,187) 133,646 113,332 (12,660) 480,155 (5,770,565) 45,698 102,893 (20,693)	$164,588 \\ (503,701) \\ 252,219 \\ 9,727 \\ (376,813) \\ 124,365 \\ (29,450) \\ (22,776) \\ (121) \\ (281,062) \\ (281,062) \\ (281,062) \\ (281,062) \\ (281,062) \\ (381,062$
10. PROMISSORY NOTE PAYABLE TO CITY OF ST. THOMAS	<u>(5,691,381</u> ) 2016 <u>\$</u>	<u>(381,962</u> ) 2015 <u>\$</u>
Promissory note payable	7,714,426	7,714,426

Promissory note payable

The promissory note is payable to the City of St. Thomas, bears interest at 5% per annum, and is unsecured. Interest is payable monthly. The principal balance is due on the earlier of December 31, 2019 (the maturity date) and the date which is 366 days from a written demand from the City for repayment. In 2016, the Corporation paid the City of St. Thomas \$385,721 of interest costs.

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# Notes to the Financial Statements For the Year Ended December 31, 2016

## **11. BANK OF NOVA SCOTIA FACILITY**

The Corporation's banking facilities with the Bank of Nova Scotia are arranged through a credit facility for the Corporation's sole shareholder, Ascent Group Inc., encompassing borrowing facilities for all its subsidiary Corporations.

Under the facility, Ascent Group Inc. and its subsidiaries have access to the following available credit facilities:

- Operating line of \$7,000,000, by way of lines of credit, bearing interest at bank prime plus 0.25% per annum (2.95% at December 31, 2016) or by way of bankers acceptances;
- (2) Temporary operating facility of \$3,000,000 by way of lines credit, bearing interest at bank prime plus 0.50% per annum (3.2% at December 31, 2016), available to December 31, 2017, interest is payable monthly. Advances are repayable on or before the expiry date, or on demand, whichever comes first. The loan is secured by all present and future property with appropriate insurance coverage;
- (3) Standby Letters of Credit of \$2,200,000 available only for the Independent Electricity System Operator commitment from St. Thomas Energy Inc. (see note 14). Interest is payable at 1.00% per annum calculated on the issue amount, based on increments of 30 days and will expire July 31, 2017;
- (4) Standby Letter of Credit of \$1,000,000 to support construction bonding facilities, bearing interest at 1.75% per annum, expiring April 2017. Conditioned upon a Standby Letter of Credit in the amount of \$1,000,000 issued by the Corporation of the City of St. Thomas in support of the same construction bonding facilities;
- (5) Non-Revolving Term facility of \$6,375,000, interest is payable at bank prime plus 0.55% per annum (3.25% at December 31, 2016). Repayment made in equal quarterly payments of \$212,500, due December 31, 2017;
- (6) Interest rate swap of \$8,500,000 based on the Bank's standard International Swap Dealers Association (ISDA) Master Agreement. The swap transactions are limited to terms not exceeding 5 years. The aggregate amount of the all outstanding swap transactions at any time is not to exceed \$8,500,000. Interest is charged at bankers acceptance fee of 2.05% per annum.

The Corporation has provided to the Bank of Nova Scotia a limited guarantee, not to exceed 25% of the Corporation's equity, towards the above facilities, secured by a general security agreement over all present and future personal property with appropriate insurance coverage. As at December 31, 2016 the maximum guarantee for St. Thomas Energy Inc. would be \$4,332,285 (2015-\$3,948,695). The Ascent Group Inc. and its other subsidiaries have provided unlimited guarantees, with a priority agreement to a third party to a maximum of \$15,000,000 and pledge of the shares of St. Thomas Energy Inc. by the sole shareholder. The debt is also secured by an unspecified promissory note in the amount of \$7,714,426 plus a minimum of \$5,800,000 from the Corporation of the City of St. Thomas.

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# Notes to the Financial Statements For the Year Ended December 31, 2016

# 11. BANK OF NOVA SCOTIA FACILITY (CONTINUED)

The Corporation's debt to the Bank of Nova Scotia was subject to certain consolidated financial covenants with it's parent company, Ascent Group Inc. These covenants were removed subsequent to year end. The bank acknowledges that other reporting covenants were not met and the debt is in default, but the Bank of Nova Scotia will continue to extend the debt to Ascent Group Inc. as long as other financial reporting requirements subsequent to the year end are met. At the time of issuance of these financial statements, the timeline of the new reporting requirements have not come due. Ascent Group Inc. and its subsidiaries are working with The Bank of Nova Scotia to meet these requirements.

As at December 31, 2016, the following amounts were drawn on the facilities by Ascent Group Inc. and its subsidiary corporations, for which the Corporation has provided a limited guarantee:

	2016 	2015 
Operating line Temporary operating line Standby letters of credit Non- revolving term Bankers acceptance	1,528,188 3,000,000 3,112,910 6,375,000 <u>8,500,000</u>	1,304,592 3,000,000 3,112,910 7,225,000 <u>8,500,000</u>
	22,516,098	23,142,502

The Corporation's banking facilities for the operating line is based on a combination of all banks of the corporate group, as such, the cash in the bank of St. Thomas Energy Inc. is being used to reduce the operating deficit in related corporations and may not be available to satisfy liabilities of the Corporation.

The aggregate amount of principal repayments for all long-term debt in each of the next five years is as follows:

	<u></u>
2017	850,000
2018	850,000
2019	850,000
2020	850,000
2021	850,000

# Notes to the Financial Statements For the Year Ended December 31, 2016

# 12. SHARE CAPITAL 2016 2015 \$ \$ \$ Authorized Capital: Unlimited common shares \$ Issued Capital: 1,001 Common shares 7.714.426

The holders of the common shares are entitled to receive dividends as declared from time to time. No dividends were declared in 2016 or 2015.

#### 13. RELATED PARTY BALANCES AND TRANSACTIONS

During the year, the Corporation had business transactions with various related parties. The balances payable to (receivable from) related parties under common control, the parent corporation and the City of St. Thomas due in the short term are as follows:

	<b>2016</b> 	2015 
Ascent Group Inc. Ascent Energy Services Inc. Ascent Solutions Inc.	72,981 378,734 141,312	(46,284) 345,535 87,225
City of St. Thomas	593,027 	386,476 <u>8,041,278</u>
	2,863,740	8,427,754

The above balances are non-interest bearing with no fixed terms of repayment.

The Corporation had the following balances, with specific terms of repayment, due to the parent corporation and the City of St. Thomas:

	2016 	2015 
Ascent Group Inc. (364 Day Term Loan) Promissory Note Payable to City of St. Thomas	3,500,000 <u>7,714,426</u>	3,500,000 
	<u>11,214,426</u>	11,214,426

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# Notes to the Financial Statements For the Year Ended December 31, 2016

# 13. RELATED PARTY TRANSACTIONS (CONTINUED)

## Parent and ultimate controlling party

The sole shareholder of the Corporation is Ascent Group Inc. which in turn is wholly-owned by the City of St. Thomas. The City produces consolidated financial statements that are available for public use.

#### Other related parties

The Corporation is related to Ascent Energy Services Inc., Ascent Solutions Inc., and Ascent Utility Services Inc. through common control by the parent corporation.

The following transactions with related parties took place during the year:

The following transactions with related parties took place during the year.	2016 	2015 
Ascent Group Inc. Management service fee paid Interest paid on long-term debt Service revenues received	(412,000) (130,059) 3,806	(450,000) (102,502) 4,069
Ascent Energy Services Inc. Service revenues received Building rental payments received	633 7,688	2,911 7,688
Ascent Solutions Inc. Service revenues received		22,929
City of St. Thomas Interest paid on long-term debt Management fee paid Administration service fee received Service revenues received	(385,721) (50,000) 305,964 21,220	(509,474) 300,938 17,307

The 364 Day Term Loan was borrowed from Ascent Group Inc. under the same lending conditions as the 364 Day Revolving Term Facility (note 11), and bears interest at bank prime (2.7% as at December 31, 2016) plus 0.55% per annum with interest payable monthly.

# Notes to the Financial Statements For the Year Ended December 31, 2016

#### **14. COMMITMENTS AND CONTINGENCIES**

#### Contractual Obligations

Purchasers of electricity in Ontario, through the IESO, are required to provide security to mitigate the risk of their default based on their expected activity in the market. The IESO could draw on these guarantees if the Corporation fails to make a payment required by a default notice issued by the IMO. As at December 31, 2016, the Corporation provided prudential support of \$2,112,910.

#### Energy Conservation Agreement

On December 31, 2014, the Corporation entered into an Energy Conservation Agreement with the IESO (previously, the Ontario Power Authority) for the period from January 1, 2015 to December 31, 2020 to deliver Energy Conservation and Demand Management programs ["CDM"]. The agreement provides terms under which the Corporation may engage the IESO to design and pay for Province-wide CDM programs in support of the Corporation meeting its CDM targets.

Subject to the terms of the agreement, all IESO program costs are paid by the IESO. The Corporation effectively acts as a delivery agent for those programs that it participates in under the agreement. The Corporation will be entitled to receive all of its estimated administration costs associated with each program. Any administration cost incurred by the Corporation in excess of the pre-approved estimate would not be recoverable. All other program costs incurred by the Corporation (such as customer incentives and goods and services delivered under the programs) are recoverable from the IESO on an invoiced basis in accordance with the agreement.

#### General Liability Insurance

The Corporation is a member of the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE). MEARIE is a pooling of public liability insurance risks of many of the LDCs in Ontario. All members of the pool are subjected to assessment for losses experienced by the pool for the years in which they were members, on a pro-rata basis based on the total of their respective service revenues. As at December 31, 2016, no assessments have been made.

#### Guarantees

The Corporation has made guarantees on the corporate group's lending facilities. See (note 11).

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# Notes to the Financial Statements For the Year Ended December 31, 2016

# **15. INCOME TAX EXPENSE**

Reconciliation of current tax expense with statutory rates:	2016 	2015 \$
Income after net movement in regulatory balances Add: Current tax expense	1,534,362 290,565	1,370,038 <u>192,526</u>
Income after net movement in regulatory balances, before current taxes	1,824,927	1,562,564
Combined rate of federal and provincial income tax	26.50%	26.50%
Provision for payment in lieu of income taxes at statutory rate	483,606	414,079
Increase (decrease) resulting from: Excess of capital cost allowance over amortization Change in post-employment benefit reserve Other Current tax expense Effective tax rate	(182,824) 569 (10,786) 290,565 15.92 %	(226,649) 1,126 <u>3,970</u> <u>192,526</u> <u>12.32</u> %
Deferred tax assets consist of the following:	2016 	2015 \$
Deferred tax assets resulting from: Undepreciated capital cost in excess of net book value of PP&E Rate regulated assets (liability) Post-employment benefits Deferred revenue Other taxable temporary differences	157,967 (37,262) 327,996 278,097 <u>5,483</u> <u>732,281</u>	486,877 184,442 327,427 122,203 <u>9,804</u> <u>1,130,753</u>

# Notes to the Financial Statements For the Year Ended December 31, 2016

## **16. FINANCIAL INSTRUMENT RISKS**

As a rate-regulated entity, the nature of the Corporation's operations are defined and restricted by regulation. Financial operations and risks are also substantially influenced by regulation, limiting the necessity to engage in risk mitigation strategies involving the use of derivatives or hedges. The Corporation did not engage in those activities during the year.

#### Fair value

The carrying values of cash, accounts receivable, unbilled revenue and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these instruments.

The carrying value of amounts due to related parties may not approximate fair value as there are no specific terms of repayment.

#### Risks and concentrations

The Corporation's activities provide for a variety of financial risks, particularly, credit risk, liquidity risk, and market risk. The following analysis provides a measure of the Corporation's risk exposure and concentrations at the statement of financial position date.

#### Credit risk

Financial assets carry credit risk that a counterparty will fail to discharge an obligation which could result in a financial loss. Financial assets held by the Corporation, such as accounts receivable, expose it to credit risk. The Corporation earns its revenues from a broad base of customers located in the City of St. Thomas. The Corporation does not have any significant exposure to any individual customer.

The aging of accounts receivable at December 31, 2016 was:

	2016	2015
		\$
Not past due	4,073,838	3,205,704
	82,308	144,829
Past due by 0 to 30 days	15,526	15,093
Past due by 31 to 60 days	43,701	33,770
Past due by 61 to 90 days	12,654	12,693
Past due by more than 90 days		
	4,228,027	3,412,089
Less: Allowance for doubtful accounts	<u>(169,050</u> )	(116,300)
	4,058,977	3,295,789

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Accounts receivable are reported net of an allowance for doubtful accounts of \$169,050 (2015 - \$116,300). Subsequent recoveries for accounts that were previously provisioned are credited to profit or loss.

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# Notes to the Financial Statements For the Year Ended December 31, 2016

# 16. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

#### Credit risk (continued)

By regulation, the Corporation is responsible for collecting both distribution and energy portions of the electricity bill. In general terms, the energy portion of the bill is four to five times larger than the distribution portion. Unless the retailer elects to bill the customer directly for the energy portion of the bill, the Corporation is exposed to a credit risk substantially greater then their portion of the electricity bill.

Mitigation of substantial losses is provided through the opportunity to apply for recovery for those losses through distribution rate adjustments in future years, if approved by the regulator.

The Corporation may require payment guarantees, such as a letter of credit or customer deposits. Due to a large number of customers, the Corporation does not believe that it is subject to any significant concentration of credit risk.

#### Liquidity risk

The Corporation monitors its liquidity to ensure access to sufficient funds to meet operational and investing requirements. The Corporation's objective is to ensure that sufficient liquidity is on hand to meet obligations as they fall due while minimizing interest exposure. The Corporation has access to a line of credit and monitors cash balances to ensure that sufficient levels of liquidity are on hand to meet financial commitments as they come due.

The Corporation also has a bilateral facility for the purpose of issuing letters of credit, mainly to support the prudential requirements of the IESO. Refer to note 11 for details of letters of credit and other financing available to meet short term financial commitments.

The majority of accounts payable and accrued liabilities, as reported on the statement of financial position, are due within 60 days of the end of the year. The following are the contractual maturities of accounts payable and accrued liabilities: 2015 A A 4

	<u></u>	\$
Contractual cash flows	5,135,523	4,655,369
6 months or less	(4,516,429)	(4,335,228)
1 to 2 years	(131,964)	(117,982)
More than 2 years	(487,130)	(202,159)

# Notes to the Financial Statements For the Year Ended December 31, 2016

#### 16. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

#### Market risk

Market risk primarily refers to the risk of loss resulting from changes in commodity prices, foreign exchange rates, and interest rates. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is mainly exposed to interest rate risk and it currently does not have any material commodity or foreign exchange risk.

#### Interest rate risk

The Corporation is exposed to interest rate risk for certain of its financial assets and liabilities, including its term loan, promissory note and operating loan (Notes 11 and 10). These borrowings may expose the Corporation to fluctuations in short-term interest rates, borrowings in the form of prime rate loans in Canadian dollars, bankers' acceptances and letter of credit.

The Corporation is also exposed to fluctuations in interest rates as the regulated rate of return for the Corporation's distribution business is derived using a complex formulaic approach, which is in part based on the forecast for long-term Government of Canada bond yields. This rate of return is approved by the OEB as part of the approval of distribution rates.

#### Capital disclosures

The main objectives of the Corporation when managing capital are to ensure ongoing access to funding to maintain and improve the electricity distribution system, compliance with covenants related to its credit facilities, prudent management of its capital structure with regard for recoveries of financing charges permitted by the OEB on its regulated electricity distribution business, and to deliver the appropriate financial returns.

The Corporation's definition of capital includes shareholder's equity and long-term debt. As at December 31, 2016, shareholder's equity amounts to \$17,329,140 (2015 - \$15,794,778) and long-term debt amounts to \$13,831,451 (2015 - \$13,281,720).

# **17. COMPARATIVE FINANCIAL STATEMENTS**

The Corporation restated its comparative figures to reflect changes in the future income taxes and net regulatory movements. The Corporation reduced the tax provision and the net movement in regulatory assets by \$124,892 which represents the change in future taxes in the rate regulated accounts. This presentation was made to correctly state the change in future taxes for rate regulated accounts.

#### **18. SUBSEQUENT EVENT**

On December 19, 2016, the Corporation and Entegrus Powerlines Inc. executed a memorandum of understanding "MOU" and letter of intent "LOI" with the intention of creating a new regional utility effective January 1, 2018. Both entities are currently in the due diligence phase and are awaiting final shareholder approval with a goal of receiving OEB approval in late 2017.

# **Unaudited Non-Consolidated Financial Statements**

December 31, 2016

# Unaudited Non-consolidated Financial Statements

For the Year Ended December 31, 2016

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Unaudited Non-Consolidated Statement of Retained Earnings	3
Unaudited Non-Consolidated Statement of Operations	4



P. 519-633-0700 · F. 519-633-7009 450 Sunset Drive, St. Thomas, ON NSR 5V1 P. 519-773-9265 · F. 519-773-9683 25 John Street South, Aylmer, ON N5H 2C1

www.grahamscottenns.com

# **NOTICE TO READER**

On the basis of information provided by management, we have compiled the non-consolidated balance sheet of **Ascent Group Inc.** as at December 31, 2016 and the non-consolidated statements of operations and accumulated deficit for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these financial statements may not be appropriate for their purposes.

St. Thomas, Ontario May 24, 2017

#### **GRAHAM • SCOTT • ENNS LLP**

CHARTERED PROFESSIONAL ACCOUNTANTS Licensed Public Accountants

# Unaudited Non-consolidated Balance Sheet As at December 31, 2016

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash	-	7,689,888
Accounts receivable	1,706	
Prepaid expenses	-	12,685
Due from related parties	73,900 1,200,000	5,558,400 5,797,880
Note due from Ascent Solutions Inc.	3,500,000	3,500,000
Note due from St. Thomas Energy Inc.		
	4,775,606	22,558,853
NOTES RECEIVABLE FROM ASCENT ENERGY SERVICES INC.	1,000,000	3,450,000
FUTURE TAXES	260,450	133,459
INVESTMENTS IN SUBSIDIARIES	7,714,426	9,492,965
TOTAL ASSETS	13,750,482	35,635,277
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	6,886,990	-
Accounts payable and accrued liabilities	153,357	693,871
Due to City of St. Thomas		6,087,994
	7,040,347	6,781,865
LONG-TERM DEBT	14,875,000	15,725,000
NOTE PAYABLE TO CITY OF ST. THOMAS	5,557,953	-
EMPLOYEE RETIREMENT BENEFIT LIABILITIES	113,886	125,284
	27,587,186	22,632,149
SHAREHOLDER'S EQUITY (DEFICIT)		
SHARE CAPITAL	12,010,481	12,010,481
RETAINED EARNINGS (DEFICIT)	(25,847,185)	992,647
	(13,836,704)	13,003,128
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY (DEFICIT	13,750,482	35,635,277

Unaudited - See "Notice to Reader"

# Unaudited Non-consolidated Statement of Retained Earnings (Defcit) For the Year Ended December 31, 2016

	2016 	2015 
BALANCE, BEGINNING OF YEAR	992,647	1,349,329
Net loss for the year	(26,839,832)	(356,682)
BALANCE, END OF YEAR	(25,847,185)	992,647

# Unaudited Non-consolidated Statement of Operations For the Year Ended December 31, 2016

	2016 	2015 
<b>REVENUES</b> Management fee to related parties Interest on notes receivable	875,026 <u>1,270,636</u>	491,628 
OPERATING EXPENSES	2,145,662	1,649,923
Administrative wages and benefits Administrative Professional services and consulting Bank charges and interest	491,945 65,040 277,778 <u>1,058,170</u> <u>1,892,933</u>	441,667 114,306 526,991 <u>1,052,641</u> 2,135,605
INCOME (LOSS) FROM OPERATIONS	252,729	(485,682)
LOSS ON WRITE OFF OF INVESTMENTS AND LOANS	(27,219,552)	<u> </u>
LOSS BEFORE INCOME TAXES	(26,966,823)	<u>(485,682)</u> j
PROVISION FOR INCOME TAXES Future	(126,991)	(129,000)
NET LOSS FOR THE YEAR	<u>(26,839,832</u> )	(356,682)

# Section 5.15 Absence of Changes

- 6 -

Nil.

# Section 5.16 Absence of Undisclosed Liabilities

AGI has guaranteed all obligations of STEI owing to The Bank of Nova Scotia. STEI has guaranteed all obligations of AGI to The Bank of Nova Scotia, to a maximum of 25% of STEI's equity (as determined under generally accepted accounting principles).

# Section 5.17 Absence of Unusual Transactions

- 1. Proposed purchase of approximately 72 distribution line poles from HydroOne Networks located located in the City of St. Thomas from Axford Parkway north on Fairview Ave to Chestnut, east to Highview, north across Talbot, to first part of Yarmouth Rd.
- 2. Ordinary course payments of property taxes to the City of St. Thomas.
- 3. Remittance of collected water and sewer payments to the City of St. Thomas.
- 4. Reimbursement of management costs and professional fees to the City of St. Thomas.
- 5. Payments to the City of St. Thomas for letter of credit back-stopping bonding facility of AGI with Royal & SunAlliance.
- 6. Interest payments on loans from the City of St. Thomas.
- 7. Loan forgiveness experienced by Ascent Group Inc. re loans to its subsidiaries, Ascent Solutions Inc. and Ascent Utility Services Inc.
- 8. AGI has guaranteed all obligations of STEI owing to The Bank of Nova Scotia.

# Section 5.19 Real Property

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#### Head Office

# 1. <u>135 Edward Street, St. Thomas ON</u> Lot 8, Plan 287, St. Thomas, Except Parts 1 to 3, 11R8155; T/W E439278, St. Thomas, described as PIN 35188-0023(LT).

#### **Substations**

# 2. 19 Hammond Street, St. Thomas ON

Lot 14, RCP 321 St. Thomas, described as PIN 35181-0031(LT).

# 3. <u>305 Forest Ave., St. Thomas ON</u>

PCL 3-1 Sec M1; Part Lot 3 Pl M1 Yarmouth commencing at a point in the north easterly angle of said lot three (3); thence westerly along the northerly limit of said lot number three (3) a distance of thirty-five feet (35'); thence southerly, parallel to the easterly limit of said lot number three (3) a distance of seventy feet (70') thence easterly parallel with the northerly limit of said lot a distance of thirty-five feet (35') to a point in the easterly limit of said lot number three (3); thence northerly along said easterly limit a distance of seventy fee (70') to the point of commencement.; St. Thomas, described as PIN 35207-0115(LT).

#### 4. Holland Street, St. Thomas ON Block K Plan 284 St. Thomas; described as PIN 35237-0067(LT).

## South Edgeware Road, St. Thomas ON Part Lot 21 Plan 287, St. Thomas as in E121930; St. Thomas, described as PIN 35189-0007(LT).

# Elm Street, St. Thomas, ON Block T Plan 305 St. Thomas; s/t E135647; St. Thomas, described as PIN 35244-0149(LT).

#### 7. 452<sup>1</sup>/<sub>2</sub> Wellington Street, St. Thomas, ON

PCL 9-8; Sec YAR-8; Part Lot 9; Concession 8; Yarmouth; Part 7-11R1522; St. Thomas, described as PIN 35200-0054(LT).

Note: parcel registers for each property noted above are disclosed under Section 1.1 – Permitted Encumbrances of this St. Thomas Disclosure Schedule.

## Section 5.19.6 Rights re Owned Lands

The fibre business of Ascent Energy Services Inc. is operated out of the head office of St. Thomas Energy Inc. located at 135 Edward Street, St. Thomas, Ontario and certain of its equipment (including its tower) is located at such head office. There is no written lease or rental payable in respect of this arrangement.

Certain equipment re emergency communications and essential services which is owned by the City of St. Thomas is located in the basement of the St. Thomas Energy head office. There is no written lease or rental payable in respect of this arrangement. This arrangement is terminable by either party on 120 days' notice. This equipment is expected to be removed by the City of St. Thomas at some point during 2018.

# Section 5.20 Intellectual Property

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# **Telephone Numbers**

(519) 631-5550

# **Domain Names**

Domain Name	Registered	Expires	Registrant	Registrar
www.sttenergy.com	October 5, 2000	October 5, 2020	Ascent Energy Services Inc.	Tucows Domains Inc.
www.ascent.ca	February 1, 2001	February 1, 2019	Ascent Energy Services Inc.	Tucows.com Co.

# Corporate Names

Ascent Group Inc. St. Thomas Energy Inc.

## Trade Names

"Ascent" Registered to Ascent Solutions Inc. and set to expire December 10, 2018 (copy of registration attached)

# <u>Trademarks</u>

Trademark	Country	Application No.	Registration No.	Status	Owner
Ascent Design:	Canada	1538522	TMA861219	Registered	Ascent Energy Services Inc.
ASCENT Word:	Canada	1538524	TMA859061	Registered	Ascent Energy Services Inc.

Trademark	Country	Application No.	Registration No.	Status	Owner
Ascent & Design	Canada	1730213	TMA958596	Registered	Ascent Energy Services Inc.

# **Right to Use Intellectual Property**

Ascent Solutions Inc. and Ascent Utility Services Inc. have the right to use the above trade name and trademarks, although no formal license agreement exists. Both of these corporations are no longer in operation.

#### License Agreements

EnergyAxis Supply Contract between Elster Metering, a Division of Elster Canadian Meter Company Inc. and St. Thomas Energy Inc. dated February 3, 2010, as amended by Amendment 1 between such parties dated September 13, 2010 and by Amendment Two between such parties dated November 2016.

#### **Owned Software**

RPP Reconciliation Process Software

£:>or	itario		Master Busine	ss Licence
Date Issued: (yyyy-mm-dd)	2013-12-11		Business Number:	
ASCENT 135 EDWA	ne and Mailing Address: RD STREET S, ONTARIO CANADA N5	P 4A8		
Business Address:	SAME AS ABOVE			
Telephone:		Ext:	Fax:	
Email:				
Legal Name(s):	ASCENT SOLUTIONS INC			
Type of Legal Entity:	CORPORATION			
Business Activity:	ENERGY SOLUTIONS PR	OVIDER		
Business I	nformation	Number	Effective Date (yyyy-mm-dd)	Expiry Date (yyyy-mm-dd)
BUSINESS	NAME REGISTRATION	231196411	2013-12-11	2018-12-10
INCORPO	RATED (ONTARIO)	001855695	2012-01-01	
				Page 1 of 1
To the Client: Clie correct and up to c		ensure that the information pe	rtaining to corporations contained on this	
correct and up to o To the Client: Whe Ontario business pro If you have any que For more informall 1–888–745–8888 ou A business name r	ate. In the Master Business Licence is preser ogram is required to accept this licence w ostions about this Master Business Lic on, or to access other business-relate 1-416-212-9888 or TTY 800-268-709	nted to any Ontario business prog hen presented as part of its regis sence call the ServiceOntario Co d services, call the Business Inf 5.	ram, you are not required to repeat informatio	Master Business Licence is n contained on this licence. Each 14–9151 or TTY 1–416–326-8566. o and Industry Canada, at

# Section 5.22 Material Contracts

- 1. Master Services Agreement made between St. Thomas Energy Inc. and CustomerFirst Inc., dated November 17, 2014 (Entegrus is requesting that St. Thomas Energy Inc. terminate this Master Services Agreement with CustomerFirst prior to Closing).
- 2. Member Agreement made between Utility Collaborative Services Inc. and St. Thomas Energy Inc., dated June 1, 2010.
- 3. Loan and security agreements and documentation with The Bank of Nova Scotia (note: BNS to be paid out immediately after Closing by Entegrus as part of the Debt Restructuring).
- 4. Billing and Accounts Management Services Agreement made between St. Thomas Energy Inc. and the Corporation of the City of St. Thomas, dated January 1, 2014, as amended by an Extension Agreement made between St. Thomas Energy Inc. and the Corporation of the City of St. Thomas, dated April 21, 2017.
- 5. Agreement re provision of services to Harvest Run Subdivision, Phase I, St. Thomas, Ontario with Pachecos Contractors Ltd.
- 6. Agreement re provision of services to Orchard Park South Subdivision, Phase 3, St. Thomas, Ontario with Pachecos Contractors Ltd.
- 7. Scotiabank Agreement.

## Section 5.24 Permits

- 14 -

- 1. Electricity Distribution Licence ED-2002-0523- Ontario Energy Board (copy attached)
- 2. Hazardous Waste Information Network Registration Number ON1170501



# **Electricity Distribution Licence**

# ED-2002-0523

# St. Thomas Energy Inc.

Valid Until

June 29, 2024

Original Signed By

Brian Hewson Vice President, Consumer Protection and Industry Performance Ontario Energy Board

Date of Issuance: June 30, 2004 Date of Last Amendment: March 23, 2017

Ontario Energy Board P.O. Box 2319 2300 Yonge Street 27th. Floor Toronto, ON M4P 1E4 Commission de l'Énergie de l'Ontario C.P. 2319 2300, rue Yonge 27e étage Toronto ON M4P 1E4

#### LIST OF AMENDMENTS

#### **Board File No.**

# Date of Amendment

EB-2007-0934	
EB-2010-0216	
EB-2011-0436	
EB-2014-0324	
EB-2015-0217	
EB-2016-0015	
EB-2017-0122 and EB-2017-0101	

December 21, 2007 November 12, 2010 February 14, 2012 December 18, 2014 July 23, 2015 January 28, 2016 March 23, 2017

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# St. Thomas Energy Inc. Electricity Distribution Licence ED-2002-0523

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SCHEDULE 2	PROVISION OF STANDARD SUPPLY SERVICE 12
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MARKET POW	/ER MITIGATION REBATES

#### 1 Definitions

In this Licence:

"Accounting Procedures Handbook" means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

"Act" means the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B;

"Affiliate Relationships Code for Electricity Distributors and Transmitters" means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

"Conservation and Demand Management" and "CDM" means distribution activities and programs to reduce electricity consumption and peak provincial electricity demand;

"Conservation and Demand Management Code for Electricity Distributors" means the code approved by the Board which, among other things, establishes the rules and obligations surrounding Board approved programs to help distributors meet their CDM Targets;

"distribution services" means services related to the distribution of electricity and the services the Board has required distributors to carry out, including the sales of electricity to consumers under section 29 of the Act, for which a charge or rate has been established in the Rate Order;

"Distribution System Code" means the code approved by the Board which, among other things, establishes the obligations of the distributor with respect to the services and terms of service to be offered to customers and retailers and provides minimum, technical operating standards of distribution systems;

"Electricity Act" means the Electricity Act, 1998, S.O. 1998, c. 15, Schedule A;

"IESO" Independent Electricity System Operator;

"Licensee" means St. Thomas Energy Inc.

"Market Rules" means the rules made under section 32 of the Electricity Act;

"Net Annual Peak Demand Energy Savings Target" means the reduction in a distributor's peak electricity demand persisting at the end of the four-year period (i.e. December 31, 2014) that coincides with the provincial peak electricity demand that is associated with the implementation of CDM Programs;

"**Net Cumulative Energy Savings Target**" means the total amount of reduction in electricity consumption associated with the implementation of CDM Programs between 2011-2014;

"OPA" means the Ontario Power Authority;

1

#### St. Thomas Energy Inc. Electricity Distribution Licence ED-2002-0523

"**Performance Standards**" means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

"**Provincial Brand**" means any mark or logo that the Province has used or is using, created or to be created by or on behalf of the Province, and which will be identified to the Board by the Ministry as a provincial mark or logo for its conservation programs;

"Rate Order" means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

"regulation" means a regulation made under the Act or the Electricity Act;

"Retail Settlement Code" means the code approved by the Board which, among other things, establishes a distributor's obligations and responsibilities associated with financial settlement among retailers and consumers and provides for tracking and facilitating consumer transfers among competitive retailers;

"service area" with respect to a distributor, means the area in which the distributor is authorized by its licence to distribute electricity;

"Standard Supply Service Code" means the code approved by the Board which, among other things, establishes the minimum conditions that a distributor must meet in carrying out its obligations to sell electricity under section 29 of the Electricity Act;

"wholesaler" means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

#### 2 Interpretation

2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens. Where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

#### 3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence:
  - a) to own and operate a distribution system in the service area described in Schedule 1 of this Licence;

#### St. Thomas Energy Inc. Electricity Distribution Licence ED-2002-0523

- b) to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act in the manner specified in Schedule 2 of this Licence; and
- c) to act as a wholesaler for the purposes of fulfilling its obligations under the Retail Settlement Code or under section 29 of the Electricity Act.

## 4 Obligation to Comply with Legislation, Regulations and Market Rules

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

#### 5 Obligation to Comply with Codes

- 5.1 The Licensee shall at all times comply with the following Codes (collectively the "Codes") approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the licensee are set out in Schedule 3 of this Licence. The following Codes apply to this Licence:
  - a) the Affiliate Relationships Code for Electricity Distributors and Transmitters;
  - b) the Distribution System Code;
  - c) the Retail Settlement Code; and
  - d) the Standard Supply Service Code.
- 5.2 The Licensee shall:
  - make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and
  - b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

#### 6 Obligation to Provide Non-discriminatory Access

6.1 The Licensee shall, upon the request of a consumer, generator or retailer, provide such consumer, generator or retailer with access to the Licensee's distribution system and shall convey electricity on behalf of such consumer, generator or retailer in accordance with the terms of this Licence.

#### 7 Obligation to Connect

- 7.1 The Licensee shall connect a building to its distribution system if:
  - a) the building lies along any of the lines of the distributor's distribution system; and

- b) the owner, occupant or other person in charge of the building requests the connection in writing.
- 7.2 The Licensee shall make an offer to connect a building to its distribution system if:
  - a) the building is within the Licensee's service area as described in Schedule 1; and
  - b) the owner, occupant or other person in charge of the building requests the connection in writing.
- 7.3 The terms of such connection or offer to connect shall be fair and reasonable and made in accordance with the Distribution System Code, and the Licensee's Rate Order as approved by the Board.
- 7.4 The Licensee shall not refuse to connect or refuse to make an offer to connect unless it is permitted to do so by the Act or a regulation or any Codes to which the Licensee is obligated to comply with as a condition of this Licence.

#### 8 Obligation to Sell Electricity

8.1 The Licensee shall fulfill its obligation under section 29 of the Electricity Act to sell electricity in accordance with the requirements established in the Standard Supply Service Code, the Retail Settlement Code and the Licensee's Rate Order as approved by the Board.

#### 9 Obligation to Maintain System Integrity

9.1 The Licensee shall maintain its distribution system in accordance with the standards established in the Distribution System Code and Market Rules, and have regard to any other recognized industry operating or planning standards adopted by the Board.

#### 10 Market Power Mitigation Rebates

10.1 The Licensee shall comply with the pass through of Ontario Power Generation rebate conditions set out in Appendix A of this Licence.

#### 11 Distribution Rates

11.1 The Licensee shall not charge for connection to the distribution system, the distribution of electricity or the retailing of electricity to meet its obligation under section 29 of the Electricity Act except in accordance with a Rate Order of the Board.

#### 12 Separation of Business Activities

12.1 The Licensee shall keep financial records associated with distributing electricity separate from its financial records associated with transmitting electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

#### 13 Expansion of Distribution System

- 13.1 The Licensee shall not construct, expand or reinforce an electricity distribution system or make an interconnection except in accordance with the Act and Regulations, the Distribution System Code and applicable provisions of the Market Rules.
- 13.2 In order to ensure and maintain system integrity or reliable and adequate capacity and supply of electricity, the Board may order the Licensee to expand or reinforce its distribution system in accordance with Market Rules and the Distribution System Code, or in such a manner as the Board may determine.

#### 14 Provision of Information to the Board

- 14.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 14.2 Without limiting the generality of paragraph 14.1 the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) days past the date upon which such change occurs.
- 14.3 The licensee shall inform the Board as soon as possible of any material changes to the service agreement with St. Thomas Services Inc. (the "Service Agreement").
- 14.4 If either party to the Service Agreement provides notice of its intention to exercise a right to terminate or discontinue any services under the services agreement, the Licensee shall:
  - a) Immediately notify the Board in writing of the notice; and
  - b) provide a plan to the Board as soon as possible, but no later than ten (10) days after the receipt of the notice, as to how the affected distribution services will be maintained in compliance with the terms of this Licence.
- 14.5 In the event of termination of the Service Agreement for any reason, the Licensee shall:
  - a) ensure there is no interruption of distribution services to the consumers as a result of the termination;
  - b) notify the Board of the name of the new company that will provide the distribution services; and
  - c) file with the Board the distribution services agreement with the new company.

#### 15 Restrictions on Provision of Information

15.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.

#### St. Thomas Energy Inc. Electricity Distribution Licence ED-2002-0523

- 15.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:
  - to comply with any legislative or regulatory requirements, including the conditions of this Licence;
  - b) for billing, settlement or market operations purposes;
  - c) for law enforcement purposes; or
  - d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.
- 15.3 The Licensee may disclose information regarding consumers, retailers, wholesalers or generators where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.
- 15.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.
- 15.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information provided will not be used for any other purpose except the purpose for which it was disclosed.

#### 16 Customer Complaint and Dispute Resolution

- 16.1 The Licensee shall:
  - a) have a process for resolving disputes with customers that deals with disputes in a fair, reasonable and timely manner;
  - b) publish information which will make its customers aware of and help them to use its dispute resolution process;
  - c) make a copy of the dispute resolution process available for inspection by members of the public at each of the Licensee's premises during normal business hours;
  - d) give or send free of charge a copy of the process to any person who reasonably requests it; and
  - e) subscribe to and refer unresolved complaints to an independent third party complaints resolution service provider selected by the Board. This condition will become effective on a date to be determined by the Board. The Board will provide reasonable notice to the Licensee of the date this condition becomes effective.

#### 17 Term of Licence

17.1 This Licence shall take effect on June 30, 2004 and expire on June 29, 2024. The term of this Licence may be extended by the Board.

#### 18 Fees and Assessments

18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

#### 19 Communication

- 19.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.
- 19.2 All official communication relating to this Licence shall be in writing.
- 19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:
  - a) when delivered in person to the addressee by hand, by registered mail or by courier;
  - b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
  - c) when received by facsimile transmission by the addressee, according to the sender=s transmission report.

#### 20 Copies of the Licence

- 20.1 The Licensee shall:
  - a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
  - b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

#### 21 Conservation and Demand Management

## 21.1 2011-2014 Conservation and Demand Management Framework

- 21.1.1 The Licensee shall achieve reductions in electricity consumption and reductions in peak provincial electricity demand through the delivery of CDM programs. The Licensee shall meet its 2014 Net Annual Peak Demand Savings Target of 3.940 MW, and its 2011-2014 Net Cumulative Energy Savings Target of 14.920 GWh (collectively the "CDM Targets"), over a four-year period beginning January 1, 2011.
- 21.1.2 The Licensee shall meet its CDM Targets through:
  - a) the delivery of Board approved CDM Programs delivered in the Licensee's service area ("Board-Approved CDM Programs");
  - the delivery of CDM Programs that are made available by the OPA to distributors in the Licensee's service area under contract with the OPA ("OPA-Contracted Province-Wide CDM Programs"); or

#### St. Thomas Energy Inc. Electricity Distribution Licence ED-2002-0523

- c) a combination of a) and b).
- 21.1.3 The Licensee shall make its best efforts to deliver a mix of CDM Programs to all consumer types in the Licensee's service area.
- 21.1.4 The Licensee shall comply with the rules mandated by the Board's Conservation and Demand Management Code for Electricity Distributors.
- 21.1.5 The Licensee shall utilize the common Provincial brand, once available, with all Board-Approved CDM Programs, OPA-Contracted Province-Wide Programs, and in conjunction with or cobranded with the Licensee's own brand or marks.

## 21.2 2015-2020 Conservation and Demand Management Framework

- 21.2.1 The Licensee shall, between January 1, 2015 and December 31, 2020, make CDM programs, available to customers in its licensed service area and shall, as far as is appropriate and reasonable having regard to the composition of its customer base, do so in relation to each customer segment in its service area ("CDM Requirement").
- 21.2.2 The CDM programs referred to in item 21.2.1 above shall be designed to achieve reductions in electricity consumption.
- 21.2.3 The Licensee shall meet its CDM Requirement by:
  - a) making Province-Wide Distributor CDM Programs, funded by the Ontario Power Authority (the "OPA"), available to customers in its licensed service area;
  - making Local Distributor CDM Programs, funded by the OPA, available to customers in its licensed service area; or
  - c) a combination of a) and b).
- 21.2.4 The Licensee shall, as far as possible having regard to any confidentiality or privacy constraints, make the details and results of Local Distributor CDM Programs available to other licensed electricity distributors upon request.
- 21.2.5 The Licensee shall, as far as possible having regard to any confidentiality or privacy constraints, make the details and results of Local Distributor CDM Programs available to any other person upon request.
- 21.2.6 The Licensee shall report to the OPA the results of the CDM programs in accordance with the requirements of the licensee's "CDM-related" contract with the OPA.

#### 22 Pole Attachments

22.1 The Licensee shall provide access to its distribution poles to all Canadian carriers, as defined by the Telecommunications Act, and to all cable companies that operate in the Province of Ontario. For each attachment, with the exception of wireless attachments, the Licensee shall charge the rate approved by the Board and included in the Licensee's tariff.

- 22.2 The Licensee shall:
  - annually report the net revenue, and the calculations used to determine that net revenue, earned from allowing wireless attachments to its poles. Net revenues will be accumulated in a deferral account approved by the Board;
  - b) credit that net revenue against its revenue requirement subject to Board approval in rate proceedings; and
  - c) provide access for wireless attachments to its poles on commercial terms normally found in a competitive market.

#### 23 Winter 2016/17 Disconnection, Reconnection and Load Limiter Devices

- 23.1 Subject to paragraph 23.4, the Licensee shall not, during the period commencing February 24, 2017 and ending at 11:59 pm on April 30, 2017:
  - a) disconnect an occupied residential property solely on the grounds of non-payment;
  - b) issue a disconnection notice in respect of an occupied residential property solely on the grounds of non-payment; or
  - c) install a load limiter device in respect of an occupied residential property solely on the grounds of non-payment.

Nothing in this paragraph shall preclude the Licensee from (i) disconnecting an occupied residential property in accordance with all applicable regulatory requirements, including the required disconnection notice; or (ii) installing a load limiter device in respect of an occupied residential property, in each case if at the unsolicited request of the customer given in writing on or after February 24, 2017.

23.2 Subject to paragraph 23.4, if the Licensee had disconnected a residential property on or before February 23, 2017 solely on the grounds of non-payment, the Licensee shall reconnect that property, if an occupied residential property, as soon as possible. The Licensee shall waive any reconnection charge that might otherwise apply in respect of that reconnection.

Nothing in this paragraph shall require the Licensee to reconnect an occupied residential property if the customer gives unsolicited notice to the Licensee not to do so in writing on or after February 24, 2017.

23.3 Subject to paragraph 23.4, if the Licensee had installed a load limiter device in respect of an occupied residential property on or before February 23, 2017 either for non-payment or at the customer's request, the Licensee shall remove that device and restore full service to the property as soon as possible. The Licensee shall waive any charge that might otherwise apply in respect of such removal.

Nothing in this paragraph shall (i) require the Licensee to remove a load limiter device if the customer gives unsolicited notice to the Licensee not to do so in writing on or after February 24, 2017; or (ii) prevent the Licensee from installing or maintaining a load limiter device at the unsolicited request of customer given in writing on or after February 24, 2017.

- 23.4 Nothing in paragraphs 23.1 to 23.3 shall:
  - a) prevent the Licensee from taking such action in respect of an occupied residential property as may be required to comply with any applicable and generally acceptable safety requirements or standards; or
  - require the Licensee to act in a manner contrary to any applicable and generally accepted safety requirements or standards.
- 23.5 The Licensee shall waive any collection of account charge that could otherwise be charged in relation to an occupied residential property during the period referred to in paragraph 23.1.
- 23.6 The Licensee shall provide the Board with periodic reports on its progress in complying with paragraphs 23.2 and 23.3. The first such report shall be filed with the Board no later than March 3, 2017, and reports shall be provided every 7 calendar days thereafter until such time as no further action remains to be taken by the Licensee under those paragraphs.
- 23.7 For the purposes of paragraphs 23.1 to 23.4:

"load limiter device" means a device that will allow a customer to run a small number of electrical items in his or her premises at any given time, and if the customer exceeds the limit of the load limiter, then the device will interrupt the power until it is reset; and

"occupied residential property" means an account with the Licensee:

- a) that falls within the residential rate classification as specified in the Licensee's Rate Order; and
- b) that is:
  - i) inhabited; or
  - ii) in an uninhabited condition as a result of the property having been disconnected by the Licensee or of a load limiter device having been installed in respect of the property on or before February 23, 2017.
- 23.8 Paragraphs 23.1 to 23.5 apply despite any provision of the Distribution System Code to the contrary.

### SCHEDULE 1 DEFINITION OF DISTRIBUTION SERVICE AREA

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of this Licence.

- 1. The municipal boundaries of the City of St. Thomas as of December 31, 1999, with the exclusion of the customer located at 1 Cosma Court.
- 2. Concession 8, Part Lot 10, Registered Plan 11R7149, Part 2 to 6 and 11, Geographic Township of Yarmouth, Municipality of Central Elgin, County of Elgin.
- 3. Block 19, Registered Plan 11M-92, City of St. Thomas, County of Elgin.
- 4. Part of Lot 9 Concession 7, Registered Plan 11R-8918, City of St. Thomas, County of Elgin
- 5. Part of Lots 5 and 6, Concession 6, Geographic Township of Yarmouth as in E390923, City of St. Thomas, County of Elgin.
- 6. Part of Blocks 84, 86, 87, 94 and 99 Plan 11M-193 in the City of St. Thomas, County of Elgin.
- 7. Harvest Run Phase 1 consisting of lots 1 to 20 and lots 49 to 69 on Acorn Trail, lots 21 to 48 on Honey Bend, and lots 70 to 104 on Ashberry Place, Part of Blocks 117 and 118, Part of lot 10, Concession 7, Geographic Township of Yarmouth, Municipality of Central Elgin, County of Elgin.

## SCHEDULE 2 PROVISION OF STANDARD SUPPLY SERVICE

This Schedule specifies the manner in which the Licensee is authorized to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act.

 The Licensee is authorized to retail electricity directly to consumers within its service area in accordance with paragraph 8.1 of this Licence, any applicable exemptions to this Licence, and at the rates set out in the Rate Orders.

## SCHEDULE 3 LIST OF CODE EXEMPTIONS

This Schedule specifies any specific Code requirements from which the Licensee has been exempted.

1. The Licensee is exempt from the requirements of section 2.5.3 of the Standard Supply Service Code with respect to the price for small volume/residential consumers, subject to the Licensee offering an equal billing plan as described in its application for exemption from Fixed Reference Price, and meeting all other undertakings and material representations contained in the application and the materials filed in connection with it.

### APPENDIX A

### MARKET POWER MITIGATION REBATES

### 1. Definitions and Interpretations

### In this Licence

"embedded distributor" means a distributor who is not a market participant and to whom a host distributor distributes electricity;

"embedded generator" means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

"host distributor" means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IESO includes interim payments made by the IESO.

### 2. Information Given to IESO

- a Prior to the payment of a rebate amount by the IESO to a distributor, the distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with information in respect of the volumes of electricity withdrawn by the distributor from the IESO-controlled grid during the rebate period and distributed by the distributor in the distributor's service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998.*
- b Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IESO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor's host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor's service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- c Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity

consumed in the service area of an embedded distributor, the host distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IESO may issue instructions or directions providing for any information to be given under this section. The IESO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IESO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IESO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

### 3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IESO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

- a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented;
- b consumers who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

### "ONTARIO POWER GENERATION INC. rebate"

Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or IESO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

Pending pass-through or return to the IESO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.

### ONTARIO POWER GENERATION INC. REBATES

For the payments that relate to the period from May 1, 2006 to April 30, 2009, the rules set out below shall apply.

### 1. Definitions and Interpretations

#### In this Licence

"embedded distributor" means a distributor who is not a market participant and to whom a host distributor distributes electricity;

"embedded generator" means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

"host distributor" means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IESO includes interim payments made by the IESO.

### 2. Information Given to IESO

- a Prior to the payment of a rebate amount by the IESO to a distributor, the distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with information in respect of the volumes of electricity withdrawn by the distributor from the IESO-controlled grid during the rebate period and distributed by the distributor in the distributor's service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented and the consumer is not receiving the prices established under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- b Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IESO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor's host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor's service area to:

- i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- c Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the host distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IESO may issue instructions or directions providing for any information to be given under this section. The IESO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IESO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IESO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

### 3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IESO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

- a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented and the consumer is not receiving the prices established under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*;
- b consumers who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

### "ONTARIO POWER GENERATION INC. rebate"

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Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or IESO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

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Pending pass-through or return to the IESO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.

## Section 5.25 Environmental Conditions

A. The STEI Owned Lands were formerly used as a salvage yard (prior to their ownership by St. Thomas Energy Inc.).

- B. Matters disclosed in the following assessments and reports posted to the Data Room:
- 1. Ferguson Geoscience Enhanced Phase I Environmental Site Assessment for former Substation #2, Wilson Avenue, St. Thomas, Ontario, dated December 20, 2010.
- 2. Ferguson Geoscience Enhanced Phase I Environmental Site Assessment for former Substation #8, Centre Street at Moore Street, St. Thomas, Ontario, dated December 17, 2010.
- 3. Atkinson, Davies Inc. Phase II Environmental Site Assessment for 188 Ross Street, St. Thomas, Ontario, dated December 12, 2008.
- 4. Atkinson, Davies Inc. Phase II Environmental Site Assessment for 74 Inkerman Street, St. Thomas, Ontario, dated December 12, 2008.
- 5. Ferguson Geoscience Enhanced Phase I Environmental Site Assessment for former Substation #6, 54 Churchill Crescent, St. Thomas, Ontario, dated March 20, 2012.
- 6. Golder Associates Preliminary Geotechnical Investigation for proposed industrial development at First Street and Edward Street, St. Thomas, Ontario, dated September 16, 1985, with subsequent letter by Atkinson, Davies Inc. on six test pits at this location dated October 25, 1990.

## Section 5.26 Suppliers and Customers

# **Top 15 Suppliers**

Rank	Supplier		
1	Pachecos Contractors Ltd.		
2	Utility Collaborative Services		
3	C.E.S. Transformer		
4	Elster Solutions Canada		
5	Olameter Inc		
6	Canada Post Corp		
7	Anixter Power Solutions Inc.		
8	Davey Tree Expert Co		
9	Savage Data Systems		
10	Noramco Wire & Cable		
11	Impressions Printing		
12	Graham Scott Enns		
13	LDA Construction (2011) Inc		
14	Siskinds The Law Firm		
15	Laprairie Inc.		

## **Top 10 Customers**

- 1 PRESSTRAN INDUSTRIES
- 2 GKN SINTER METALS LTD
- 3 CITY OF ST THOMAS
- 4 ST THOMAS ELGIN GENERAL HOSPITAL
- 5 THAMES VALLEY DISTRICT S.B.
- 6 MASCO CANADA LTD
- 7 SKYLINE REIT
- 8 WAL-MART CANADA CORP #3197
- 9 FOREST CITY CASTINGS
- 10 TAKUMI STAMPING CANADA INC

# Section 5.27 Personal Information

Nil.

## Section 5.28 Employees

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### Written Employment Agreements

All of the Employees of Ascent Group Inc. and all Employees of St. Thomas Energy Inc. are subject to the St. Thomas Energy Inc. Collective Agreement or are parties to written employment agreements disclosed in the Data Room.

### Pending Retirements

All non-"Employee" officers of Ascent Group Inc. and St. Thomas Energy Inc. are to resign on closing.

### Claims re Employment Legislation

There are no employment-related litigation matters as of the date hereof. All employment-related Claims as of the date hereof have been disclosed in the Data Room.

### Section 5.29 Unions

## **Union Organizing Activities**

Nil.

## **Collective Agreements – STEI Collective Agreement**

The International Brotherhood of Electrical Workers, A.F.L., C.I.O. & C.L.C., Local Union 636, represents St. Thomas Energy Inc.'s union employees. The most recent Collective Agreement is dated May 1, 2017 – December 31, 2018 and has been ratified by the membership and is expected to be signed by the IBEW in the near future. This Collective Agreement is included in the Data Room.

# Section 5.30 Employee Benefit Matters

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### **Benefit Plans**

### Ascent Group Inc.

Applicable to AGI employees only (the two AGI employees are listed in the Data Room) – see attached Employee Benefit Booklet from the MEARIE Group (this may be updated slightly in the near future to reflect changes agreed to in new Collective Agreement)

### St. Thomas Energy Inc. – Union Employees

Applicable to union employees of STEI – see attached Employee Benefit Booklet from the MEARIE Group (this may be updated slightly in the near future to reflect changes agreed to in new Collective Agreement)

### St. Thomas Energy Inc. – Management Employees

Applicable to management employees of STEI – see attached Employee Benefit Booklet from the MEARIE Group (this may be updated slightly in the near future to reflect changes agreed to in new Collective Agreement)

### Changes to Benefit Plans

See new Collective Agreement referred to in Section 5.29 ("Unions") of this St. Thomas Disclosure Schedule.

### Other

See Section 5.31 ("Pension Plans") of this St. Thomas Disclosure Schedule.

See new Collective Agreement referred to in Section 5.29 ("Unions") of this St. Thomas Disclosure Schedule.

See attached Employee Handbook.

### **Employees on Leave or Extended Absences**

One STEI employee is currently on parental leave and is expected to return to work on April 11, 2018 (see Data Room disclosure).

## **Benefits Beyond Retirement**

See Employee Benefit Books referred to above for Ascent Group Inc., St. Thomas Energy Inc. union employees and St. Thomas Energy Inc. management employees.

In addition, see attached memo entitled "Summary of Post-Retirement Benefits" with respect to benefits provided beyond retirement.

## SUMMARY OF POST-RETIREMENT BENEFITS

### **GOVERNING DOCUMENTS**

The program is governed by the following documents and agreements:

- Collective agreement between St. Thomas Energy Inc. ("STEI") and Local Union 636 of the International Brotherhood of Electrical Workers A.F.L., CIO., C.L.C. effective May 1, 2014 to April 30, 2017.
- Management practice has been to provide comparable benefits to management employees as are provided to union employees by the then applicable collective agreement.

What follows is a summary only of the post-retirement non-pension benefits program. For a complete description, please refer to the above-noted document.

## ELIGIBILITY

All employees are eligible for post-retirement life insurance for the remainder of their lifetime.

All employees who retire on an OMERS pension are eligible for post-retirement health and dental benefits.

### PARTICIPANT CONTRIBUTIONS

STEI pays 100% of the cost of post-retirement life, health and dental insurance benefits for eligible retirees.

Effective May 1, 2014, all employees retiring from STEI on or after May 1, 2014 are eligible for a Health Care Spending Account ("**HCSA**") from their retirement date to the earlier of age 65 or death.

### PAST SERVICE

Past service is defined as continuous service prior to joining the plan if the participant was employed by another electrical distribution company prior to joining STEI.

## LENGTH OF SERVICE

Length of service is defined as continuous service from the date of hire to the valuation date, measured in years and months.

### **SUMMARY OF BENEFITS**

### Life Insurance

All current employees who retire from STEI are eligible for post-retirement life insurance, as per the MEARIE plan, administered by Great West Life, based upon the following table:

Plan Option	Amount of Coverage	Eligibility
1	Flat \$2,000.	If employee retires with less than 10 years of service in the Plan.
2	<ul><li>50% of final annual earnings reducing by2.5% of final annual earnings each year thereafter for 10 years, to a final benefit equal to 25.0% of final annual earnings.</li><li>Reduction occurs on anniversary date of retirement.</li></ul>	If employee was ever insured under Employee Plan options 2, 3 or 4, or if employee retires with 10 or more years of service in Plan but was never in superseded plan.
3	50% of final annual earnings.	If employee was insured under superseded plan and was hired on or after May 1, 1967 and elected coverage under Option 1 only.
4	70% of the final amount insured for under the life plan immediately prior to retirement.	If employee was insured under the superseded plan and was hired before May 1, 1967 and elected coverage under Option 1 only.
5	Amount of retirement insurance coverage in force under superseded plan grandfathered.	Frozen group of insured whose retirement occurred under superseded plan prior to transfer to Sun Life.

## Health and Dental Benefits

Eligible employees are entitled to post-retirement health and dental benefits to age 65. Coverage for health and dental benefits continues to the eligible dependents of a deceased retiree until the retiree would have turned age 65.

A detailed description of the post-retirement non-pension benefits program can be found in the above noted document.

## **HCSA Benefits**

Eligible retirees are entitled to two hundred dollars (\$200) annually in an HCSA per family member from their retirement date to the earlier of age 65 or their death.

# The MEARIE Group Employee Benefit Program



# **Employee Benefit Booklet**

# Ascent Group Inc.

Prepared Date: April 2017

## Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

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Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

Your health and dental plans are insured through **Great-West Life Assurance Company**. Your disability and life plans are insured through **Desjardins Insurance**. Your accident plan is insured through **AIG Insurance Company of Canada**, while your Employee Assistance Program is insured through **Shepell**•fgi. The voluntary group home and auto program is insured through **AVIVA Traders Insurance Company**.

Any questions you have about your benefit program should be referred to your Plan Administrator.

### Enrolling In The Benefit Program

### Who Can Enroll

If you are an active permanent full-time employee under the age of 65 and working at least 20 hours per week, you are first eligible to enroll in the benefit program on the date you complete 6 months of continuous service with your employer.

If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

### Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

### Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

### When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

### Changing Your Coverage

There are times when you may need to change your coverage under the dependent life, extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

### **31-Day Deadline to Enroll**

You and your eligible dependents must enroll in the benefit program within 31 days of becoming eligible. This applies both when you first become eligible to enroll and when coverage is to be changed as a result of one of the events described above.

If you do not apply within the 31-day deadline, you and your dependents must provide medical evidence — proof that you are insurable. You may be asked to complete a health questionnaire or to undergo an examination. You will be responsible for paying a late applicant processing fee, plus any additional costs associated with providing the information necessary to prove your insurability. These costs are not covered under this plan or the provincial health plan. You and your dependents will not be covered under the plan until you are approved for coverage and, if your or a dependent's health makes you uninsurable, you may be denied coverage altogether.

### When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 70 (applies to life insurance, extended health care, dental care, accidental death & dismemberment insurance and short term disability),
- the date you attain age 65 (applies to long term disability insurance and employee/spousal optional life insurance ),
- the date you retire or
- the date the group plan is cancelled.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to lay-off, leave of absence (other than maternity or parental leave), strike or lock-out.

If you are not actively at work due to illness or injury:

- your life, accident and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

Your dental care plan has been developed to help you and your family maintain good dental health.

### **How The Plan Works**

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners — updated automatically each year.

The **deductible** under the dental care plan for employees with **single coverage is \$25 per calendar year**. This means that only the first \$25 spent on eligible dental services is *not* reimbursed each year.

If you have **family coverage**, a \$25 deductible will be applied only once for each insured family member and not more than twice per family in a calendar year — a **maximum deductible of \$50**.

### What Is Covered

Reasonable Treatment

All services and supplies covered under this plan must represent reasonable treatment. Treatment is considered reasonable if it is:

- recognized by the Canadian Dental Association,
- proven to be effective,
- performed by a dentist or under a dentist's supervision, or performed by a denturist, and,
- of a form, frequency, and duration essential to the management of the person's dental health.

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## The plan provides 90% reimbursement for the following basic dental services:

- complete oral examinations (once in any 24-month period),
- full mouth x-rays (once in any 24-month period),,
- recall examinations (once in any 9-month period),
- bitewing x-rays (once in any 9-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period,
- fluoride treatment (once in any 9-month period),
- oral hygiene instruction (once in any 9-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- denture repairs, relines and rebases (minor adjustments are covered only after 3 months have elapsed from the date of insertion),
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,
- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  - 1. scaling in excess of one unit, and root planing, up to a combined maximum of 16 units per calendar year;
  - 2. provisional splinting; and
  - 3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

A time unit is considered to be a 15-minute interval or any portion of a 15-minute interval. No benefits will be paid for custom fluoride appliances, audio-visual oral hygiene instruction or nutritional counselling.

### Maximum Benefit

Dental care benefits are subject to an overall maximum of \$1,500 per person per calendar year. If your coverage starts in the second half of a benefit year, the maximum amount for that year will be reduced by 50%.

### Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.

### **Coordinating Benefits**

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

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**How To Claim Dental Benefits** 

With GroupNet for Plan Members, you can:

- Submit many of your claims online, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View claim status and Explanation of Benefits statements for the past 24 months.
- Access personalized coverage information.
- Check **dental care coverage** balances and find out when you are next covered for a dental checkup.
- Complete and print **personalized forms and cards**.
- Browse the Health & Wellness Site and the Great-West Life Centre for Mental Health in the Workplace website for extensive healthcare information and tools.

Your plan design determines which online services are available to you. Go to www.greatwestlife.com to register.

### OR

- 1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit <u>www.greatwestlife.com</u> to get printed claim forms with your plan information already filled in.
- 2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
- 3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy account number, your class code and certificate number, in the appropriate boxes provided on the claim form.

- 4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
- 5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

### OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

**Note:** Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.

### What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

### **Extended Benefit For Surviving Dependents**

If you should die while insured under this plan, dental coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

- 1. your dependent would otherwise cease to qualify as an eligible dependent,
- 2. your surviving spouse remarries,
- 3. similar coverage is obtained elsewhere, or
- 4. this plan terminates.

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

### How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

Eligible drugs and medicines are subject to a deductible of \$2.00 for each prescription.

All other services and supplies covered under your extended health care plan are *not* subject to a deductible.

### What Is Covered

The following medical services and supplies are covered provided they are:

- medically necessary in the treatment of an illness or injury,
- recommended by a physician,
- incurred for the care of a person while insured under this benefit,
- reasonable taking all factors into account,
- not covered under the provincial health plan or any other government-sponsored program, and
- they can legally be insured.

Payment for any covered expenses which may be purchased in large quantities will be limited to the purchase of up to a 3 months' supply at any one time, except for covered Drug expenses.

### **Hospital Care**

Daily charges up to **semi-private** hospital confinement (incurred in Canada) in excess of the charges for standard Ward accommodation, provided:

- 1. the insured person was confined to hospital on an in-patient basis; and
- 2. the accommodation was specifically elected in writing by the insured person.

**Note:** The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).

### Prescription Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are dispensed by a licensed pharmacist, and which by law or convention require the written prescription of a physician or dentist,
- life-sustaining drugs,
- injectable medications,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected), and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary. Where a prescription contains a written direction from the Physician or dentist that the prescribed Drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered if it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist. You will be required to pay any deductible, where applicable.

**Note:** The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The plan does not cover expenses for the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.

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### **Professional Services**

Services of a licensed massage therapist, physiotherapist, acupuncturist, audiologist, naturopath, osteopath, chiropractor, podiatrist/chiropodist, or occupational therapist, to a maximum of \$400 each per calendar year.

Services of a licensed psychologist/social worker or speech therapist to a maximum of \$1,000 per calendar year.

**Note:** The maximum for each specialty includes no more than one x-ray per calendar year.

### Vision Care – Eye Examinations

Eye examinations to a maximum of \$50 every 2 years.

### Medical Services & Supplies

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

### Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), Certified Nursing Assistant (C.N.A.) or Licensed Practical Nurse (L.P.N.) who is not a relative, friend or member of the patient's household, to a maximum of \$10,000 per calendar year.

**Note:** A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.

### **Rental of Major Medical Equipment**

Rental of (or, at the Insurance Company's option, purchase of):

- Mobility Equipment: crutches, canes, walkers and standard wheelchairs; and
- *Durable Medical Equipment:* manual hospital beds, respiratory and oxygen equipment, and other durable medical equipment usually found only in hospitals.

### Non-Dental Prostheses, Supports & Hearing Aids

- external prostheses (note: limited to 80% reimbursement for myoelectric prostheses),
- braces (other than foot braces), trusses, collars, leg orthosis, casts and splints,
- custom-made orthopaedic shoes which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stock-item orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to \$500 per calendar year,
- custom-made orthotics which are recommended by a physician or podiatrist, to a maximum of \$350 per calendar year,
- hearing aids (including charges for installation, repair, maintenance and batteries), to a maximum of \$500 every 5 calendar years,
- surgical stockings, to a maximum of 2 pairs per calendar year,
- surgical brassieres, to a maximum of 2 per calendar year,
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to \$300 per calendar year.
- artificial limbs and eyes, and
- stump socks, to a maximum of 5 pairs per calendar year.

#### **Other Supplies**

- ileostomy, colostomy and incontinence supplies,
- oxygen, and
- medicated dressings and burn garments.

#### Diagnostic Procedures

Microscopic and other similar diagnostic tests and services.

#### Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

#### Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

#### **Out-of-Province or Out-of-Country**

#### Medical Travel in Canada

The plan will pay for the following expenses if you are referred away from home by your physician for treatment by another physician within your own province or elsewhere in Canada and the round trip distance is 1,000 kilometres or more.

Travelling expenses for the person requiring the treatment and one companion if recommended by the attending physician. Benefits are limited to either round trip economy class travel or automobile fuel expenses. Taxicab, car rental charges and automobile repair charges are not covered.

Lodging expenses for the person requiring the treatment and one companion. Benefits are limited to moderate quality accommodation for the area in which the expense is incurred. Telephone and meal expenses are not covered.

Transportation and lodging expenses associated with in-Canada medical travel are limited to a lifetime maximum of \$2,000.

#### **Out-Of-Country Emergency Care**

The plan covers medical expenses incurred as a result of a medical emergency arising while you or your dependent is outside Canada for vacation, business or education purposes. To qualify for benefits, you must be covered by the government health plan in your home province.

A medical emergency is a sudden, unexpected injury or an acute episode of disease.

The following services and supplies are covered when related to the initial medical treatment:

- treatment by a physician;
- diagnostic x-ray and laboratory services;
- hospital accommodation in a standard or semi-private ward or intensive care unit, if the confinement begins while you or your dependent is covered;
- medical supplies provided during a covered hospital confinement;
- paramedical services provided during a covered hospital confinement;
- hospital out-patient services and supplies;
- medical supplies provided out-of-hospital if they would have been covered in Canada;
- drugs;
- out-of-hospital services of a professional nurse; and
- ambulance services by a licensed ambulance company to the nearest centre where essential treatment is available.

If your medical condition permits you to return to Canada, benefits will be limited to the amount payable under this plan for continued treatment outside Canada or the amount payable under this plan for comparable treatment in Canada, plus return transportation, whichever is less.

#### **Global Medical Assistance Program**

This program provides medical assistance through a worldwide communications network which operates 24 hours a day. The network locates medical services and obtains Great-West Life's approval of covered services, when required as a result of a medical emergency arising while you or your dependent is travelling for vacation, business or education. Coverage for travel within Canada is limited to emergencies arising more than 500 kilometres from home. You must be covered by the government health plan in your home province to be eligible for global medical assistance benefits. The following services are covered, subject to Great-West Life's prior approval:

- On-site hospital payment when required for admission, to a maximum of \$1,000;
- If suitable local care is not available, medical evacuation to the nearest suitable hospital while travelling in Canada. If travel is outside Canada, transportation will be provided to a hospital in Canada or to the nearest hospital outside Canada equipped to provide treatment;
- Transportation and lodging for one family member joining a patient hospitalized for more than 7 days while travelling alone. Benefits will be paid for moderate quality lodgings up to \$1,500 and for a round trip economy class ticket;
- If you or a dependent is hospitalized while travelling with a companion, extra costs for moderate quality lodgings for the companion when the return trip is delayed due to your or your dependent's medical condition, to a maximum of \$1,500;
- The cost of comparable return transportation home for you or a dependent and one travelling companion if prearranged, prepaid return transportation is missed because you or your dependent is hospitalized. Coverage is provided only when the return fare is not refundable. A rental vehicle is not considered prearranged, prepaid return transportation;
- In case of death, preparation and transportation of the deceased home;
- Return transportation home for minor children travelling with you or a dependent who are left unaccompanied because of your or your dependent's hospitalization or death. Return or round trip transportation for an escort for the children is also covered when considered necessary; and
- Costs of returning your or your dependent's vehicle home or to the nearest rental agency when illness or injury prevents you or your dependent from driving, to a maximum of \$1,000. Benefits will not be paid for vehicle return if transportation reimbursement benefits are paid for the cost of comparable return transportation home.

Benefits payable for moderate quality accommodation include telephone expenses as well as taxicab and car rental charges. Meal expenses are not covered.

#### Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in your home province is unlimited.

The maximum that is reimbursed for medical treatment received outside your home province or Canada is:

- \$1,000,000 for each covered person for all covered costs related to any one emergency under the emergency out-of-province/country and the Travel Assistance coverage; or
- \$10,000 during the covered person's lifetime for approved referral treatment.

#### **Coordinating Benefits**

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

#### How To Claim Extended Health Care Benefits

To claim benefits for medical services and supplies, other than drugs or medicines:

#### With GroupNet for Plan Members, you can:

- Submit many of your claims online, through Member eClaims.
- Sign up for direct **deposit claim** payments and claim payment notification by email, or by text message on your mobile phone.
- View claim status and Explanation of Benefits statements for the past 24 months.
- Access personalized coverage information.
- Check vision care coverage balances and find out when you can next purchase prescription eyeglasses or contacts.
- Complete and print personalized forms and cards (e.g. ID, Drug, Global Medical Assistance, Best Doctors<sup>®</sup>)
- Browse the Health & Wellness Site and the Great-West Life Centre for Mental Health in the Workplace website for extensive healthcare information and tools.

Your plan design determines which online services are available to you. Go to <u>www.greatwestlife.com</u> to register.

#### OR

- 1. Save all your receipts for medical services and supplies, including prescriptions, and any bills or receipts received for hospital care. Receipts and bills should show:
  - the patient's name,
  - the date the treatment or supply was provided,
  - the nature of the service or supply, and
  - an item-by-item list of the charges,
- 2. Pick up a claim form from your Plan Administrator or visit <u>www.greatwestlife.com</u> to get printed claim forms with your plan information already filled in.
- 3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form.

- 4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
- 5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

**Note:** Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.

#### To claim benefits for drugs or medicines:

- 1. Present your drug card to the pharmacist when filling your prescription.
- 2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist you do not need to complete any claim forms or wait for the reimbursement.
- 3. You will be required to pay the deductible, where applicable, to the pharmacist.

**Note:** If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.

#### What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

#### **Extended Benefit For Surviving Dependents**

If you should die while insured under this plan, extended health care coverage will be continued, without payment of premiums, for your dependents who are insured under this plan at the time of your death for a period of up to 2 years, or earlier, if:

- 1. your dependent would otherwise cease to qualify as an eligible dependent,
- 2. your surviving spouse remarries,
- 3. similar coverage is obtained elsewhere, or
- 4. this plan terminates.

### **Best Doctors®**

#### Diagnostic and Treatment Support Services

Best Doctors is a personal and confidential service offered to you and your eligible dependents as part of your employee benefits. When you are faced with a medical condition, they provide a suite of services that complement the care you are receiving from your treating physician. From basic medical advice to a comprehensive review of your medical files and treatment regimens, Best Doctors provides medical certainty when you need it most.

You can access Best Doctors services by calling **1-877-419-2378**. You will be connected to a Member Advocate, a Registered Nurse, who will assess your needs and provide you services designed to help you confidently move forward with your care.

#### **Best Doctors Services:**

#### InterConsultation<sup>SM</sup>

If you are faced with a serious medical condition, Best Doctors will examine your medical records to confirm that your diagnosis is correct and that you are pursuing the best treatment options. They will collect your medical information and records, including imaging and pathology specimens, and send them to a team of Harvard-trained physicians who will analyze your records and retest any pathology. An expert physician who specializes in your condition will review your case and provide you with a comprehensive written report that includes a diagnosis and treatment recommendations.

#### FindBestDoc<sup>SM</sup>

If you are looking for a medical specialist, Best Doctors will conduct a customized search of leading Canadian specialists from their physician database, based on your criteria and geographic preference. They will also contact the specialists to ensure they are accepting new patients.<sup>1</sup>

1 Access to a Canadian specialist requires a referral from your treating physician. Expenses associated with treatment, travel and lodging are the responsibility of the member.

# **Best Doctors**<sup>®</sup>

#### FindBestCare<sup>SM</sup>

When an expert physician or leading care facility outside of Canada is required, Best Doctors will search their global database of over 53,000 peer-selected specialists to find the expert(s) best suited to your needs. They will also ensure the specialists or facilities are accepting new patients, inquire about costs and referral requirements, and help you provide them with your medical information.<sup>2</sup>

#### Best Doctors 360°®

When you have concerns regarding your health or would like advice and information, Best Doctors offers information resources, one-on-one support, and customized health coaching for a wide range of health concerns. They can also help identify support programs and services in your local area.

#### • Ask the Expert<sup>SM</sup> (exclusive to Great-West Life members)

Sometimes a 15-minute visit with your doctor is not enough time to get all your medical questions answered. Best Doctors can provide written answers to your questions from a leading physician.

#### **About Best Doctors**

Founded in 1989 by Harvard Medical School physicians, Best Doctors is a benefit that provides access to the best medical minds in the world so you can feel empowered with the right information. It is designed to complement the care you receive from your own physician. Connecting you to a global database of 53,000 of the top 5% of practicing physicians acquired through its proprietary, Gallup-certified polling process, you get the best possible medical advice so you can make the best possible medical decisions.

Best Doctors, The Reinvention of Right, InterConsultation, FindBestDoc, FindBestCare, Best Doctors 360°, Ask the Expert and the Star-in-Cross logo are trademarks or registered trademarks of Best Doctors, Inc.

**NOTE:** These services are not insured services. Great-West Life is not responsible for the provision of services, their results, or any treatment received or requested in connection with the services.

<sup>2</sup> Expenses associated with treatment, travel and lodging are the responsibility of the member.

### Health Care Spending Account

#### Your Health Care Spending Account provides you with annual credit to be spent on any eligible health or dental expense of your choice (according to CRA guidelines).

#### How The Plan Works

A Health Care Spending (HCSA) is like a bank account through which you may be reimbursed for health and dental expenses up to a predetermined annual credit amount. Your employer will provide you with annual credits at the beginning of each plan year. These credits may be used to cover expenses not covered by group health plans or to top-up expenses not fully covered by group health plans, including deductibles and co-payment amounts. Also, since annual credits are in the form of before tax dollars, the HCSA is a tax-effective way of paying for your health-related expenses.

Unused credits at the end of any plan year are rolled over to your account for the following plan year. If they are not used by the end of the following year, they are automatically forfeited.

The maximum annual payment available under your account consists of the amount of credit directed to it at the beginning of the plan year plus any unused amount from the previous year.

#### Eligibility

You are eligible for HCSA credits through your employer if you are covered for basic health benefits under your group health plan. In addition to the dependents eligible for coverage under your basic health plan, HCSA benefits are extended to a child who is no longer eligible for basic health benefits solely because of student age restrictions and to any other person for whom you are entitled to claim a medical expense tax credit under the Income Tax Act.

#### Termination

Your HCSA coverage terminates when your basic health coverage terminates, when you elect to discontinue coverage (at any plan enrolment date) or when your employer discontinues the plan.

# Health Care Spending Account

#### **Covered Expenses**

The Income Tax Act governs the types of expenses that can be reimbursed under the HCSA. Coverage is provided for medical, vision and dental expenses that qualify for a medical expense tax credit. For a complete list of covered expenses, contact your Canada Revenue Agency District Office and ask for Income Tax Interpretation Bulletin IT-519R.

Great-West Life will pay 100% of covered expenses that are incurred while you and your dependents are covered, up to a maximum annual payment equal to the credits in your HCSA. Expenses for medical and vision services and supplies are considered to be incurred when they are received. Dental expenses, other than orthodontic expenses, are considered to be incurred when treatment is completed. Orthodontic expenses are considered to be incurred on a periodic basis throughout the course of treatment.

#### Limitations

No benefits are paid for:

- Expenses that private benefit plans are not permitted to cover by law;
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have coverage under a private benefit plan;
- Any portion of the expense for services or supplies for which benefits are payable under your basic health plan, another group plan or a government plan;
- Expenses arising from war, insurrection, or voluntary participation in a riot.

#### How to Make a Claim

The HCSA will reimburse you for the balance of the expense remaining after all other insurance plans have paid out. You must first submit all claims to any government and private insurance plans under which you or any eligible dependents are covered. This is important in order to avoid an over-payment from your HCSA and possible tax consequences. Once you have received reimbursement for the expense from all other plans, you may submit a claim against the HCSA.

Any claim against the HCSA must be submitted on a special HCSA claim form. For Healthcare and Vision care claims, use form M5431A, and for Dental care claims, use form M5429A. Claims against the HCSA must be submitted to the Great-West Life Benefit Payment Office within 31 days after the end of the plan year in which the expenses are incurred.

The standard GWL claim forms should be used when you do not want benefits reimbursed from your HCSA.

### **Employee Assistance Program**

Your Employee Assistance Program (EAP) is a confidential and voluntary support service that can help you solve all kinds of problems and challenges in your life.

#### How The Plan Works

You and your immediate family members (as defined under the Dependents section) can receive support over the telephone, in person, online, and through a variety of issue-based health and wellness resources. For each concern you are experiencing, you can receive a series of sessions. You can also take advantage of online tools to help manage personal well-being.

Your EAP is completely confidential within the limits of the law. No one, including your employer, will ever know that you have used the service unless you choose to tell them.

There is no cost to use your EAP. If you need more specialized or longer-term support, your EAP will help you select an appropriate specialist or service that can provide assistance. While fees for these additional services are your responsibility, some may be covered under your provincial or organizational health plan.

Your EAP provides awareness, education and access to multiple modes of clinical assistance for a host of issues including: child and senior care; addictions; illness prevention and illness management; mental and emotional counselling; legal and financial advice; nutritional consultation and, resources, referrals and consultation for other personal and family needs.

#### **Contact Information**

Call your EAP toll-free, 24 hours a day, seven days a week for immediate, confidential help:

#### 1-800-387-4765

Or visit www.shepellfgi.com/ecounselling

# Short Term Disability

Your short term disability plan provides you with a weekly income if you are unable to work due to non-occupational injury or illness.

#### How The Plan Works

Benefits are payable under the short term disability plan if, due to non-occupational injury or illness, you are unable to perform the duties of your normal job.

Benefits are payable from the **1st** day of disability if the disability is due to an accident, or from the **8th** day of disability if the disability is due to illness. Benefits will be paid for up to **17 weeks**.

#### **Benefits Provided**

The short term disability plan provides a weekly benefit equal to 66-2/3% of your weekly earnings, to a maximum of \$900 per week.

To receive benefits, you must be under the regular and continuing care of a physician. Satisfactory proof of your condition and medical attendance must be provided to the Insurance Company.

Any benefits you receive from the short term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

#### Coordination With Other Disability Benefits

Short term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from any salary continuation arrangement or plan, the Canada Pension Plan, Quebec Pension Plan, or any other federal, provincial, municipal or foreign government plan, excluding any benefits payable with respect to your dependents.

#### When Disability Recurs

If you recover and are able to return to work, only to become unable to work again, the second period of absence will be treated as a continuation of the first unless the medical reason for the second period is unrelated to the first, or is separated from the first by more than 2 weeks.

# Short Term Disability

#### How To Claim Short Term Disability Benefits

Claim forms are available from your Plan Administrator. Forms should be completed and returned to your Plan Administrator promptly, if you are unable to report for work. Short term disability claims must be submitted no later than 31 days from the date your disability begins.

#### What's Not Covered

Your short term disability plan does not cover:

- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any accidental injury arising out of or in the course of employment, or disease covered by Workers' Compensation or similar legislation,
- intentionally self-inflicted injury or illness,
- · disability resulting from war, or act of war, or while engaged in the armed services,
- participation in a criminal act, or
- any of the following:
  - any disability, loss or expense that commences or occurs during your leave of absence except to the extent that the continuation of such insurance coverage during any period of statutory maternity or parental leave of absence is required either by any relevant federal or provincial law (whether statutory, regulatory or otherwise) or by any written agreement between your Utility and you; and
  - 2. any disability, loss or expense for which you are entitled to receive any basic and supplementary unemployment insurance, maternity/parental leave benefits.

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

#### How The Plan Works

Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **120 days** or have used all the sick days to which you are entitled under your sick leave plan, whichever occurs later.

#### **Benefits Provided**

If you are totally disabled you will receive a monthly income benefit equal to 66-2/3% of your regular monthly earnings, to a maximum of \$5,000 per month.

To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- travel outside of Canada or the United States unless approved by the insurer, or
- in the event of your death.

#### **Coordination With Other Disability Benefits**

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

#### **Rehabilitation Benefit**

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

#### When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

#### Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

#### How To Claim Long Term Disability Benefits

Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

#### What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  - 1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  - 2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

### **Basic Life Insurance**

Your basic life insurance plan pays a benefit to your beneficiary in the event of your death.

#### How The Plan Works

If you should die, your basic life insurance plan will pay a benefit to your appointed beneficiary, regardless of the cause of death.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

#### **Benefits Provided**

Your basic life insurance coverage is equal to \$50,000.

Your benefit will reduce by 50% at age 65.

#### When Coverage Ends

Employee Life Insurance coverage ceases on the earliest of the following dates:

- the date your employment ends, other than by cessation of active employment due to total disability;
- the last day of the month in which you reach age 70; or
- the date the group plan is cancelled.

### **Basic Life Insurance**

#### Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

#### **Conversion Privilege**

Your basic life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your basic life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

#### **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

The optional life insurance plan enables you to purchase additional life insurance coverage for yourself or your spouse.

#### **Employee Optional Life Insurance**

The purchase of employee optional life insurance is completely voluntary; you decide whether or not to participate. In the event of your death, your optional life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

#### **Benefits Available**

Optional life insurance coverage is available in **multiples of \$10,000, to a maximum of \$250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

#### **Cost of Optional Life Insurance**

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a "non-smoker" if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

	Male		Female	
Employee's Attained Age (as at January 1st)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.09 <del>9</del>	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.

Monthly costs shown above are subject to applicable taxes.

#### **Spousal Optional Life Insurance**

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A spouse is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

#### **Benefits Available**

Spouse's optional life insurance coverage is available in **multiples of \$10,000 to a maximum of \$250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of \$10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **all** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

#### **Cost of Spousal Optional Life Insurance**

For Spouse's Optional Life Insurance, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

	Male		Female	
Spouse's Attained Age (as at January 1st)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 30	\$0.042	\$0.032	\$0.042	\$0.026
30 - 39	\$0.069	\$0.035	\$0.054	\$0.032
40 - 49	\$0.187	\$0.094	\$0.113	\$0.069
50 - 59	\$0.615	\$0.307	\$0.312	\$0.187
60 - 64	\$1.200	\$0.599	\$0.653	\$0.390
<b>Note:</b> Monthly costs The monthly c			ct as of January 1 by the insurer; you	

notify you prior to any changes taking effect.

Monthly costs shown above are subject to applicable taxes.

#### Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (Note: If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required.)

#### Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

#### **Conversion Privilege**

Your optional life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — without having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your optional life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins Insurance is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date

of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

# <sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

#### How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

#### What's Not Covered

No amount will be paid for that part of your Optional Life Insurance benefit that has been in force for less than 2 years, if loss of like results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

Your basic accidental death and dismemberment plan provides coverage in the event of accidental death or serious injury.

#### How The Plan Works

Your basic accidental death and dismemberment insurance covers you 24 hours a day, 7 days a week, anywhere in the world. Benefits from this plan are paid in addition to any life or disability insurance that you receive.

In the event of your accidental death, your accident insurance plan will pay a benefit to your appointed beneficiary. Benefits for all other covered accidental losses are payable to *you*.

You may name anyone you choose to receive benefits payable under the plan in the event of your accidental death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

#### **Benefits Provided**

Your basic accidental death and dismemberment insurance coverage is equal to **\$50,000.** 

Your coverage will reduce by 50% on your 65th birthday.

If you have an accident which results in a serious injury or death within 365 days of the accident, benefits will be paid according to the chart on the following page.

If An Accident Results In:	Amount Payable	
Quadriplegia (total paralysis of both arms and legs)	2 X insured amount	
Paraplegia (total paralysis of both legs)	2 X insured amount	
Hemiplegia (total paralysis of the arm and leg on one side of the body)	2 X insured amount	
Loss of life	whole amount	
Loss of both hands, both feet or both eyes	whole amount	
Loss of use of both arms or both hands	whole amount	
Loss of one hand and one foot	whole amount	
Loss of one hand and one eye or one foot and one eye	whole amount	
Loss of speech and hearing in both ears	whole amount	
Loss of use of both feet	whole amount	
Loss of one arm or one leg	3/4 of insured amount	
Loss of use of one arm or one leg	3/4 of insured amount	
Loss of one hand, one foot or one eye	2/3 of insured amount	
Loss of use of one hand or one foot	2/3 of insured amount	
Loss of speech or hearing in both ears	2/3 of insured amount	
Loss of thumb and index finger or at least 4 fingers of one hand	1/3 of insured amount	
Loss of hearing in one ear	1/3 of insured amount	
Loss of all toes of one foot	1/4 of insured amount	

Only one of the amounts payable (the largest applicable) is paid for injuries to the same limb caused by any one accident.

The maximum payable for all losses suffered by one covered person in any one accident will not exceed the following:

- 1. with the exception of quadriplegia, paraplegia and hemiplegia, the whole amount for which he or she is insured,
- 2. with respect to quadriplegia, paraplegia and hemiplegia, 200% of the amount for which he or she is insured, or 100% if Loss of Life occurs within 90 days after the date of the accident.

#### **Exposure & Disappearance**

Benefits will also be paid for:

- losses caused by exposure to the elements, resulting from an accident within 365 days of the accident, and
- disappearance due to travel accidents (if a covered person's body is not found within 365 days of an accident in which their vehicle sinks or disappears, and there is no evidence that they survived, the benefit for loss of life is payable).

#### **Repatriation Benefit**

The plan will pay for the preparation and transportation of the deceased for burial:

- up to \$10,000 if death occurs more than 50 km from the deceased's home, or
- up to \$10,000 if death occurs outside of Canada.

#### **Rehabilitation Benefit**

The plan provides reimbursement of up to \$10,000 for expenses incurred for special training received within 2 years of the accident required in order for you to engage in a new occupation, if you are unable to perform your normal occupation as a result of an accidental loss. Payment will not be made for ordinary living, travelling or clothing expenses.

#### **Occupational Training Benefit**

In the event of your accidental death, the plan provides reimbursement of up to \$10,000 for expenses incurred for training that qualifies your widowed spouse for a job for which he or she would not have otherwise engaged in, but for your death.

#### **Family Transportation Benefit**

In the event you are on a trip covered by this plan, and are confined as an inpatient in a hospital because of injuries which result in a loss payable under the Loss Schedule and require the personal attendance of a member of your immediate family as recommended by the attending physician, the plan will pay up to \$10,000 for the expense incurred by the member for transportation by the most direct route by a licensed common carrier to be in attendance with you.

"Member of the immediate family" means the spouse or common law spouse, parent, grandparent, children over age 18, brother or sister of the insured person.

#### **Education Benefit**

In the event of your accidental death, the plan provides a benefit of up to \$5,000 (or 5% of your insured amount, whichever is less) to your dependent child, provided the child was enrolled on a full-time basis in an institution of higher learning beyond the 12th grade level at the time of your death, or was enrolled in the 12th grade level and subsequently enrolls as a full-time student in an institution of higher learning within 365 days of your death.

The maximum benefit is in combination with the Education Benefit maximum provided under any other policy issued by the insurer, and is payable annually for a maximum of four (4) consecutive annual payments, provided the child continues to be enrolled in the institute of higher learning. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

If, at the time of your accidental death, you have no dependent child(ren) eligible for either the Education Benefit or the Day Care Benefit, the insurer will pay \$1,500 to your designated beneficiary.

#### **Day-Care Benefit**

In the event of your accidental death, the plan provides a benefit of up to \$5,000 (or 5% of your insured amount, whichever is less) for reasonable and necessary expenses actually incurred for day-care, provided the child is enrolled in a day-care centre at the time of your death, or will subsequently enroll in a day-care centre within 365 days of your death.

The maximum benefit is in combination with the Day-Care Benefit maximum provided under any other policy issued by the insurer, for not more than four (4) consecutive years with respect to any one dependent child, provided the child continues to be enrolled in a day-care centre. Payment will not be made for expenses incurred prior to the date of your death, nor for room, board or other ordinary living, travelling or clothing expenses.

"Day-Care centre" means a facility which is operated according to law, including laws and regulations applicable to day-care facilities, and which provides care and supervision for children in a group setting on a regular basis. Day-Care centre shall neither include a hospital, the child's home, care provided during school hours while a child is attending grades one (1) through twelve (12) nor any other day-care facility which does not charge a fee for services rendered. "Dependent child" means a person who is either a natural child, step-child or legally adopted child of the insured employee, who is residing in his or her household, is under thirteen (13) years of age and dependent upon the insured employee for maintenance and support.

#### Private Automobile Seat Belt Coverage

In the event you sustain an injury which results in a loss payable under the Loss Schedule, an additional amount equal to 10% of the amount payable will be paid if, at the time of the accident, you were driving or riding in a vehicle and wearing a properly fastened seat belt.

The driver of the vehicle must hold a current and valid driver's license of a rating authorizing him or her to operate such vehicle, and neither be intoxicated nor under the influence of drugs, unless such drugs are taken as prescribed by a physician, at the time of the accident.

#### **Home Alteration & Vehicle Modification Benefit**

In the event you receive a payment under the Loss Schedule and subsequently require (due to the same cause for which payment was made under the Loss Schedule) the use of a wheelchair to be ambulatory, this benefit will pay up to \$10,000, upon presentation of proof of payment, for:

- the one-time cost of alterations to your residence to make it wheelchair accessible and habitable, and/or
- the one-time cost of modifications necessary to a motor vehicle, owned by you, to make the vehicle accessible or driveable for you.

Benefit payments will not be paid unless:

- 1. home alterations are made by a person or persons experienced in such alterations and recommended by a recognized organization, providing support and assistance to wheelchair users; and
- 2. vehicle modifications are carried out by a person or persons with experience in such matters and modifications are approved by the Provincial vehicle licensing authorities.

#### Waiver of Premium

Premium payments are waived during any period in which you are totally disabled and premiums are being waived for your group life insurance coverage. Premiums will be waived until age 65, recovery or death, whichever occurs first, provided this plan remains in force.

#### **Conversion Privilege**

Your basic accidental death and dismemberment insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your insurance to an individual policy provided this plan is still in force — without having to provide medical evidence. You must apply to convert prior to age 70 and within 31 days of the date your employment ends. If you should die accidentally or suffer a covered accidental loss during the 31-day conversion period, a benefit will be paid in accordance with the Loss Schedule, regardless of whether or not application for conversion has been made.

#### **How To Claim Accident Benefits**

Your Plan Administrator will furnish all the required claim forms to you or your beneficiary in the event of a covered accidental loss or death, respectively. Claims for accident benefits must be submitted no later than 12 months after the accident occurs.

#### What's Not Covered

Your basic accidental death and dismemberment insurance plan does not cover losses caused by or resulting from:

- suicide or attempted suicide,
- intentionally self-inflicted injury,
- any act of war, declared or undeclared,
- full-time active service in the armed forces of any country,
- injuries suffered while travelling in an aircraft owned or leased by your employer, or a subsidiary, affiliate or associate company of your employer,
- death or bodily injuries suffered while a pilot or crew member of an aircraft, or
- death or bodily injuries suffered while a passenger in an aircraft that is not properly licensed, or operated by a person not holding a current and valid pilot's license.

**Note:** Benefits provided under the Repatriation Benefit; Rehabilitation Benefit; Occupational Training Benefit; Family Transportation Benefit; and Home Alteration and Vehicle Modification Benefit are payable under only one of the policies issued to your employer by the insurer.

### Group Home & Automobile Insurance Program

The group home and automobile insurance program is a voluntary, employee-paid plan, that gives you access to preferred group home & automobile insurance rates.

#### How The Plan Works

To enhance your overall benefits package, your employer has endorsed The MEARIE Group's Home & Automobile Insurance Program\*.

This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you.

The Program, sponsored by The MEARIE Group, is insured through AVIVA Traders Insurance Company. AVIVA has been providing group home and automobile insurance to groups and associations for over 50 years.

AVIVA's financial strength and stability ensures that their claims-paying ability is secondto-none in the Canadian insurance marketplace.

#### Products Available

#### Residential

- Homeowners
- Tenants
- Condominium
- Seasonal/Secondary/Rented Residences
- Recreational Watercraft
- Personal Articles

#### **Personal Automobiles**

- Automobiles
- Trailers
- Campers/Motor Homes
- Snowmobiles
- Other Recreational Vehicles

### **Group Home & Automobile Insurance Program**

### Value-Added Products & Services

AVIVA Traders has a variety of value-added products and services, including:

### AVIVA Roadside Assist

This value-added service provides emergency roadside assistance for up to four vehicles per policy. The annual membership fee provides a variety of services, including:

- Emergency towing
- Battery boosts
- Emergency winching
- Fuel Delivery
- Trip Planning

### Vehicle Anti-theft Device

Policyholders will have the option of purchasing an ignition disabler at a discounted price. Policyholders will receive a discount on their auto policy, which could be equal to or greater than the cost of the anti-theft device.

#### Six Star Protector

Is an easy way to protect policyholders from possible premium increases as a result of an accident, even if they are at fault. For a nominal fee, policyholders can protect their "Six Star" driving record and their claims free discount in the event they have an accident in the future.

#### **Payment Options**

Multi-pay plans, or, monthly payment plan with no interest or service fees.

#### Hours Of Operation

• Extended service hours: 8:00 a.m. to 8:00 p.m., Monday to Friday.

### Group Home & Automobile Insurance Program

### How To Obtain A Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call The MEARIE Group's toll free number 1-877-4MEARIE (1-877-463-2743), or visit AVIVA's website at <u>www.avivacanada.com</u> (click on Traders - password: grquote).

\* Administered by Alternative Risk Services Inc.



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## The MEARIE Group Employee Benefit Program



## **Employee Benefit Booklet**

## Ascent Group of Companies St. Thomas Energy Union Employees

Prepared: 05 September 2014

### Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

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Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

Your health and dental plans are insured through **Great-West Life Assurance Company**. Your life and disability plans are insured through **Desjardins Insurance**. The voluntary group home and auto program is insured through **AVIVA Traders Insurance Company**.

Any questions you have about your benefit program should be referred to your Plan Administrator.

### Enrolling In The Benefit Program

#### Who Can Enroll

If you are an active permanent full-time employee under the age of 65 and working at least 20 hours per week, you are first eligible to enroll in all benefit plans, other than extended health and dental, on the date your employment begins. You are first eligible to enroll in the extended health and dental plans on the first day of the month next following the date your employment begins.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

#### Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

#### **Dependent Children**

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

#### When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

### Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

### When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65,
- the date your spouse attains age 65 (applies to Spouse's Optional Life Insurance),
- the date you retire (with the exception of Retirement Life Insurance, as well as Extended Health Care and Dental coverage for eligible Early Retirees refer to the sub-section, *When You Retire*, for further details), or
- the date the group plan is cancelled.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off**, **leave of absence (other than maternity or parental leave)**, strike **or lock-out**.

If you are not actively at work due to **illness or injury**:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

### If You Retire

Coverage for you and your dependents will stop on the date you retire. *However*, if you retire under an Early Retirement pension through OMERS, your dental and extended health coverage will be continued until you reach age 65.

If you retire under an Early Retirement or Normal Retirement pension through OMERS, you may qualify for a reduced amount of life insurance. Coverage details are provided in the Life Insurance section of this handbook.

## Your dental care plan has been developed to help you and your family maintain good dental health.

### How The Plan Works

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners — updated automatically each year.

There is **no dental care deductible**.

### What Is Covered

### The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 9-month period),
- bitewing x-rays (once in any 9-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period,
- fluoride treatment (once in any 9-month period),
- oral hygiene instruction (once in any 9-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- denture repairs, relines and rebases (minor adjustments are covered only after 3 months have elapsed from the date of insertion),
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  - 1. scaling in excess of one unit, and root planing, up to a combined maximum of 8 units every 12 months;
  - 2. provisional splinting; and
  - 3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

# 50% reimbursement is provided for the following removable prosthodontic services and supplies:

- initial provision of a full or partial removable denture,
- denture repairs, relines and rebases, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
  - 1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  - the existing appliance is at least 5 years old and cannot be made serviceable; or
  - 3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

# 50% reimbursement is provided for the following fixed prosthodontic and major restorative services:

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- veneers,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
  - 1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  - the existing appliance is at least 5 years old and cannot be made serviceable; or
  - 3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

# The plan provides 50% reimbursement of the following orthodontic services and supplies:

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

#### Maximum Benefit

No overall maximum benefit applies for basic or removable prosthodontic dental services. The maximum benefit payable for fixed prosthodontic and major restorative services is \$1,500 per person per calendar year. Benefits for orthodontic services are limited to a lifetime maximum of \$2,500 per person.

### **Pre-Treatment Estimate**

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.

### **Coordinating Benefits**

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

### **How To Claim Dental Benefits**

- Pick up a claim form from your Plan Administrator before you go to the dentist, or visit <u>www.greatwestlife.com</u> to get printed claim forms with your plan information already filled in.
- 2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
- 3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy account number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
- 4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
- 5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

#### OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

**Note:** Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.

### What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- laboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

### **Extended Benefit For Surviving Dependents**

If you should die while insured under this plan, dental coverage will be continued for your dependents who are insured under this plan at the time of your death, provided the required premiums are paid, until the earliest of:

- 1. attainment of the surviving spouse's 65<sup>th</sup> birthday, or
- 2. the date your dependent would otherwise cease to qualify as an eligible dependent, or
- 3. the date your surviving spouse remarries, or
- 4. the date your dependents become insured under another group policy, or
- 5. the date this plan terminates.

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

### How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

The **deductible** under the extended health care plan for employees with **single coverage is \$10 per calendar year**. This means that only the first \$10 spent on eligible medical services or supplies is *not* reimbursed each year.

If you have **family coverage**, a \$10 deductible will be applied only once for each insured family member and not more that twice per family in a calendar year — a **maximum deductible of \$20**.

**Note:** Eligible **Hospital Care, Drugs, Vision Care, Out-of-Country and Travel Assistance** expenses are **not subject to the deductible**.

\*Eligible drugs and medicines are subject to a deductible of \$1.00 for each prescription.

#### What Is Covered

The following medical services and supplies are covered provided they are:

- medically necessary in the treatment of an illness or injury,
- recommended by a physician,
- incurred for the care of a person while insured under this benefit,
- reasonable taking all factors into account,
- not covered under the provincial health plan or any other government-sponsored program, and
- they can legally be insured.

Payment for any covered expenses which may be purchased in large quantities will be limited to the purchase of up to a 3 months' supply at any one time, except for covered Drug expenses.

#### **Hospital Care**

Chronic Care: Charges for confinement in a Chronic Care Facility which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of \$3 per day for up to 120 days per calendar year. Chronic Care utilization fees are not covered expenses.

Convalescent Care: Charges for confinement in a Convalescent Care Facility which starts within 14 days of discharge form a Hospital confinement, to a maximum of \$10 per day for up to 120 days per disability.

**Note:** The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).

### Prescribed Drugs & Medicines — Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives,
- preventive vaccines and medicines (oral or injected),
- hematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (cotton swabs, rubbing alcohol, automatic jet injectors and similar equipment are not covered).

Fertility Drugs are subject to a maximum of \$12,000 per lifetime.

The plan does not cover Anti-smoking drugs, Vitamins (except those which are injected), or Sexual Dysfunction Drugs.

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or dentist that the prescribed drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered If it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist. The maximum amount allowable towards the prescription drug **dispensing fee is \$8.00** per prescription. You will be required to pay a **deductible of \$1.00** per prescription plus any portion of the cost that is not covered by the plan, where applicable.

**Note:** The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectibles and haematinics). The plan does not cover expenses for the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.

### **Professional Services**

Services of a licensed clinical psychologist, up to \$35 for the initial visit and \$20 for each subsequent visit, limited to an overall maximum of \$200 per 12 consecutive months.

Services of a licensed chiropractor, registered physiotherapist or registered massage therapist, up to a combined maximum of **\$600 per calendar year**. The services of a physiotherapist or massage therapist will be considered only when recommended in writing by the attending physician.

Services of a certified speech therapist, when recommended in writing by the attending physician, to a maximum of \$200 per 12 consecutive months.

### Vision Care

The following vision care services are covered when prescribed by an ophthalmologist, optometrist, or oculist:

 purchase and fitting of prescription glasses or elective contact lenses, or elective laser vision correction procedures, and one eye examination per 24 month period to a maximum of \$350 every 24 consecutive months (charges for repairs are also included under this maximum).

NOTE – Effective May 1, 2013, coverage will include one eye examination every 24 consecutive months, to a maximum of \$75.

#### Medical Services & Supplies

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

### Private Duty Nursing

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), Certified Nursing Assistant (C.N.A.) or Licensed Practical Nurse (L.P.N.) who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

**Note:** A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.

### Medical Aids, Appliances and Supplies

Charges which are reasonable and customary when incurred on the written authorization of a physician, for the following items when required for therapeutic use only:

- 1. crutches , cane, and standard type walker;
- 2. oxygen, and equipment necessary for its administration;
- respirator (an apparatus used for the purpose of providing artificial respiration over a prolonged period of time, in cases where the respiratory muscles are nonfunctioning);
- 4. the rental of, or at the option of the insurer, the purchase of:
  - i) a standard type manual hospital bed, including mattress;
  - ii) a standard type manual wheelchair

Electric hospital beds, wheelchairs and scooters are excluded unless medically required and recommended in writing by the attending physician.

5. hospital bed, wheelchairs and scooter repairs, when required as a result of normal wear and tear. The cost of replacement batteries is excluded.

#### Radium Therapy

Charges which are reasonable and customary for radium and radioactive isotope treatments, when authorized in writing by the attending physician.

#### Blood

Charges which are reasonable and customary for blood transfusions, blood plasma, or other blood products.

#### **Non-Dental Prostheses, Supports & Hearing Aids**

- artificial limbs and eyes (Note: in the case of myoelectric or sport prostheses, consideration will be limited to the amount that would otherwise be paid for standard type artificial limbs);
- braces, splints, trusses, casts and cervical collars (Note: "Brace" means a rigid or semi-regid supporting device or appliance which fits on and is attached to the body or any part of the body, excluding any brace which is used to correct a dental defect, deficiency or injury);
- catheters and urinary kits;
- external breast prostheses and up to two surgical brassieres per calendar year when required as a result of mastectomy;
- ostomy supplies, where a surgical stoma exists;
- surgical elastic stockings, limited to two pairs per calendar year;
- repairs to prosthetic appliances, when required as a result of normal wear and tear;
- corrective prosthetic lenses and frames, once only, following cataract surgery or when the person lacks an organic lens;
- custom-made orthopaedic shoes or boots which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stockitem orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 2 pairs per calendar year, or the actual cost of modifications and adjustments to stock-item footwear, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to \$250 per lifetime.

### Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

#### Accidental Dental Treatment

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

#### **Out-of-Province or Out-of-Country**

#### **Referrals For Treatment Outside Your Home Province**

If a physician in the insured person's home province gives a written referral for treatment that is not performed in that home province, the insurer will cover the cost of the treatment as specified below, if it is provided in Canada or the United States.

The physician must give the insurer full details of the treatment and the insurer must approve it in advance. The insured person must apply and provide the insurance company with a statement from the provincial health plan that describes what it will cover.

The insurer will pay up to \$10,000 in the insured person's lifetime for the following:

- Hospital room and board at the ward rate
- Hospital services and supplies, and
- Diagnosis and treatment by physicians

### Emergency Out-of-Province / Country Coverage

The insured person must be eligible for benefits under a government health plan in Canada to qualify for emergency out-of-province/country coverage or Travel Assistance coverage.

#### The insurer will cover the first 60 days of a trip.

Eligible medical services and supplies are covered under this plan for treatment given outside the patient's province of residence if required to provide treatment as a result of a **medical emergency** arising while temporarily outside the home province (including outside Canada), on business or vacation.

A **medical emergency** is a sudden, unexpected injury which occurs, or an unforeseen illness which begins, during the absence from the patient's home province and which requires immediate medical attention. The plan will not cover emergency treatment while travelling for health reasons.

**Travelling outside Canada while pregnant:** This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

The plan will pay up to \$1,000,000 for each insured person for all the covered costs related to any one medical emergency. When emergency treatment for a condition is completed, any ongoing treatment related to that condition is not covered.

When used under this emergency out-of-province/country section, hospital means a facility licensed to provide emergency treatment for sick or injured patients. It must have facilities for diagnosis and treatment. Physicians and registered nurses must be in attendance 24 hours a day. It does not include nursing homes, homes for the aged, rest homes, convalescent care facilities or any facility that provides similar care.

The plan will cover the charges for emergency treatment that are over the amount covered by the provincial health plan of the insured person's home province. This coverage includes the cost of:

- Hospital room and board at the ward rate
- Hospital services and supplies, and
- Diagnosis and treatment by physicians

In emergency out-of-province/country situations, other charges included under the Extended Health Care coverage section of this plan are covered to the same extent that they would be in Canada. This includes coverage such as wheelchair rental, crutches and prescription drugs.

In the event of a medical emergency, you or someone acting on your behalf must contact the Travel Assistance Centre prior to seeking medical treatment. If it is not reasonably possible for you to contact the Travel Assistance Centre prior to seeking medical treatment due to the nature of the medical emergency, you must contact the Travel Assistance Centre as soon as possible. Failure to contact the Travel Assistance Centre as described will result in a reduction of benefits in the case of hospitalization of 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or \$25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent be moved to a different facility at the destination, and you choose not to go, eligible costs for emergency coverage and Travel Assistance coverage will in the case of hospitalization be reduced by 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or \$25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent return to your home province, and you choose not to go, emergency coverage and Travel Assistance coverage will end.

### **Travel Assistance Coverage**

This plan provides travel assistance for you and your eligible dependents, while you are temporarily outside your province of residence (including outside of Canada) because of business or vacation, and not for health reasons. The assistance services are delivered through an international organization, specializing in travel assistance.

### The insurer will cover the first 60 days of a trip.

**Travelling outside Canada while pregnant:** This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

The services under the Travel Assistance coverage include:

- multilingual assistance by telephone, 24 hours a day, 365 days a year, for the insured person or medical providers to obtain aid, assistance, and exchange information, in matters relating to the covered services,
- referrals to physicians or medical facilities, if necessary,
- arrangements for direct payment, wherever possible, for physicians' services, hospitalization and other insured services,
- communication with the physician who is treating the insured person to get an understanding of the situation and monitor the condition,
- telephone interpretation services in most major languages,
- the sending and receiving of urgent messages,
- medical evacuation home or transportation to another medical facility. For transportation home, payment will be made based on an economy fare ticket,
- arrangements for (including all necessary documents) and the cost of transporting the insured person's remains to their home, up to a maximum of \$3,500,
- help to locate Embassy or Consulate services,
- help to locate lost documents or luggage.

The Travel Assistance benefit includes the following services, subject to prior approval of the charges:

- the cost of additional commercial accommodation required beyond the original return date, for a companion travelling with the insured person. This includes charges for accommodation, meals, telephone and taxi or rental cars, up to a maximum of \$150 per day, not to exceed a total of \$1,500,
- the cost of an economy fare ticket home, for a companion who is travelling with the insured person, and who has forfeited their ticket because of a delay caused by the insured person's illness, injury, or death,
- the cost of an economy fare ticket home for each child left alone because of the insured person's illness, injury, or death. The Travel Assistance provider will also arrange for a qualified attendant to accompany the children, if necessary,
- the cost of a round-trip economy fare ticket for a family member to visit an insured person who is travelling alone and must be hospitalized for more than 10 days,
- the cost of returning a vehicle to the insured person's home or the nearest rental agency, up to a maximum of \$1,000.

The insurer is not legally responsible for the actions or advice of any physician or attorney that the insured person is referred to.

The Travel Assistance benefit does not cover medical emergencies in the home province.

### How To Access The Travel Assistance Plan — Your Travel Assistance Card

Your Travel Assistance card lists the toll free numbers to call in case of an emergency while outside your province. The toll free number will put you in touch with the international travel assistance organization.

Your Travel Assistance card also lists your I.D. number (your certificate number) and your group policy number, which the travel assistance organization needs to confirm that you are covered under the plan.

#### How to make an out-of-province/country claim

There are special rules for claiming the costs of emergency treatment outside of your home province or Canada.

For all medical expenses, the Travel Assistance provider must be contacted at the time of the emergency. This will enable the Travel Assistance provider to co-ordinate payment directly with the hospital and/or medical provider involved, providing the insured person gives approval to the Travel Assistance provider to co-ordinate payment with the Provincial Health Care plan.

If a medical provider or hospital bills you directly, send the bill along with your claim form to the Travel Assistance provider.

# What is not covered for emergency out-of-province/country treatment and travel assistance

The insurer will not pay for any costs resulting directly or indirectly:

- from an accident occurring while you or your dependent was operating a vehicle, vessel or aircraft, if you or your dependent:
  - 1. were impaired by drugs or alcohol, or
  - 2. had a blood alcohol level higher than 80 milligrams of alcohol per 100 millilitres of blood
- from the abuse of illegal substances.

### Maximum Benefit

The maximum dollar amount that is reimbursed for covered medical services and supplies received in your home province is unlimited.

The maximum that is reimbursed for medical treatment received outside your home province or Canada is:

- \$1,000,000 for each covered person for all covered costs related to any one emergency under the emergency out-of-province/country and the Travel Assistance coverage; or
- \$10,000 during the covered person's lifetime for approved referral treatment.

#### **Coordinating Benefits**

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

### How To Claim Extended Health Care Benefits

#### To claim benefits for medical services and supplies, other than drugs or medicines:

- 1. Save all your receipts for medical services and supplies, and any bills or receipts received for hospital care. Receipts and bills should show:
  - the patient's name,
  - the date the treatment or supply was provided,
  - the nature of the service or supply, and
  - an item-by-item list of the charges.
- 2. Pick up a claim form from your Plan Administrator or visit <u>www.greatwestlife.com</u> to get printed claim forms with your plan information already filled in.
- 3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
- 4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
- 5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

**Note:** Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.

### To claim benefits for drugs or medicines:

- 1. Present your drug card to the pharmacist when filling your prescription.
- 2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist you do not need to complete any claim forms or wait for the reimbursement.
- 3. You will be required to pay the deductible, where applicable, to the pharmacist.

**Note:** If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.

#### What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,

- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

### **Extended Benefit For Surviving Dependents**

If you should die while insured under this plan, extended health care coverage will be continued for your dependents who are insured under this plan at the time of your death, provided the required premiums are paid, until the earliest of:

- 1. attainment of the surviving spouse's 65<sup>th</sup> birthday, or
- 2. the date your dependent would otherwise cease to qualify as an eligible dependent, or
- 3. the date your surviving spouse remarries, or
- 4. the date your dependents become insured under another group policy, or
- 5. the date this plan terminates.

### **Health Care Spending Accounts**

Your Health Care Spending Account provides you with annual credit to be spent on any eligible health or dental expense of your choice (according to CRA guidelines).

### How The Plan Works

A Health Care Spending (HCSA) is like a bank account through which you may be reimbursed for health and dental expenses up to a predetermined annual credit amount. Your employer will provide you with annual credits at the beginning of each plan year. These credits may be used to cover expenses not covered by group health plans or to top-up expenses not fully covered by group health plans, including deductibles and co-payment amounts. Also, since annual credits are in the form of before tax dollars, the HCSA is a tax-effective way of paying for your health-related expenses.

### Eligibility

You are eligible for HCSA credits through your employer if you are covered for basic health benefits under your group health plan. In addition to the dependents eligible for coverage under your basic health plan, HCSA benefits are extended to a child who is no longer eligible for basic health benefits solely because of student age restrictions and to any other person for whom you are entitled to claim a medical expense tax credit under the Income Tax Act. **Please note, however, that the predetermined annual credit amount will not be applicable to dependents not eligible for basic coverage**.

#### Termination

Your HCSA coverage terminates when your basic health coverage terminates, when you elect to discontinue coverage (at any plan enrolment date) or when your employer discontinues the plan.

### Health Care Spending Account

#### Covered Expenses

The Income Tax Act governs the types of expenses that can be reimbursed under the HCSA. Coverage is provided for medical, vision and dental expenses that qualify for a medical expense tax credit. For a complete list of covered expenses, contact your Canada Revenue Agency District Office and ask for Income Tax Interpretation Bulletin IT-519R.

Great-West Life will pay 100% of covered expenses that are incurred while you and your dependents are covered, up to a maximum annual payment equal to the credits in your HCSA. Expenses for medical and vision services and supplies are considered to be incurred when they are received. Dental expenses, other than orthodontic expenses, are considered to be incurred when treatment is completed. Orthodontic expenses are considered to be incurred on a periodic basis throughout the course of treatment.

#### Limitations

No benefits are paid for:

- Expenses that private benefit plans are not permitted to cover by law;
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have coverage under a private benefit plan;
- Any portion of the expense for services or supplies for which benefits are payable under your basic health plan, another group plan or a government plan;
- Expenses arising from war, insurrection, or voluntary participation in a riot.

#### How to Make a Claim

The HCSA will reimburse you for the balance of the expense remaining after all other insurance plans have paid out. You must first submit all claims to any government and private insurance plans under which you or any eligible dependents are covered. This is important in order to avoid an over-payment from your HCSA and possible tax consequences. Once you have received reimbursement for the expense from all other plans, you may submit a claim against the HCSA.

Any claim against the HCSA must be submitted on a special HCSA claim form. For Healthcare and Visioncare claims, use form M5431A, and for Dental care claims, use form M5429A. Claims against the HCSA must be submitted to the Great-West Life Benefit Payment Office within 31 days after the end of the plan year in which the expenses are incurred.

The standard GWL claim forms should be used when you do not want benefits reimbursed from your HCSA.

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

#### How The Plan Works

Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **120 calendar days**.

#### **Benefits Provided**

If you are totally disabled you will receive a monthly income benefit equal to **70% of** your regular monthly earnings, to a maximum of \$3,500 per month.

To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- in the event of your death.

#### **Coordination With Other Disability Benefits**

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

#### **Rehabilitation Benefit**

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

#### When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

#### Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

#### How To Claim Long Term Disability Benefits

Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

#### What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  - 1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  - 2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

Your life insurance plan provides you with a basic benefit and allows you to purchase additional coverage for yourself and/or your spouse. In the event of your death, the plan pays a benefit to your beneficiary. The benefit is payable to you in the event of the death of your covered spouse.

#### **How The Plan Works**

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

If your spouse is insured for life insurance coverage under the spouse's optional life plan, benefits are payable to *you* in the event of the death of your covered spouse.

#### **Benefits Provided**

#### **Employee Life Insurance**

Your life insurance plan provides basic and optional coverage, depending on the Option you apply for. You may select coverage under one of the following four Options available under the plan.

Option	Basic Term Insurance (Employer Paid)	Additional Term Insurance (Employee Paid)
1	150% of your annual earnings	Nil
2	175% of your annual earnings	25% of your annual earnings
3	175% of your annual earnings	75% of your annual earnings
4	175% of your annual earnings	125% of your annual earnings
Notes: All amounts of basic term and additional term insurance are rounded upward to the nearest \$1,000. Regardless of which Option you select, the total amount of coverage cannot exceed \$600,000. Before selecting (or changing) an Option, it may be important to review the Retirement Life Insurance coverage applicable to you.		

Your life insurance coverage begins on the date you complete the eligibility waiting period, provided you make written application for coverage within 31 days of becoming eligible.

If you do not apply within the 31-day deadline, you will automatically be enrolled in the Basic Term Insurance plan <u>only</u>, for a benefit equal to 200% of your annual earnings (Option 1). To enroll in any of the plan Options available which include Additional Term Insurance (Options 2, 3 and 4), you must provide medical evidence — proof that you are insurable — satisfactory to the insurer.

#### Spouse's Optional Life Insurance

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A **spouse** is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

Spouse's optional life insurance coverage is available in **multiples of \$10,000 to a maximum of \$250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of \$10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **all** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

#### Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate. (Note: For employee life insurance, it may be important to review the Retirement Life Insurance coverage applicable to you before deciding to change your coverage Option.)

You may re-select your Option under the employee's life insurance plan and/or change the amount of your spouse's life insurance benefit, at any time. Your Plan Administrator will provide you with the necessary forms to request a change.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (Note: If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required.)

#### Cost Of The Life Insurance Plan

Your employer pays the entire cost of your Employee Basic Term Life Insurance coverage. All life insurance premiums paid by your employer are a taxable benefit to you.

If you elect Additional Term Life Insurance coverage for yourself and/or Optional Life Insurance coverage for your Spouse, the cost to you will be paid through payroll deduction.

For **Employee Additional Term Life Insurance**, the rates vary by age, gender and smoking status, and are adjusted according to your age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

	Male		Female	
Employee's Attained Age (as at January 1st)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.

Monthly costs shown above are subject to applicable taxes.

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Male		Female	
Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
\$0.042	\$0.032	\$0.042	\$0.026
\$0.069	\$0.035	\$0.054	\$0.032
\$0.187	\$0.094	\$0.113	\$0.069
\$0.615	\$0.307	\$0.312	\$0.187
\$1.200	\$0.599	\$0.653	\$0.390
	Smoker Monthly Rate (per \$1,000) \$0.042 \$0.069 \$0.187 \$0.615	Smoker Monthly Rate (per \$1,000)         Non-Smoker Monthly Rate (per \$1,000)           \$0.042         \$0.032           \$0.069         \$0.035           \$0.187         \$0.094           \$0.615         \$0.307	Smoker Monthly Rate (per \$1,000)         Non-Smoker Monthly Rate (per \$1,000)         Smoker Monthly Rate (per \$1,000)           \$0.042         \$0.032         \$0.042           \$0.069         \$0.035         \$0.054           \$0.187         \$0.094         \$0.113           \$0.615         \$0.307         \$0.312

Note: Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.

Monthly costs shown above are subject to applicable taxes.

#### When Coverage Ends

Employee Life Insurance (Basic Term and Additional Term) coverage ceases on the earliest of the following dates:

- the date your employment ends, other than by retirement on pension or cessation of active employment due to total disability;
- the last day of the month in which you reach age 65; or
- the date the group plan is cancelled.

(Note: If your employment ends due to retirement on pension, you will continue to be insured for a reduced Retirement Life Insurance benefit — refer to the sub-section, *Retirement Life Insurance.*)

Your Spouse's Optional Life Insurance coverage ends on the earliest of the following dates:

- the date your employment ends;
- the date of your death;
- the date you retire or reach age 65;
- the date your spouse no longer qualifies as an eligible spouse; or
- the date of your spouse's 65th birthday.

#### Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Term, Additional Term and Spouse's Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first. (Your spouse's life insurance coverage will continue until you are no longer disabled, die, retire or reach age 65, or your spouse reaches age 65 — whichever occurs first.)

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

#### **Conversion Privilege**

If **your** life insurance coverage ceases or reduces as a result of termination of employment, retirement or attainment of age 65, you may apply to convert your cancelled or reduced insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your life insurance terminates or reduces. If you should die during the 31-day conversion period, a death benefit equal to the amount of life insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins Insurance is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

## <sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

#### **Retirement Life Insurance**

On the last day of the month in which you reach age 65, or retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your life insurance coverage under the Option you selected will cease. However, you will continue to be insured for a reduced Retirement Life Insurance benefit based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page.

Classification		Amount of Retirement Life Insurance	
Α.	If you retire with less than 10 Years of Service in this Plan	\$2,000	
В.	If you were not insured under the Superseded Plan* and retire with 10 or more Years of Service in this Plan <b>or</b> if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings	
C.	If you were insured under the Superseded Plan*:		
	<b>1.</b> If at <b>any time</b> you elected coverage under Options 2, 3 or 4;	Amount will be determined in accordance with provision B above	
	<b>2.</b> If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or	50% of your final annual earnings	
	<b>3.</b> If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	70% of the amount of coverage you were insured for immediately prior to your retirement date	

All amounts of retirement life insurance are rounded upward to the nearest \$1.00.

\*Superseded Plan means the prior life insurance plan which this Plan replaced effective March 1, 1980.

Years of Service means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.

#### **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.

#### What's Not Covered

No amount will be paid for that part of your spouse's optional life insurance benefit that has been in force for less than 2 years, if loss of life results from suicide, while sane or insane. However, Desjardins Insurance will refund all applicable premiums paid.

The supplementary life insurance plan enables you to purchase additional life insurance coverage for yourself.

#### **How The Plan Works**

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

#### **Benefits Available**

Supplementary life insurance coverage is available in **multiples of \$10,000, to a maximum of \$250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

(Note: All amounts of life insurance under the term life, optional life and supplementary life plans are subject to a combined overall maximum of \$600,000.)

#### **Cost of Supplementary Life Insurance**

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a "non-smoker" if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

	Male		Female	
Employee's Attained Age (as at January 1st)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300

The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.

Monthly costs shown above are subject to applicable taxes.

#### Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

#### **Conversion Privilege**

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

#### **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

#### What's Not Covered

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

### **Group Home & Automobile Insurance Program**

The group home and automobile insurance program is a voluntary, employee-paid plan, that gives you access to preferred group home & automobile insurance rates.

#### How The Plan Works

To enhance your overall benefits package, your employer has endorsed The MEARIE Group's Home & Automobile Insurance Program\*.

This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you.

The Program, sponsored by The MEARIE Group, is insured through AVIVA Traders Insurance Company. AVIVA has been providing group home and automobile insurance to groups and associations for over 50 years.

AVIVA's financial strength and stability ensures that their claims-paying ability is secondto-none in the Canadian insurance marketplace.

#### **Products Available**

Residential

- Homeowners
- Tenants
- Condominium
- Seasonal/Secondary/Rented Residences
- Recreational Watercraft
- Personal Articles

Personal Automobiles

- Automobiles
- Trailers
- Campers/Motor Homes
- Snowmobiles
- Other Recreational Vehicles

### **Group Home & Automobile Insurance Program**

#### Value-Added Products & Services

AVIVA Traders has a variety of value-added products and services, including:

#### AVIVA Roadside Assist

This value-added service provides emergency roadside assistance for up to four vehicles per policy. The annual membership fee provides a variety of services, including:

- Emergency towing
- Battery boosts
- Emergency winching
- Fuel Delivery
- Trip Planning

#### Vehicle Anti-theft Device

Policyholders will have the option of purchasing an ignition disabler at a discounted price. Policyholders will receive a discount on their auto policy, which could be equal to or greater than the cost of the Anti-theft device.

#### Six Star Protector

Is an easy way to protect policyholders from possible premium increases as a result of an accident, even if they are at fault. For a nominal fee, policyholders can protect their "Six Star" driving record and their claims free discount in the event they have an accident in the future.

#### **Payment Options**

Multi-pay plans, or, monthly payment plan with <u>no interest or service fees.</u>

#### Hours Of Operation

Extended service hours: 8:00 a.m. to 8:00 p.m., Monday to Friday.

### **Group Home & Automobile Insurance Program**

#### How To Obtain A Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call The MEARIE Group's toll free number 1-877-4MEARIE (1-877-463-2743), or visit AVIVA's website at <u>www.avivacanada.com</u> (click on Traders - password: grquote).

\* Administered by Alternative Risk Services Inc.



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# The MEARIE Group Employee Benefit Program



## **Employee Benefit Booklet**

## Ascent Group of Companies St. Thomas Energy Management Employees

Prepared: 05 September 2014

#### Notice of Disclaimer

This handbook has been prepared to help you better understand the coverage provided under your employee benefit program. This handbook is not an agreement and it does not create nor confer any contractual or other rights.

The terms and conditions governing your benefit plans are set out in the official contracts between the insurers, your employer and MEARIE Management Inc.

Every effort has been made to ensure that the information in this handbook is accurate. However, if any question should arise, a decision will be made by reference to the official plan contracts and texts.

This handbook has been designed to help you understand and get the most out of your benefits. It gives you most of the information you will generally require regarding your benefits. Separate sections for each benefit plan allow you quick access to the benefit information you want when you want it.

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Please keep this handbook in a safe place. If changes are made to your benefits, replacement pages will be provided to you for insertion in this handbook.

Your health and dental plans are insured through **Great-West Life Assurance Company**. Your life and disability plans are insured through **Desjardins Insurance**. The voluntary group home and auto program is insured through **AVIVA Traders Insurance Company**.

Any questions you have about your benefit program should be referred to your Plan Administrator.

#### Enrolling In The Benefit Program

#### Who Can Enroll

If you are an active permanent full-time employee under the age of 65 and working at least 20 hours per week, you are first eligible to enroll in all benefit plans, other than extended health and dental, on the date your employment begins. You are first eligible to enroll in the extended health and dental plans on the first day of the month next following the date your employment begins.

Your dependents, as defined below, are also eligible for coverage under the extended health care and dental care plans. Eligible dependents include your:

#### Spouse

- the person who you are legally married to, or
- a person who continuously resides with you in a role like that of a marriage partner.

#### Dependent Children

Dependent children include your natural or legally adopted children, or step-children who:

- are unmarried,
- are not employed on a full-time basis,
- are not eligible for insurance as an employee under this plan or any other group plan, and
- are under 21 years of age, or, if in full-time attendance at an accredited school, college or university, are under 25 years of age.

A child insured under this plan, who is incapacitated due to a mental or physical handicap on the date he reaches the age when he would otherwise no longer be eligible for coverage, will continue to be an eligible dependent subject to written proof of the dependent's condition. A child is considered incapacitated if he is incapable of engaging in any substantially gainful activity and is dependent on you for support, maintenance and care, due to a mental or physical handicap.

A stepchild must be living with you to be an eligible dependent.

#### When Coverage Starts

Coverage for you and your eligible dependents commences on the date you first become eligible to enroll. If you are not actively at work on the date your coverage would normally begin, your coverage will not start until you return to active full-time work.

#### Changing Your Coverage

There are times when you may need to change your coverage under the extended health care and/or dental care plans, either reducing or adding coverage as appropriate. This may be necessary if:

- you acquire a new spouse or dependent child,
- you separate or divorce,
- your spouse or dependent child dies,
- your child no longer qualifies as an eligible dependent, or
- you acquire or lose similar benefits through your spouse's plan.

In all cases, contact your Plan Administrator who will help you make the necessary changes to your coverage.

#### When Coverage Terminates

Coverage for you and your dependents will end on:

- the date your employment ends,
- the date you or your dependents cease to qualify for coverage based on the plan's eligibility requirements,
- the date you enter an armed service on full-time duty,
- the date your employer receives a written request from you to terminate the insurance, where permitted,
- the date you fail to make any required premium contribution,
- the date you attain age 65,
- the date your spouse attains age 65 (applies to Spouse's Optional Life Insurance),
- the date you retire (with the exception of Retirement Life Insurance, as well as Extended Health Care and Dental coverage for eligible Early Retirees refer to the sub-section, *When You Retire*, for further details), or),
- the date the group plan is cancelled.

If you are not actively at work due to **Maternity or Parental Leave of Absence**, coverage may be continued for the period of leave to which you are entitled by legislation provided premiums continue to be paid on your behalf. If you do not intend to continue your coverage during this period, where permitted by law, you must inform your employer in writing on or before the date your leave begins. In this case, coverage for you and your dependents will not be reinstated until you return to active full-time work.

Coverage for you and your dependents will cease on the date you are not actively at work due to **lay-off**, **leave of absence (other than maternity or parental leave)**, strike **or lock-out**.

If you are not actively at work due to **illness or injury**:

- your life and disability coverage will continue in accordance with the "Waiver of Premium" provisions described in the applicable sections of this handbook, and
- extended health care and dental care coverage for you and your dependents will continue until your employer terminates such coverage, provided premiums continue to be paid on your behalf and this plan remains in force.

#### If You Retire

Coverage for you and your dependents will stop on the date you retire. *However*, if you retire under an Early Retirement pension through OMERS, your dental and extended health coverage will be continued until you reach age 65.

If you retire under an Early Retirement or Normal Retirement pension through OMERS, you may qualify for a reduced amount of life insurance. Coverage details are provided in the Life Insurance section of this handbook.

Your dental care plan has been developed to help you and your family maintain good dental health.

#### **How The Plan Works**

Reimbursement of eligible dental services and supplies is based on the fees recommended in the **current** Ontario Dental Association Fee Guide for General Practitioners — updated automatically each year.

There is no dental care deductible.

#### What Is Covered

#### The plan provides 100% reimbursement for the following basic dental services:

- complete oral examinations (once in any 36-month period),
- full mouth x-rays (once in any 36-month period),
- recall examinations (once in any 9-month period),
- bitewing x-rays (once in any 9-month period),
- routine diagnostic and laboratory procedures,
- one unit of light scaling and one unit of polishing, once in any 9-month period,
- fluoride treatment (once in any 9-month period),
- oral hygiene instruction (once in any 9-month period),
- fillings (amalgam, silicate, acrylic, and composite), retentive pins, and pit and fissure sealants,
- surgical services (excluding implant surgery),
- consultation, anaesthesia, and conscious sedation,
- denture repairs, relines and rebases (minor adjustments are covered only after 3 months have elapsed from the date of insertion),
- injection of antibiotic drugs, when administered by a dentist in conjunction with dental surgery,

- periodontal services for treatment of gum disease and other supporting tissues of the teeth, including:
  - 1. scaling in excess of one unit, and root planing, up to a combined maximum of 8 units every 12 months;
  - 2. provisional splinting; and
  - 3. occlusal equilibration, up to a maximum of 8 units per calendar year, and
- endodontic services which include root canal therapy, root amputation, apexifications, and periapical services.

# 50% reimbursement is provided for the following removable prosthodontic services and supplies:

- initial provision of a full or partial removable denture,
- denture repairs, relines and rebases, and
- replacement of a removable denture, provided the new denture is necessary due to one of the following:
  - 1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  - the existing appliance is at least 5 years old and cannot be made serviceable; or
  - 3. the existing appliance is temporary and within 12 months of its installation it is replaced by a permanent denture. The total amount payable for both the temporary and permanent denture is the amount which would have been allowed for a permanent denture.

# 50% reimbursement is provided for the following fixed prosthodontic and major restorative services:

- crowns, onlays and inlays (only when function is impaired due to cuspal or incisal angle damage caused by trauma or decay), including gold foil restorations (only when approved by the Insurance Company), metal transfers, telescoping and splinting,
- veneers,
- initial provision of fixed bridgework, and
- replacement of a fixed bridgework or addition of teeth to bridgework provided the replacement or addition is due to one of the following:
  - 1. a natural tooth is extracted and the existing appliance cannot be made serviceable;
  - the existing appliance is at least 5 years old and cannot be made serviceable; or
  - 3. the existing appliance is temporary and, within 12 months of its installation, it is replaced by a permanent bridge. The total amount payable for both the temporary and permanent bridge is the amount which would have been allowed for a permanent bridge.

# The plan provides 50% reimbursement of the following orthodontic services and supplies:

- space maintainers,
- correction of malocclusion of the teeth,
- observation and adjustment,
- appliances for tooth guidance and uncomplicated tooth movement,
- appliances to control harmful habits,
- retention appliances, and
- fixed or cemented, unilateral and bilateral appliances.

#### **Maximum Benefit**

No overall maximum benefit applies for basic or removable prosthodontic dental services. The maximum benefit payable for fixed prosthodontic and major restorative services is \$2,500 per person per calendar year. Benefits for orthodontic services are limited to a lifetime maximum of \$2,500 per person.

#### Pre-Treatment Estimate

Whenever the total cost of proposed dental treatment is expected to exceed \$500, a treatment plan should be submitted to the Insurance Company in advance to determine how much of your proposed treatment will be covered by the plan. A treatment plan provides a written description of your dental needs, including x-rays; the proposed treatment necessary in the professional judgement of the dentist; and, the cost of the proposed treatment.

**Note:** If, for any given dental condition, there are two or more courses of treatment covered under this plan which will produce professionally adequate results, the Insurance Company will pay benefits as if the least expensive course of treatment was used. The Insurance Company retains a professional dental consultant to determine the adequacy of the various courses of treatment available.

#### **Coordinating Benefits**

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; dental services covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the dental treatment makes the claim first — from their employer's plan. (If your child receives dental care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

#### **How To Claim Dental Benefits**

- 1. Pick up a claim form from your Plan Administrator before you go to the dentist, or visit <u>www.greatwestlife.com</u> to get printed claim forms with your plan information already filled in.
- 2. Take the claim form with you to your appointment and ask the dentist to complete the dentist's portion of the claim form. If your dentist agrees to accept payment from the plan instead of directly from you, be sure the claim form shows that the refund should be made payable to the dentist.
- 3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy account number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
- 4. Return your completed claim form for processing to Great-West Life, at the address shown on the claim form.
- 5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks. If you assign payment of the claim to your dentist, you will receive only a copy of the benefits being paid and the refund cheque will be sent directly to your dentist.

#### OR

Your dental office may file your claim electronically with Great-West Life. In order to process your claim, the information transmitted by the dental office must be complete, and include the same information required for a paper claim (i.e., your employer's name, your policy number, your class code and certificate number).

**Note:** Dental claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.

#### What's Not Covered

Your dental care plan does not cover:

- services or treatment that are covered under any other plan, government plan or legally mandated program,
- dental care resulting from self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- dental care required as a result of committing or attempting to commit an assault or criminal offense,
- charges for broken appointments, third party examinations, travel to and from appointments, or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person,
- treatment rendered for a full mouth reconstruction, for a vertical dimension, or for a correction of temporomandibular joint dysfunction,
- cosmetic treatment, unless required due to an accidental injury which occurs while you or your dependent is insured under this plan,
- implants, or any services rendered in conjunction with implants,
- anti-snoring or sleep apnea devices,
- treatment which is not generally recognized by the dental profession as an effective, appropriate and essential form of treatment for the dental condition,
- replacement of removable appliances which are lost, mislaid or stolen, or
- Iaboratory fees which exceed the reasonable and customary charges, as determined by the Insurance Company.

#### **Extended Benefit For Surviving Dependents**

If you should die while insured under this plan, dental coverage will be continued for your dependents who are insured under this plan at the time of your death, provided the required premiums are paid, until the earliest of:

- 1. attainment of the surviving spouse's 65<sup>th</sup> birthday,
- 2. the date your dependent would otherwise cease to qualify as an eligible dependent, or
- 3. the date your surviving spouse remarries, or
- 4. the date your dependent become insured under another group policy, or
- 5. the date this plan terminates.

Under the extended health care plan, you and your family receive financial protection against major medical expenses which are not covered under your provincial health plan.

#### How The Plan Works

Your extended health care plan reimburses **100%** of the cost of medical services and supplies that are covered under the plan.

The **deductible** under the extended health care plan for employees with **single coverage is \$10 per calendar year**. This means that only the first \$10 spent on eligible medical services or supplies is *not* reimbursed each year.

If you have **family coverage**, a \$10 deductible will be applied only once for each insured family member and not more that twice per family in a calendar year — a **maximum deductible of \$20**.

**Note:** Eligible **Hospital Care, Drugs, Vision Care, Out-of-Country and Travel Assistance** expenses are **not subject to the deductible**.

\*Eligible drugs and medicines are subject to a deductible of \$1.00 for each prescription.

### What Is Covered

The following medical services and supplies are covered provided they are:

- medically necessary in the treatment of an illness or injury,
- recommended by a physician,
- incurred for the care of a person while insured under this benefit,
- reasonable taking all factors into account,
- not covered under the provincial health plan or any other government-sponsored program, and
- they can legally be insured.

Payment for any covered expenses which may be purchased in large quantities will be limited to the purchase of up to a 3 months' supply at any one time, except for covered Drug expenses.

#### Hospital Care

Chronic Care: Charges for confinement in a Chronic Care Facility which starts within 14 days of discharge from a Hospital confinement of at least 5 days, to a maximum of \$3 per day for up to 120 days per calendar year. Chronic Care utilization fees are not covered expenses.

Convalescent Care: Charges for confinement in a Convalescent Care Facility which starts within 14 days of discharge form a Hospital confinement, to a maximum of \$10 per day for up to 120 days per disability.

**Note:** The plan does not cover charges for any portion of the cost of Ward accommodation, utilization or copayment fees (or similar charges).

### Prescribed Drugs & Medicines – Direct Payment Plan

- drugs or medicines that are prescribed in writing by a physician or dentist for the treatment of an illness or injury, and are dispensed by a licensed pharmacist,
- oral contraceptives, intrauterine devices and diaphragms,
- preventive vaccines and medicines (oral or injected), and
- haematinic vitamins (vitamins to treat blood disorders) that are dispensed by a pharmacist and are properly identified in the Compendium of Pharmaceuticals and Specialties, and
- standard syringes, needles and diagnostic aids, if required for treating diabetes (automatic jet injectors and similar equipment are not covered).

Fertility Drugs are subject to a maximum of \$12,000 per lifetime.

The plan does not cover Anti-smoking drugs, Vitamins (except those which are injected), or Sexual Dysfunction Drugs.

The maximum amount for any covered expense is the price of the lowest cost generic equivalent product that can legally be used to fill the prescription, as listed in the Provincial Drug Benefit Formulary.

If there is no generic equivalent product for the prescribed drug or medicine, the amount covered is the cost of the prescribed product.

Where a prescription contains a written direction from the Physician or dentist that the prescribed drug or medicine is not to be substituted with another product, the full cost of the prescribed product is covered If it is a covered expense under this benefit.

Benefits will be paid directly to the dispensing pharmacist, provided the pharmacist is enrolled in the pay-direct drug plan — simply present your drug card to the pharmacist. The maximum amount allowable towards the prescription drug **dispensing fee is \$8.00** per prescription. You will be required to pay a **deductible of \$1.00** per prescription plus any portion of the cost that is not covered by the plan, where applicable.

**Note:** The maximum quantity of Drugs or medicines that will be payable for each prescription will be limited to the lesser of the quantity prescribed by the Physician or Dentist; or, a 34-day supply for non-maintenance drugs or a 100-day supply for maintenance drugs. The drug benefit does not cover charges for dietary supplements, health foods, nutritional products and vitamins (other than injectibles and haematinics). The plan does not cover expenses for the administration of serums, vaccines, or injectable Drugs; or Drugs, biologicals and related preparations which are intended to be administered in Hospital on an in-patient or out-patient basis and are not intended for a patient's use at home.

### **Professional Services**

Services of a licensed clinical psychologist, up to \$35 for the initial visit and \$20 for each subsequent visit, limited to an overall maximum of \$200 per 12 consecutive months.

Services of a licensed chiropractor, registered physiotherapist or registered massage therapist, up to a combined maximum of **\$600 per calendar year**. The services of a physiotherapist or massage therapist will be considered only when recommended in writing by the attending physician.

Services of a certified speech therapist, when recommended in writing by the attending physician, to a maximum of \$200 per 12 consecutive months.

### Vision Care

The following vision care services are covered when prescribed by an ophthalmologist, optometrist, or oculist:

• purchase and fitting of prescription glasses or elective contact lenses, or elective laser vision correction procedures, to a maximum of **\$350** every 12 consecutive months (charges for repairs are also included under this maximum).

NOTE – Effective May 1, 2013, coverage will include one eye examination every 12 consecutive months, to a maximum of \$75.

### **Medical Services & Supplies**

For all medical equipment and supplies covered under this plan under the following provisions, eligible covered expenses will be limited to the cost of the device or item that adequately meets the patient's fundamental medical needs.

### **Private Duty Nursing**

Private duty nursing services (other than for custodial care, homemaking services and supervision — deemed to be within the practice of nursing) provided in the patient's home by a Registered Nurse (R.N.), Registered Nursing Assistant (R.N.A.), Certified Nursing Assistant (C.N.A.) or Licensed Practical Nurse (L.P.N.) who is not a relative, friend or member of the patient's household, to a maximum of 90 eight-hour shifts per calendar year.

**Note:** A detailed treatment plan must be submitted before private duty nursing services begin. The Insurance Company will then advise you of any benefits that are payable under the plan.

#### Medical Aids, Appliances and Supplies

Charges which are reasonable and customary when incurred on the written authorization of a physician, for the following items when required for therapeutic use only:

- 1. crutches , cane, and standard type walker;
- 2. oxygen, and equipment necessary for its administration;
- 3. respirator (an apparatus used for the purpose of providing artificial respiration over a prolonged period of time, in cases where the respiratory muscles are nonfunctioning);
- 4. the rental of, or at the option of the insurer, the purchase of:
  - i) a standard type manual hospital bed, including mattress;
  - ii) a standard type manual wheelchair

Electric hospital beds, wheelchairs and scooters are excluded unless medically required and recommended in writing by the attending physician.

5. hospital bed, wheelchairs and scooter repairs, when required as a result of normal wear and tear. The cost of replacement batteries is excluded.

#### Radium Therapy

Charges which are reasonable and customary for radium and radioactive isotope treatments, when authorized in writing by the attending physician.

#### Blood

Charges which are reasonable and customary for blood transfusions, blood plasma, or other blood products.

### **Non-Dental Prostheses, Supports & Hearing Aids**

- artificial limbs and eyes (Note: in the case of myoelectric or sport prostheses, consideration will be limited to the amount that would otherwise be paid for standard type artificial limbs);
- braces, splints, trusses, casts and cervical collars (Note: "Brace" means a rigid or semi-regid supporting device or appliance which fits on and is attached to the body or any part of the body, excluding any brace which is used to correct a dental defect, deficiency or injury);
- catheters and urinary kits;
- external breast prostheses and up to two surgical brassieres per calendar year when required as a result of mastectomy;
- ostomy supplies, where a surgical stoma exists;
- surgical elastic stockings, limited to two pairs per calendar year;
- repairs to prosthetic appliances, when required as a result of normal wear and tear;
- corrective prosthetic lenses and frames, once only, following cataract surgery or when the person lacks an organic lens;
- custom-made orthopaedic shoes or boots which are constructed by a Certified Orthopaedic Footwear Specialist (C.F.S.O.) and are required because of a medical abnormality that, based on medical evidence, cannot be accommodated in a stockitem orthopaedic shoe or a modified stock-item orthopaedic shoe, limited to 2 pairs per calendar year, or the actual cost of modifications and adjustments to stock-item footwear, and
- wigs and hairpieces, required as a result of a temporary hair loss due to medical treatment, limited to \$250 per lifetime.

### Ambulance

Licensed ambulance service provided in the insured person's province of residence, including air ambulance, to and from the nearest hospital where adequate treatment is available.

### **Accidental Dental Treatment**

Services of a dentist for the treatment of damage to natural teeth or the jaw resulting from an external, accidental blow to the mouth which occurs while insured under this plan. The treatment must be received and approved for payment within 12 months of the accident. Injuries due to biting or chewing are *not* covered.

#### **Out-of-Province or Out-of-Country**

#### **Referrals For Treatment Outside Your Home Province**

If a physician in the insured person's home province gives a written referral for treatment that is not performed in that home province, the insurer will cover the cost of the treatment as specified below, if it is provided in Canada or the United States.

The physician must give the insurer full details of the treatment and the insurer must approve it in advance. The insured person must apply and provide the insurance company with a statement from the provincial health plan that describes what it will cover.

The insurer will pay up to \$10,000 in the insured person's lifetime for the following:

- Hospital room and board at the ward rate
- Hospital services and supplies, and
- Diagnosis and treatment by physicians

#### Emergency Out-of-Province / Country Coverage

The insured person must be eligible for benefits under a government health plan in Canada to qualify for emergency out-of-province/country coverage or Travel Assistance coverage.

### The insurer will cover the first 60 days of a trip.

Eligible medical services and supplies are covered under this plan for treatment given outside the patient's province of residence if required to provide treatment as a result of a **medical emergency** arising while temporarily outside the home province (including outside Canada), on business or vacation.

A **medical emergency** is a sudden, unexpected injury which occurs, or an unforeseen illness which begins, during the absence from the patient's home province and which requires immediate medical attention. The plan will not cover emergency treatment while travelling for health reasons.

**Travelling outside Canada while pregnant:** This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

The plan will pay up to \$1,000,000 for each insured person for all the covered costs related to any one medical emergency. When emergency treatment for a condition is completed, any ongoing treatment related to that condition is not covered.

When used under this emergency out-of-province/country section, hospital means a facility licensed to provide emergency treatment for sick or injured patients. It must have facilities for diagnosis and treatment. Physicians and registered nurses must be in attendance 24 hours a day. It does not include nursing homes, homes for the aged, rest homes, convalescent care facilities or any facility that provides similar care.

The plan will cover the charges for emergency treatment that are over the amount covered by the provincial health plan of the insured person's home province. This coverage includes the cost of:

- Hospital room and board at the ward rate
- Hospital services and supplies, and
- Diagnosis and treatment by physicians

In emergency out-of-province/country situations, other charges included under the Extended Health Care coverage section of this plan are covered to the same extent that they would be in Canada. This includes coverage such as wheelchair rental, crutches and prescription drugs.

In the event of a medical emergency, you or someone acting on your behalf must contact the Travel Assistance Centre prior to seeking medical treatment. If it is not reasonably possible for you to contact the Travel Assistance Centre prior to seeking medical treatment due to the nature of the medical emergency, you must contact the Travel Assistance Centre as soon as possible. Failure to contact the Travel Assistance Centre as described will result in a reduction of benefits in the case of hospitalization of 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or \$25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent be moved to a different facility at the destination, and you choose not to go, eligible costs for emergency coverage and Travel Assistance coverage will in the case of hospitalization be reduced by 40% of eligible costs. All costs for such emergency will be limited to your emergency out-of-province/country coverage and Travel Assistance coverage maximum or \$25,000, whichever is less.

If a physician or the Travel Assistance provider recommends you or your dependent return to your home province, and you choose not to go, emergency coverage and Travel Assistance coverage will end.

### Travel Assistance Coverage

This plan provides travel assistance for you and your eligible dependents, while you are temporarily outside your province of residence (including outside of Canada) because of business or vacation, and not for health reasons. The assistance services are delivered through an international organization, specializing in travel assistance.

### The insurer will cover the first 60 days of a trip.

**Travelling outside Canada while pregnant:** This plan will not cover any pregnancy related costs which are incurred outside of Canada within nine weeks of the expected delivery date. Costs associated with a child born outside Canada within nine weeks of the expected delivery date, or after the expected delivery date, are not covered.

The services under the Travel Assistance coverage include:

- multilingual assistance by telephone, 24 hours a day, 365 days a year, for the insured person or medical providers to obtain aid, assistance, and exchange information, in matters relating to the covered services,
- referrals to physicians or medical facilities, if necessary,
- arrangements for direct payment, wherever possible, for physicians' services, hospitalization and other insured services,
- communication with the physician who is treating the insured person to get an understanding of the situation and monitor the condition,
- telephone interpretation services in most major languages,
- the sending and receiving of urgent messages,
- medical evacuation home or transportation to another medical facility. For transportation home, payment will be made based on an economy fare ticket,
- arrangements for (including all necessary documents) and the cost of transporting the insured person's remains to their home, up to a maximum of \$3,500,
- help to locate Embassy or Consulate services,
- help to locate lost documents or luggage.

The Travel Assistance benefit includes the following services, subject to prior approval of the charges:

- the cost of additional commercial accommodation required beyond the original return date, for a companion travelling with the insured person. This includes charges for accommodation, meals, telephone and taxi or rental cars, up to a maximum of \$150 per day, not to exceed a total of \$1,500,
- the cost of an economy fare ticket home, for a companion who is travelling with the insured person, and who has forfeited their ticket because of a delay caused by the insured person's illness, injury, or death,
- the cost of an economy fare ticket home for each child left alone because of the insured person's illness, injury, or death. The Travel Assistance provider will also arrange for a qualified attendant to accompany the children, if necessary,
- the cost of a round-trip economy fare ticket for a family member to visit an insured person who is travelling alone and must be hospitalized for more than 10 days,
- the cost of returning a vehicle to the insured person's home or the nearest rental agency, up to a maximum of \$1,000.

The insurer is not legally responsible for the actions or advice of any physician or attorney that the insured person is referred to.

The Travel Assistance benefit does not cover medical emergencies in the home province.

### How To Access The Travel Assistance Plan — Your Travel Assistance Card

Your Travel Assistance card lists the toll free numbers to call in case of an emergency while outside your province. The toll free number will put you in touch with the international travel assistance organization.

Your Travel Assistance card also lists your I.D. number (your certificate number) and your group policy number, which the travel assistance organization needs to confirm that you are covered under the plan.

#### How to make an out-of-province/country claim

There are special rules for claiming the costs of emergency treatment outside of your home province or Canada.

For all medical expenses, the Travel Assistance provider must be contacted at the time of the emergency. This will enable the Travel Assistance provider to co-ordinate payment directly with the hospital and/or medical provider involved, providing the insured person gives approval to the Travel Assistance provider to co-ordinate payment with the Provincial Health Care plan.

If a medical provider or hospital bills you directly, send the bill along with your claim form to the Travel Assistance provider.

# What is not covered for emergency out-of-province/country treatment and travel assistance

The insurer will not pay for any costs resulting directly or indirectly:

- from an accident occurring while you or your dependent was operating a vehicle, vessel or aircraft, if you or your dependent:
  - 1. were impaired by drugs or alcohol, or
  - 2. had a blood alcohol level higher than 80 milligrams of alcohol per 100 millilitres of blood
- from the abuse of illegal substances.

#### **Maximum Benefit**

The maximum dollar amount that is reimbursed for covered medical services and supplies received in your home province is unlimited.

The maximum that is reimbursed for medical treatment received outside your home province or Canada is:

- \$1,000,000 for each covered person for all covered costs related to any one emergency under the emergency out-of-province/country and the Travel Assistance coverage; or
- \$10,000 during the covered person's lifetime for approved referral treatment.

#### **Coordinating Benefits**

If both you and your spouse are covered by employer benefit plans, your coverage may overlap; medical services and supplies covered by your plan may also be covered by your spouse's plan. "Coordination of Benefits" lets you take advantage of this overlap to recover up to 100% of your eligible expenses.

To coordinate benefits, the person who received the service or supply makes the claim first — from their employer's plan. (If your child receives medical care, the parent whose birthday falls earliest in the year submits the claim first — to his or her plan). A cheque and explanation of what is being paid comes back from the Insurance Company, and then, if not all of the expense is covered, a second claim is filed with the spouse's plan.

By reviewing your and your spouse's plan to find out when you can receive reimbursement from both plans, you may be able to coordinate benefits and get back as much as 100% of your eligible expenses!

#### How To Claim Extended Health Care Benefits

#### To claim benefits for medical services and supplies, other than drugs or medicines:

- 1. Save all your receipts for medical services and supplies, and any bills or receipts received for hospital care. Receipts and bills should show:
  - the patient's name,
  - the date the treatment or supply was provided,
  - the nature of the service or supply, and
  - an item-by-item list of the charges.
- 2. Pick up a claim form from your Plan Administrator or visit <u>www.greatwestlife.com</u> to get printed claim forms with your plan information already filled in.
- 3. Fill out the sections of the claim form that ask for information about you (the employee) and the patient (you or your eligible dependent). To ensure prompt processing of your claim, be sure to indicate the name of your employer, your policy number, your class code and certificate number, in the appropriate boxes provided on the claim form. (This information is provided on your wallet-sized certificate of insurance.)
- 4. Return your completed claim form, with original receipts attached, for processing to Great-West Life at the address shown on the claim form.
- 5. The Insurance Company will review your claim and determine what portion is eligible for reimbursement. You should receive your refund cheque, along with an explanation of the benefits being paid, within 2-3 weeks.

**Note:** Extended health care claims must be submitted no later than 12 months from the date the expense is incurred. If your insurance under this plan terminates, benefits are payable only if your claim is submitted within 90 days of the date your insurance terminates.

#### To claim benefits for drugs or medicines:

- 1. Present your drug card to the pharmacist when filling your prescription.
- 2. Provided the pharmacist is enrolled in the pay-direct drug plan, payment will be made directly to the pharmacist you do not need to complete any claim forms or wait for the reimbursement.
- 3. You will be required to pay the deductible, where applicable, to the pharmacist.

**Note:** If the prescription is not obtained through the use of your drug card, be sure to get a receipt from the pharmacist. To receive reimbursement of benefits payable, a claim form must be completed and sent to Great-West Life at the address shown on the claim form, along with your original receipts.

#### What's Not Covered

Your extended health care plan does not cover any expense which is directly or indirectly related to:

- any illness or injury arising out of or in the course of employment when the person is covered by or is eligible for coverage by Workers' Compensation,
- any illness or injury for which benefits are payable under any government plan or legally mandated program,
- self-inflicted injuries or illnesses, while sane or insane, war, insurrection, the hostile action of any armed forces, or participation in a riot or civil commotion,
- the committing of or the attempt to commit an assault or criminal offense,
- charges for periodic check-ups, broken appointments, third party examinations, travel for health purposes or completion of claim forms,
- charges for services or supplies for which there would have been no charge at all or which would have been reimbursed under a government-sponsored plan in the absence of insurance, or which are received from a medical or dental department maintained by an employer, association or trade union,

- charges for services or supplies which are required for recreation or sports, but which are not medically necessary for regular activities,
- charges which would have been payable by the provincial health plan had proper application been made,
- charges for services or supplies which are performed or provided by an Immediate Family Member or a person who lives with the insured person, or which are provided while confined in a Hospital on an in-patient basis, or
- medical treatment which is not usual and customary, or which is experimental or investigational in nature.

### **Extended Benefit For Surviving Dependents**

If you should die while insured under this plan, extended health care coverage will be continued for your dependents who are insured under this plan at the time of your death, provided the required premiums are paid, until the earliest of:

- 1. attainment of the surviving spouse's 65<sup>th</sup> birthday, or
- 2. the date your dependent would otherwise cease to qualify as an eligible dependent, or
- 3. the date your surviving spouse remarries, or
- 4. the date your dependents become insured under another group policy, or
- 5. the date this plan terminates.

# Health Care Spending Account

Your Health Care Spending Account provides you with annual credit to be spent on any eligible health or dental expense of your choice (according to CRA guidelines).

### How The Plan Works

A Health Care Spending (HCSA) is like a bank account through which you may be reimbursed for health and dental expenses up to a predetermined annual credit amount. Your employer will provide you with annual credits at the beginning of each plan year. These credits may be used to cover expenses not covered by group health plans or to top-up expenses not fully covered by group health plans, including deductibles and co-payment amounts. Also, since annual credits are in the form of before tax dollars, the HCSA is a tax-effective way of paying for your health-related expenses.

### Eligibility

You are eligible for HCSA credits through your employer if you are covered for basic health benefits under your group health plan. In addition to the dependents eligible for coverage under your basic health plan, HCSA benefits are extended to a child who is no longer eligible for basic health benefits solely because of student age restrictions and to any other person for whom you are entitled to claim a medical expense tax credit under the Income Tax Act. **Please note, however, that the predetermined annual credit amount will not be applicable to dependents not eligible for basic coverage**.

#### Termination

Your HCSA coverage terminates when your basic health coverage terminates, when you elect to discontinue coverage (at any plan enrolment date) or when your employer discontinues the plan.

# Health Care Spending Account

### **Covered Expenses**

The Income Tax Act governs the types of expenses that can be reimbursed under the HCSA. Coverage is provided for medical, vision and dental expenses that qualify for a medical expense tax credit. For a complete list of covered expenses, contact your Canada Revenue Agency District Office and ask for Income Tax Interpretation Bulletin IT-519R.

Great-West Life will pay 100% of covered expenses that are incurred while you and your dependents are covered, up to a maximum annual payment equal to the credits in your HCSA. Expenses for medical and vision services and supplies are considered to be incurred when they are received. Dental expenses, other than orthodontic expenses, are considered to be incurred when treatment is completed. Orthodontic expenses are considered to be incurred on a periodic basis throughout the course of treatment.

### Limitations

No benefits are paid for:

- Expenses that private benefit plans are not permitted to cover by law;
- Services or supplies you are entitled to without charge by law or for which a charge is made only because you have coverage under a private benefit plan;
- Any portion of the expense for services or supplies for which benefits are payable under your basic health plan, another group plan or a government plan;
- Expenses arising from war, insurrection, or voluntary participation in a riot.

#### How to Make a Claim

The HCSA will reimburse you for the balance of the expense remaining after all other insurance plans have paid out. You must first submit all claims to any government and private insurance plans under which you or any eligible dependents are covered. This is important in order to avoid an over-payment from your HCSA and possible tax consequences. Once you have received reimbursement for the expense from all other plans, you may submit a claim against the HCSA.

Any claim against the HCSA must be submitted on a special HCSA claim form. For Healthcare and Visioncare claims, use form M5431A, and for Dental care claims, use form M5429A. Claims against the HCSA must be submitted to the Great-West Life Benefit Payment Office within 31 days after the end of the plan year in which the expenses are incurred.

The standard GWL claim forms should be used when you do not want benefits reimbursed from your HCSA.

Your long term disability plan has been developed to protect you against the financial impact of lost income, if a lengthy illness or injury keeps you from coming to work.

#### **How The Plan Works**

Benefits are payable under the long term disability plan after you have been totally and continuously disabled for a period of **180 calendar days**.

### **Benefits Provided**

If you are totally disabled you will receive a monthly income benefit equal to **75% of your regular monthly earnings, to a maximum of \$10,000\* per month**. (\*Evidence of insurability, satisfactory to the insurer, is required for all amounts in excess of \$7,500)

To qualify for long term disability benefits you must be "totally disabled". During the first 24 months that you receive long term disability benefits, this means that you are unable to do the essential duties of your normal job and are not otherwise employed. After this 24-month period, you will continue to qualify for long term disability benefits only if you are unable to work at any job for which you are reasonably suited by virtue of your education, training and experience.

Any benefits you receive from the long term disability plan are taxable if your employer contributes, in whole or in part, towards the cost of providing the plan.

Benefits from the long term disability plan will stop if you:

- recover,
- attain age 65,
- are unable to provide written proof of your disability,
- are no longer under a physician's care,
- fail to undergo an examination by an independent doctor of the Insurance Company's choice,
- in the event of your death.

#### **Coordination With Other Disability Benefits**

Long term disability benefits are reduced by the amount of income you receive or are entitled to receive as a result of the same disability from:

- Workers' Compensation or similar legislation (excluding any future cost of living adjustments),
- the Canada or Quebec Pension Plan (excluding any future cost of living adjustments or dependent benefits payable to you),
- any other federal, provincial or municipal government plan, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System, but not filed on your behalf, and
- any other group insurance plan, or any retirement or pension plan of the employer, excluding any disability benefits available to you through the Ontario Municipal Employees' Retirement System.

The benefit you receive will be further reduced, if necessary, so that the total disability income you receive from this plan and any other source (other than income from a private source) does not exceed 85% of your pre-disability net earnings (if benefits are non-taxable) or gross earnings (if benefits are taxable).

#### **Rehabilitation Benefit**

The rehabilitation benefit is designed to help you through an adjustment period of up to 24 months while working part-time, in a reduced capacity or involved in a retraining program approved by the Insurance Company.

While you are participating in an approved rehabilitation program, your long term disability benefit will not be discontinued. However, your monthly long term disability benefit will be reduced by 50% of the compensation you receive from rehabilitative employment.

#### When Disability Recurs

If you recover from total disability, only to become disabled again, the second period of disability will be treated as a continuation of the first unless the second disability is unrelated to the first, or is separated from the first by more than six months.

#### Waiver of Premium

Premium payments are waived during any period in which you receive benefits from this plan. Long term disability benefits will continue in accordance with the terms of the policy regardless of whether or not this plan remains in effect or your other benefit coverages are subsequently terminated, provided your disability begins while your coverage under this plan is in force.

### How To Claim Long Term Disability Benefits

Claim forms are available from your Plan Administrator. Early filing of claims is recommended. Forms should be completed and returned to your Plan Administrator after you have been disabled at least 30 days and do not expect to return to work before the *Elimination Period* expires. Long term disability claims must be submitted no later than 90 days after the date you are eligible for benefits to begin.

#### What's Not Covered

Your long term disability plan does not cover:

- intentionally self-inflicted injury or illness,
- disability resulting from war, or act of war, or while engaged in the armed services,
- any period of disability during which you are not under the regular care and attendance of a legally qualified physician,
- any period of disability which commences while you are not insured under this plan,
- participation in a criminal act, or
- disability, loss or expense which commences or occurs during any period of statutory maternity or parental leave of absence except to the extent:
  - 1. the continuance of insurance coverage during such period of statutory maternity or parental leave of absence is required by legislation or by written agreement between you and your employer; and
  - 2. you do not receive or are not entitled to receive any payment, benefit, indemnity or other amount from any source, including any policy, plan or fund provided by any employer, insurer or government (including basic and supplementary unemployment insurance maternity/parental leave benefits).

Your life insurance plan provides you with a basic benefit and allows you to purchase additional coverage for yourself and/or your spouse. In the event of your death, the plan pays a benefit to your beneficiary. The benefit is payable to you in the event of the death of your covered spouse.

#### **How The Plan Works**

If you should die while insured, your plan will pay the amount of your life insurance to the last nominated beneficiary as filed. In the absence of a beneficiary nomination, payment will be made to your estate.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time, subject to the laws governing such changes, by contacting your Plan Administrator.

If your spouse is insured for life insurance coverage under the spouse's optional life plan, benefits are payable to *you* in the event of the death of your covered spouse.

#### **Benefits Provided**

#### Employee Life Insurance

Your life insurance plan provides basic and optional coverage, depending on the Option you apply for. You may select coverage under one of the following four Options available under the plan.

Option	Basic Term Insurance (Employer Paid)	Additional Term Insurance (Employee Paid)		
1	200% of your annual earnings	Nil		
2	200% of your annual earnings	25% of your annual earnings		
3	200% of your annual earnings	75% of your annual earnings		
4	200% of your annual earnings	125% of your annual earnings		
Notes: All amounts of basic term and additional term insurance are rounded upward to the nearest \$1,000. Regardless of which Option you select, the total amount of coverage cannot exceed \$600,000. Before selecting (or changing) an Option, it may be important to review the Retirement Life Insurance coverage applicable to you.				

Your life insurance coverage begins on the date you complete the eligibility waiting period, provided you make written application for coverage within 31 days of becoming eligible.

If you do not apply within the 31-day deadline, you will automatically be enrolled in the Basic Term Insurance plan <u>only</u>, for a benefit equal to 200% of your annual earnings (Option 1). To enroll in any of the plan Options available which include Additional Term Insurance (Options 2, 3 and 4), you must provide medical evidence — proof that you are insurable — satisfactory to the insurer.

#### Spouse's Optional Life Insurance

The purchase of life insurance coverage for your spouse is completely voluntary; you decide whether or not to participate. A **spouse** is the person you are legally married to, or a person who has continuously resided with you in a role like that of a marriage partner for at least one year.

Spouse's optional life insurance coverage is available in **multiples of \$10,000 to a maximum of \$250,000**. Provided you apply for this coverage within the first 31 days following your eligibility date, only coverage amounts in excess of \$10,000 are subject to medical evidence — proof that your spouse is insurable — satisfactory to the insurer. If you apply after the 31-day deadline, **all** coverage applied for will be subject to satisfactory medical evidence.

If you are not actively at work on the date coverage would normally begin, coverage will not begin until you return to active work. If your spouse is hospitalized, coverage will not begin before your spouse is discharged and resumes normal activities.

#### Changing Your Coverage

There are times when you may need to change your coverage under the employee's and/or spouse's life insurance plan, either reducing or increasing the coverage, as appropriate. (Note: For employee life insurance, it may be important to review the Retirement Life Insurance coverage applicable to you before deciding to change your coverage Option.)

You may re-select your Option under the employee's life insurance plan and/or change the amount of your spouse's life insurance benefit, at any time. Your Plan Administrator will provide you with the necessary forms to request a change.

Any request to increase the coverage amount, is subject to medical proof of insurability, satisfactory to the insurer, and will be effective on the date the insurer approves the application, provided you are actively at work (or in the case of your spouse, s/he is not hospitalized).

Any request to reduce or cancel optional life insurance for yourself and/or your spouse, will be effective on the later of the date you request or the first day of the month following the date your request is received. (Note: If you subsequently apply to add or increase coverage for yourself and/or your spouse that was previously cancelled or reduced, evidence of insurability, satisfactory to the insurer, will be required.)

#### Cost Of The Life Insurance Plan

Your employer pays the entire cost of your Employee Basic Term Life Insurance coverage. All life insurance premiums paid by your employer are a taxable benefit to you.

If you elect Additional Term Life Insurance coverage for yourself and/or Optional Life Insurance coverage for your Spouse, the cost to you will be paid through payroll deduction.

For **Employee Additional Term Life Insurance**, the rates vary by age, gender and smoking status, and are adjusted according to your age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

	Male		Female	
Employee's Attained Age (as at January 1st)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300
<b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer				

will notify you prior to any changes taking effect.

Monthly costs shown above are subject to applicable taxes.

For **Spouse's Optional Life Insurance**, the rates vary based on your spouse's age, gender and smoking status, and are adjusted according to your spouse's age on the 1st of January each year, with any required adjustment taking effect at that time. Monthly costs are provided in the chart below.

Male		Female	
Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
\$0.042	\$0.032	\$0.042	\$0.026
\$0.069	\$0.035	\$0.054	\$0.032
\$0.187	\$0.094	\$0.113	\$0.069
\$0.615	\$0.307	\$0.312	\$0.187
\$1.200	\$0.599	\$0.653	\$0.390
	Monthly Rate (per \$1,000)           \$0.042           \$0.069           \$0.187           \$0.615	Monthly Rate (per \$1,000)Monthly Rate (per \$1,000)\$0.042\$0.032\$0.069\$0.035\$0.187\$0.094\$0.615\$0.307	Monthly Rate (per \$1,000)Monthly Rate (per \$1,000)Monthly Rate (per \$1,000)\$0.042\$0.032\$0.042\$0.069\$0.035\$0.054\$0.187\$0.094\$0.113\$0.615\$0.307\$0.312

**Note:** Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer will notify you prior to any changes taking effect.

Monthly costs shown above are subject to applicable taxes.

#### When Coverage Ends

Employee Life Insurance (Basic Term and Additional Term) coverage ceases on the earliest of the following dates:

- the date your employment ends, other than by retirement on pension or cessation of active employment due to total disability;
- the last day of the month in which you reach age 65; or
- the date the group plan is cancelled.

(**Note:** If your employment ends due to retirement on pension, you will continue to be insured for a reduced Retirement Life Insurance benefit — refer to the sub-section, *Retirement Life Insurance.*)

Your Spouse's Optional Life Insurance coverage ends on the earliest of the following dates:

- the date your employment ends;
- the date of your death;
- the date you retire or reach age 65;
- the date your spouse no longer qualifies as an eligible spouse; or
- the date of your spouse's 65th birthday.

### Waiver Of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Basic Term, Additional Term and Spouse's Optional Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first. (Your spouse's life insurance coverage will continue until you are no longer disabled, die, retire or reach age 65, or your spouse reaches age 65 — whichever occurs first.)

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

#### **Conversion Privilege**

If **your** life insurance coverage ceases or reduces as a result of termination of employment, retirement or attainment of age 65, you may apply to convert your cancelled or reduced insurance to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your life insurance terminates or reduces. If you should die during the 31-day conversion period, a death benefit equal to the amount of life insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

You may choose an individual policy plan which provides coverage comparable to the coverage for which you were insured under this Plan, but without disability benefits, or you may choose any other individual policy which Desjardins Insurance is willing to offer, but without disability benefits. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the excess of the amount of your life insurance in force under this Plan immediately prior to the termination or reduction over the amount of life insurance provided by any group policy of your employer or any other employer for which you are eligible on the effective date of the individual policy. The premium rate will be based on your age and gender, and the type of policy plan you select.

# <sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

Your **spouse's** life insurance coverage ceases on the date your employment terminates. You may, however, apply to convert your spouse's insurance, on or before your spouse's 65th birthday, to an individual policy — *without* having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your employment ends. If your spouse should die during the 31-day conversion period, a death benefit equal to the amount of insurance eligible for conversion will be paid, regardless of whether application for conversion has been made.

#### **Retirement Life Insurance**

On the last day of the month in which you reach age 65, or retire on pension under a Normal Retirement, Early Retirement or Total Disability Retirement — whichever occurs first — your life insurance coverage under the Option you selected will cease. However, you will continue to be insured for a reduced Retirement Life Insurance benefit based on your years of service in this plan and your Option selection(s) prior to retirement, as set out in the chart on the following page.

Classification		Amount of Retirement Life Insurance	
Α.	If you retire with less than 10 Years of Service in this Plan	\$2,000	
В.	If you were not insured under the Superseded Plan* and retire with 10 or more Years of Service in this Plan <b>or</b> if you were insured under the Superseded Plan* but at any time prior to retirement elected coverage under Options 2, 3 or 4	50% of your final annual earnings, reducing by 2-1/2% of final annual earnings on the anniversary of your retirement date each year following for ten years, to a minimum of 25% of your final annual earnings	
C.	If you were insured under the Superseded Plan*:	Amount will be determined in accordance with provision B above	
	<b>1.</b> If at <b>any time</b> you elected coverage under Options 2, 3 or 4;	50% of your final annual earnings	
	<b>2.</b> If you were hired on or after May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement; or	70% of the amount of coverage you were insured for immediately prior to your retirement under the <u>former</u> life insurance schedule before the enhanced schedule was introduced on January 1,	
	<b>3.</b> If you were hired prior to May 1, 1967 and never elected coverage under Options 2, 3 or 4 at any time prior to retirement	2001 (i.e., the former life insurance schedule provided a benefit equal to 150% of annual earnings – this is the amount used to determine the retirement life insurance benefit)	

### <u>Notes</u>

All amounts of retirement life insurance are rounded upward to the nearest \$1.00.

\*Superseded Plan means the prior life insurance plan which this Plan replaced effective March 1, 1980.

Years of Service means your service in this Plan or the Superseded Plan with your current employer you retire from, together with service credited to you in this Plan or the Superseded Plan by reason of your prior service with any other employer participating in this Plan, where the transfer occurs without intervening employment.

#### How To Claim Death Benefits

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. In the event of the death of your covered spouse, the required claim forms will be furnished to you. Claims for death benefits must be submitted no later than 12 months after the date of death.

#### What's Not Covered

No amount will be paid for that part of your spouse's optional life insurance benefit that has been in force for less than 2 years, if loss of life results from suicide, while sane or insane. However, Desjardins Insurance will refund all applicable premiums paid.

### **Supplementary Life Insurance**

The supplementary life insurance plan enables you to purchase additional life insurance coverage for yourself.

#### **How The Plan Works**

The purchase of supplementary life insurance is completely voluntary; you decide whether or not to participate.

In the event of your death, your supplementary life insurance plan will pay a benefit to your appointed beneficiary.

You may name anyone you choose to receive benefits payable under the plan in the event of your death. However, if you name a minor, a trustee must also be appointed. You may change your beneficiary designation at any time by contacting your Plan Administrator.

#### **Benefits Available**

Supplementary life insurance coverage is available in **multiples of \$10,000, to a maximum of \$250,000**. All coverage is subject to medical evidence — proof that you are insurable, satisfactory to the insurer.

(Note: All amounts of life insurance under the term life, optional life and supplementary life plans are subject to a combined overall maximum of \$600,000.)

# **Supplementary Life Insurance**

### **Cost of Supplementary Life Insurance**

Your cost, paid through payroll deduction, depends on your gender, your age and on whether or not you smoke. (You are considered a "non-smoker" if you have not smoked for the last 12 months.) Monthly costs are provided in the table below.

	Male		Female	
Employee's Attained Age (as at January 1st)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)	Smoker Monthly Rate (per \$1,000)	Non-Smoker Monthly Rate (per \$1,000)
Under 35	\$0.044	\$0.022	\$0.022	\$0.020
35 - 39	\$0.060	\$0.039	\$0.033	\$0.028
40 - 44	\$0.163	\$0.080	\$0.099	\$0.062
45 - 49	\$0.285	\$0.142	\$0.169	\$0.098
50 - 54	\$0.445	\$0.231	\$0.240	\$0.151
55 - 59	\$0.757	\$0.383	\$0.395	\$0.231
60 - 64	\$0.890	\$0.480	\$0.480	\$0.300
<b>Note:</b> Monthly costs shown above reflect those in effect as of January 1st, 2014. The monthly cost schedule is subject to change by the insurer; your employer				

will notify you prior to any changes taking effect.

Monthly costs shown above are subject to applicable taxes.

### **Supplementary Life Insurance**

#### Waiver of Premium

If you become totally disabled while insured and before your 65th birthday or earlier retirement, your life insurance coverage under the Supplementary Life plan will be continued without further payment of premiums. Your coverage will continue until you are no longer disabled, retire or reach age 65, whichever occurs first.

Proof that you are totally disabled must be submitted to Desjardins Insurance within 12 months from the onset of the disability, and periodically as requested by Desjardins Insurance thereafter.

Totally Disabled means that you are prevented from performing any work for compensation or profit or from following any gainful occupation. (However, if you are insured for Long Term Disability benefits by Desjardins Insurance under this same master policy, the definition of total disability used to determine your eligibility for disability benefits, as described in this booklet, shall also apply when assessing your life insurance waiver of premium benefit.)

#### **Conversion Privilege**

Your supplementary life insurance coverage ceases on the date your employment terminates. However, if you are under age 65, you may apply to convert your insurance to an individual policy — without having to provide medical evidence. You must make written application for the individual policy to Desjardins Insurance accompanied by payment of the first premium within 31 days of the date your supplementary life insurance terminates. The amount of the individual policy will not exceed the lesser of \$200,000 (\$400,000 for employees residing in Quebec<sup>1</sup>) or the total amount of your life insurance in force under all life insurance plans provided under this policy immediately prior to the termination of your coverage. If you should die during the 31-day conversion period, a death benefit will be paid, regardless of whether or not application for conversion has been made.

<sup>1</sup>For a Quebec plan Member to convert, his or her convertible amount must be at least \$10,000 or 25 percent of group coverage (whichever is greater).

### Supplementary Life Insurance

#### **How To Claim Death Benefits**

Your Plan Administrator will furnish all the required claim forms to your beneficiary in the event of your death. Claims for death benefits must be submitted no later than 12 months after the date of death.

#### What's Not Covered

No amount will be paid for that part of your Supplementary Life Insurance benefit that has been in force for less than 2 years, if loss of life results directly or indirectly, while sane or insane, from suicide, attempted suicide or purposely self-inflicted injury.

### **Group Home & Automobile Insurance Program**

The group home and automobile insurance program is a voluntary, employee-paid plan, that gives you access to preferred group home & automobile insurance rates.

#### **How The Plan Works**

To enhance your overall benefits package, your employer has endorsed The MEARIE Group's Home & Automobile Insurance Program\*.

This Program is available to you on a completely voluntary basis, with all associated premiums being paid by you.

The Program, sponsored by The MEARIE Group, is insured through AVIVA Traders Insurance Company. AVIVA has been providing group home and automobile insurance to groups and associations for over 50 years.

AVIVA's financial strength and stability ensures that their claims-paying ability is secondto-none in the Canadian insurance marketplace.

#### **Products Available**

Residential

- Homeowners
- Tenants
- Condominium
- Seasonal/Secondary/Rented Residences
- Recreational Watercraft
- Personal Articles

Personal Automobiles

- Automobiles
- Trailers
- Campers/Motor Homes
- Snowmobiles
- Other Recreational Vehicles

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### **Group Home & Automobile Insurance Program**

#### Value-Added Products & Services

AVIVA Traders has a variety of value-added products and services, including:

#### AVIVA Roadside Assist

This value-added service provides emergency roadside assistance for up to four vehicles per policy. The annual membership fee provides a variety of services, including:

- Emergency towing
- Battery boosts
- Emergency winching
- Fuel Delivery
- Trip Planning

#### Vehicle Anti-theft Device

Policyholders will have the option of purchasing an ignition disabler at a discounted price. Policyholders will receive a discount on their auto policy, which could be equal to or greater than the cost of the Anti-theft device.

#### Six Star Protector

Is an easy way to protect policyholders from possible premium increases as a result of an accident, even if they are at fault. For a nominal fee, policyholders can protect their "Six Star" driving record and their claims free discount in the event they have an accident in the future.

#### **Payment Options**

Multi-pay plans, or, monthly payment plan with <u>no interest or service fees.</u>

#### Hours Of Operation

Extended service hours: 8:00 a.m. to 8:00 p.m., Monday to Friday.

### **Group Home & Automobile Insurance Program**

#### How To Obtain A Quote

To obtain a no-obligation quote or to get more information on your home and auto insurance needs, call The MEARIE Group's toll free number 1-877-4MEARIE (1-877-463-2743), or visit AVIVA's website at <u>www.avivacanada.com</u> (click on Traders - password: grquote).

\* Administered by Alternative Risk Services Inc.

Firmex Viewer



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# **Employee Handbook**

**Revised August 2014** 





4

a division of Ascent

HONESTY ATTITUDE RESPECT TEAMWORK

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### WELCOME TO THE ASCENT GROUP OF COMPANIES

I am very pleased to welcome you to the Ascent Group of Companies which include St. Thomas Energy Inc., Ascent Energy Services Inc., Ascent Solutions Inc. and Ascent Utility Services Inc. We pride ourselves on having an open and transparent atmosphere within our companies. We are proud of our Corporate Values of *Honesty, Attitude, Respect and Teamwork.* We take much pride in the fair and courteous treatment of all who come in contact with our companies whether that's fellow employees, customers, suppliers, our local communities, Shareholders, Board members and others.

Our roots began in the utilities sector, going back a hundred years. We have grown to become a full energy services and solutions provider with both regulated (St. Thomas Energy) and non-regulated businesses operating across Ontario, Canada and into the US. We are committed to providing value to our Shareholder, the City of St. Thomas, though our efforts in the community and financially through dividends that support the needs of the City.

Our company is evolving, change is the constant, and we must continue to progress to meet future challenges and to become a truly sustainable business. To accomplish this we require the commitment of all employees to personal and professional growth, education and skills upgrading to meet our business needs. We put particular value on work life balance, and we want our employees to feel at home during their time with Ascent.

The health and safety of our employees, other workers and the general public is our top priority. Our Management is committed to doing everything possible to prevent injuries and to maintain a healthy work environment. We believe all occupational injuries, illnesses and incidents are preventable.

Our doors are open, and that is our philosophy. Employees are encouraged to speak with their direct supervisors, other staff and myself for the purposes of clarification and guidance, or for opportunities to extend feedback so we can continually improve our businesses.

Our tag line is **'Defining Energy Solutions'**. At Ascent we are leading the marketplace in providing services and solutions that not only define us, but define our industry and our customer's needs. I hope your employment with the Ascent Group of Companies brings you much personal and professional satisfaction.

Ron Osborne Chief Executive Officer

### INTRODUCTION

This handbook is produced to ensure that all employees of the Ascent Group of Companies are aware of our policies and benefits, to answer questions and to maintain consistency throughout our businesses.

Please read through the handbook thoroughly and keep it for future reference. Your Supervisor will answer any questions.

The policies highlighted in this handbook are detailed on our Corporate Intranet site (iShare), or in various publications (i.e., Corporate, Health & Safety, Quality Manuals); Electrical Utilities Safety Association of Ontario Rule Book; EUSA Safe Practices Guides; current Collective Agreements between the Corporation and International Brotherhood of Electrical Workers Local 636; contracts with benefit carriers (i.e., MEARIE, Great West Life) and applicable government legislation.

### **CORPORATE OVERVIEW**

#### **Vision Statement:**

"To be the industry leader in the provision of energy services and solutions."

Ascent Tag Line: "Defining Energy Solutions"

St. Thomas Energy Tag Line: "We're Your Local Power Distributor"

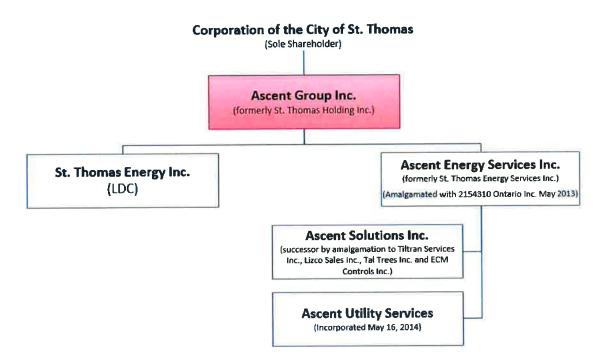
**Our Values:** 

HONESTY ATTITUDE RESPECT TEAMWORK

H onesty	<ul> <li>We will accept responsibility for our actions</li> <li>We will admit when we make mistakes – own it and act on it</li> <li>We will be respectful when telling the truth even when it's difficult</li> </ul>
A ttitude	<ul> <li>to hear</li> <li>We will choose to be positive coming into work each day</li> <li>We will catch one another in the act of practicing our values and acknowledge them</li> <li>We will be open minded to change</li> <li>We will believe in and inspire the best in others</li> </ul>
Respect	<ul> <li>We will always listen, think, then act</li> <li>We will not gossip, spread rumours or blame</li> <li>We will work together to find the best solutions and meet our</li> </ul>
Teamwork	<ul> <li>deadlines</li> <li>We will all lead by balancing the needs of the business and individuals</li> <li>We will not withhold, and will always be, a trusted source of information</li> </ul>

#### CORPORATE STRUCTURE

### ASCENT GROUP INC. Corporate Structure May 16, 2014



### NEW EMPLOYEE ORIENTATION

As a new employee, you will receive orientation to familiarize yourself with the history, function, policies and organization of Ascent. During the orientation process, representatives from various departments will provide you with training, insight or information:

#### Human Resources/Finance

- 。 Employee Handbook
- 。 Employee Benefits
- Meeting with union representative (if applicable)

#### Joint Occupational Health & Safety Committee

- 。Health & Safety
- 。 OHSAS 18001 (St. Thomas Energy)

#### **Privacy Officer**

PIPEDA Review (Personal Information Protection & Electronic Documents Act)

#### Quality Management Team Representative (St. Thomas Energy Inc.)

。 ISO 9001 Quality Systems orientation

#### Departmental

- 。 Introduction to Staff
- <sup>o</sup> Department-specific Orientation

Orientation will include (as appropriate), but not limited to:

#### General

- $_{\circ}$  Values
- 。 Overview of WHMIS training
- Fitting of Personal Protective Equipment (PPE) as required
- 。 Emergency evacuation of building
- 。Respect in the Workplace (Violence/Harassment/Discrimination) policy
- Training in ergonomically correct techniques
- Review location of first aid kits and fire extinguishers and their use
- 。 I.T. training as required
- o Other relevant job specific training

#### **Trades and Outside Staff**

- Vehicle circle check
- Proper operation of vehicle equipment (e.g., lawn mower, hedge trimmer if applicable)
- Proper radio use/protocol and "Mayday Procedure" (St. Thomas Energy Inc.)
- Working around substations identify potential hazards
- International Standards Organization Procedures and background (St. Thomas Energy Inc.)
- 。 Electrical awareness training
- 。EUSA Rule Book

### **PROBATIONARY PERIOD**

The probationary period for new employees is six (6) months unless otherwise specified by contract,

### LENGTH OF SERVICE

For regular staff, your length of service is calculated from your date of hire. Your length of service determines your benefit eligibility, vacation entitlement and for union positions your job posting eligibility. Unionized staff will continue to accumulate seniority while on maternity or parental leave.

### EMPLOYEE RECORDS

Your employee file is a record of facts about you and your job with the Company. Some of these facts must be collected by law for tax, employment insurance benefits and pension reasons, driver's and trade licenses. You may submit information on community and other honours you receive. We are interested in your outside achievements and want to know about them. Advise your Human Resources office of any changes in your home address, telephone number, marital status, dependents, beneficiary or persons to notify in case of emergency. Your file is kept confidential but you may ask to see it by booking an appointment through your Human Resources contact. Information about you can only be released with your approval. All employee files are kept in the Human Resources office for your company.

### **EMPLOYEE IDENTIFICATION AND FACILITY ACCESS**

Employees located at our 135 Edward Street location will be issued a key tag and access code for after regular hour entry to the facility. Replacements of lost key tags may result in additional cost to the employee.

Employees at our Harper Road, Bayham Drive and Belleville locations will be issued a key and access code for after regular hour entry to the facility. Replacements of lost keys may result in additional cost to the employee.

Professional security badge photo identification cards will be introduced during 2015 for all employees. Badges will be mandatory for identification and security measures and once implemented, all employees will be required to wear their photo ID badge at all times, in all Ascent locations.

### PERFORMANCE APPRAISAL

All Ascent companies maintain a policy of evaluating job performance of employees as a means of measuring efficiency and effectiveness of the organization's operations; providing employees with meaningful information about their work; and aiding the business in making personnel decisions related to such areas as training, compensation, promotion, work assignments, retention and long-range planning in its operations. Performance evaluation is intended to be a constructive and positive experience.

### **INCENTIVE COMPENSATION**

Ascent will reward its employees with incentive based compensation for meeting or exceeding annual goals and objectives. Goals and objectives for the organization are set annually by the Board. For non-management staff this compensation is based on a profit sharing formula against net income. For management staff there is a defined Incentive Compensation plan based on annual goals and objectives. The plan ties directly to Ascent meeting net income targets. Ascent reserves the right to change, alter or

terminate its incentive plans at any time. Please check with your Supervisor or Human Resources contact for specific details.

### **TRAINING & DEVELOPMENT**

The Company is committed to enhancing the skills, abilities and opportunities of all employees. We believe that training and development programs that enable our workforce to prepare for changing conditions are crucial to our future health and growth. The Company encourages you to take courses or programs related to your position or career goals to improve your current performance or help prepare for future opportunities. These will benefit both you and the Company. Courses may be at an accredited university, college, trade school, continuing education program or other approved institution. Some programs and courses may be paid by Ascent upon successful completion. Please check with your Supervisor or Human Resources contact for specific details.

### HIRING & RECRUITMENT

The Company is committed to ensuring that it has a workplace free from discrimination in employment practices and decisions thereby ensuring equal employment opportunities for qualified individuals. All employee actions will be carried out without regard to race, ancestry, place or origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, gender expression, age, record of offenses, marital status, same-sex partnership status, gender identity, gender expression, family status and disability. The Company is committed to creating and supporting a diverse workforce that respects individual differences and focuses on common goals and objectives.

#### **EMPLOYMENT OF FAMILY MEMBERS**

The Ascent Group of Companies permits the employment of qualified family members where such employment does not, in the opinion of the company, create an actual, potential or perceived conflict of interest. Family members must not report directly to another family member and the hiring of such members must be done in an open and transparent process by someone other than a family member.

#### EMPLOYMENT OF SUMMER STUDENTS

The hiring of summer and COOP students will be based on business need. All potential vacancies will be posted within the respective community and applicant short lists will be prepared. Final selections of summer students will be done by a lottery process. Students will not be offered more than one term commitments, but will be welcome to apply in future years through the usual lottery process.

### **VEHICLE OPERATING LICENSES**

- "G" designation general driver's license
- "D" designation trucks up to a specified weight, hydraulic brakes
- "Z" designation air brakes and higher weight of truck

Employees required to drive Ascent vehicles, or their own vehicle on company business from time to time, must have a valid driver's license. Driving Company vehicles without the proper license will result in disciplinary action.

#### **TESTING FOR DZ LICENSE**

New employees are required to either have in place appropriate licensing or such licensing may be obtained during their probationary period as a condition of employment, where appropriate. Study materials are available, and appointments are made for driving examination during regular working hours (the Company will also supply the appropriate vehicle for any driving test that may be needed).

No employee may drive any Company vehicle without a valid license for the classification of that vehicle. Every five years, employees must write an examination for designation, where appropriate. When required, by the Ministry of Transportation, to write or a driving examination study materials are available, and the written and or driving portion is done during regular working hours (takes about ½ hour). As it is a condition of employment that the employee maintains their DZ designation, fees for maintaining the proper licensing (i.e. driving test, written exam, etc.) will be covered by the employer beyond the employee's probationary period (not to be confused with the 5 year Ministry fee for anyone who drives).

New employees are required to either have in place appropriate licensing. Such licensing may be obtained during their probationary period as a condition of employment, where appropriate. Study materials are available, and appointments are made for driving examination during regular working hours. No employee may drive any Ascent vehicle without a valid license for the classification of that vehicle. Every five years, employees must write an examination for designation, where appropriate. Study materials are available, and the written portion is done during regular working hours (takes about ½ hour). As it is a condition of employment that the employee maintains their DZ designation, fees for licensing will be covered by the employer beyond the employee's probationary period.

**NOTE:** Ascent will solicit driver abstracts from the Ministry of Transportation at least once yearly for all employees.

### **COMPUTER POLICY – E-MAIL, INTERNET USE & SOFTWARE**

The protection of all information system resources such as computer systems hardware, application and systems software, data documentation and personnel is a fundamental responsibility of all staff. With the increased capabilities available for electronic forms of communication, Ascent must ensure that employees are knowledgeable in their use of these capabilities and have an understanding of the circumstances in which these forms of communication are appropriate and permitted.

All messages sent over the Ascent's networks and computers are considered records of the business. At any time and without prior notice, management reserves the right to examine and analyze email, all file directories, Internet access logs and other information stored on our systems.

Ascent believes in the philosophy of work life balance and as such expects its employees to use reasonable judgment in personal email communications. The use of company internet resources for playing games and participating in inappropriate activities is not permitted at any time. Computers are available in certain locations for appropriate internet usage on breaks and after regular hours.

All Ascent computers are provided with standard pre-installed software. This software must not be altered by employees and only approved software may be installed on our computers. Personal software may not be installed and will be removed.

#### **CELL PHONES, RADIOS & PAGERS**

Due to the nature of our operations we have a number of communications systems in place including cell phones, Blackberry's, iPhones, radios and pagers. All communications devices must be used in a responsible and professional manner. It is also an expectation that employees will comply with all laws and regulations governing communication devices and the operation of motor vehicles. Cell phones provided are intended for business purposes.

Because information that is transmitted over the radio is easily accessible to the public, care should be taken to avoid using customer names and transmitting other sensitive information over a radio. For relaying any sensitive customer or company information please use the cellular phone as the information transmitted on it is less accessible. It is also very important that all employees that will be using a radio system familiarize themselves with the "MAYDAY PROCEDURE" for emergency communications.

### **HEALTH & SAFETY**

Ascent and its affiliated companies, under the direction of our Board of Directors, have the responsibility to conduct all of its operations in the safest manner possible in order that injuries to our employees or the public, and damage to equipment and materials be kept to an absolute minimum. Our goal is zero (0) lost time accidents. Our Health & Safety Policy Manual has been developed in the interest of accident prevention and can be located on our Corporate Intranet site. The information contained in the Electrical & Utilities Safety Association of Ontario Rule Book shall be considered in all instances and shall be used as a minimum standard.

The policies, procedures and rules in our manual are general. **They apply to all full-time, temporary and contract employees, all contractors, sub-contractors and visitors**. They represent important principles, which must be observed at all times. If you are ever faced with the decision of whether or not to follow the safe procedure or take a short-cut, <u>always use the safe procedure</u>! Many people have learned from experience that the short-cut is often the hard way to learn. The absence of a rule or procedure does not excuse anyone who conducts themselves in a manner which is contrary to good, safe practices. Disciplinary action will be taken in cases where employees do not work in a safe manner.

Health and safety concerns should first be brought to the attention of your Supervisor. If you feel that your concerns have not been dealt with sufficiently, you are encouraged to bring your health and safety concerns to the attention of your local Joint Health & Safety Committee or any one of its members. You are also welcome to discuss any safety matter with any of the management team, and/or the Health and Safety Officer.

#### SMOKING IN THE WORKPLACE

The Company is dedicated to providing a healthy, comfortable and productive work environment. Smoking is not permitted in the workplace (Reference *Smoke-free Ontario Act*, 2006.) Company work vehicles also fall within the definition of "workplace."

Secondhand smoke is a known health hazard and will be treated in the same manner as any other health hazard – removal from the workplace so as not to place any employee at risk.

#### WELLNESS

All Ascent companies are dedicated to promoting wellness of employees and their families. All staff will be eligible for a \$250 supplement each calendar year to participate in a fitness program with a recognized establishment. In order to receive the supplement, proof of participation of 50 visits or classes is required. Upon your supervisor approved expense report, including proof of participation, reimbursement will occur via automatic bank deposit.

### RECOGNITION

Ascent has a formal employee recognition program which will includes both monetary and nonmonetary recognition for such areas as exhibiting our values, customer satisfaction, going above the call of duty, and years of service. Please refer to iShare for details on these programs.

### FUNDRAISING

All Ascent companies support and encourage staff participation in fundraising activities within the community. Approval must be obtained from management prior to entering into fundraising activities involving employee work time or resources. As a courtesy to all of the non-profit agencies engaging in similar activities, Ascent will not raise funds or do any type of solicitation outside of the communities we serve. Canvassing (including the use of collection jars) and the selling of goods on Ascent premises will be permitted only with management approval.

### CORPORATE SOCIAL RESPONSIBILITY

Ascent believes strongly in giving back to the communities it serves. Our Corporate giving includes a number of local charities and special events. Ascent, through St. Thomas Energy, also provides considerable 'in kind' services to the City in such areas as putting up Christmas decorations, the Memory Garden and Downtown Parkette. Please contact your Supervisor if you are interested in learning more about our charitable giving, or if you wish to participate in some way.

### **EMPLOYEE COMMUNICATIONS**

Ascent believes strongly in an open and transparent environment with timely and effective two-way communications between management and employees. Regular staff and individual meetings are scheduled on an ongoing basis and the CEO holds a number Town Hall meetings throughout the year. Management employees are also expected to be involved with regular site and crew visits to enable communication. Employees are encouraged to openly communicate with their Supervisors and with the Senior Management Team. Company information is also provided on line (iShare), through bulletin boards and other literature.

In some cases situations may evolve where a communication problem or conflict arises. Whenever possible, try to resolve the problem with those directly involved. Bring your Supervisor into the problem if this is necessary. You may want to discuss any issues that could not be resolved through your Supervisor, or for unionized staff with the local or business union representative. In all cases, we respect the confidentiality of these discussions and will make every effort to resolve the situation.

If after discussion with your Supervisor you feel the issue is still not resolved, request a meeting with the Manager of your department. Talking together in a friendly and intelligent fashion, the two of you should be able to arrive at an answer. If you continue to be dissatisfied with the response continue to escalate the issue to your Director, President, or the CEO of Ascent. The Company's policy is to clear-up misunderstandings by using this procedure.

### EMPLOYEE CONDUCT

#### COURTESY AND PROFESSIONALISM

The Company expects all employees to maintain a level of personal conduct that will not reflect negatively on themselves or on the credentials of any Ascent company. At all times, we are to extend a positive attitude about Ascent. We expect our employees to be courteous at all times and convey a friendly, approachable image to its suppliers, customers and fellow associates. Whether it is a telephone call or personal meeting, you are Ascent to the person with whom you are conducting business. This same courteous attitude is also expected of you in dealing with your internal customers. We expect all of our employees to live by our corporate values of Honesty, Attitude, Respect and Teamwork.

#### **DRESS CODE**

As employees we represent our companies directly when we interact with our customers both while performing our jobs on the premises, as well as within the community. Our behavior and appearance contribute to our customers' impressions of us. To enhance and maintain our image in the community, staff must be well-groomed and appropriately dressed for day-to-day business activities. As a minimum, employees must not wear clothing that is overly casual, nor wear apparel containing advertising, graffiti or emblems which may be offensive to co-workers or the public.

On business casual Fridays, eligible staff (those not required to wear safety work wear) are welcome to wear more casual attire, as long as it is in keeping with a professional, business-like image. Employees should use common sense regarding work attire and refrain from wearing sloppy, exceedingly casual or overly provocative clothing.

A gentle reminder employees are encouraged to refrain from wearing heavily scented products such as perfumes, colognes or hair and skin products to ensure scent-sensitive coworkers and members of the public are protected from adverse health effects.

#### ABSENTEEISM & LATENESS

Ascent expects all employees to assume responsibility for their attendance and promptness. If you will not be able to report to work on time, contact your Supervisor as soon as possible, inform them of the reason for your absence and your likely arrival time and if you will be able to come in later. Notice of absence is required to be reported to your Supervisor for each day absent.

If it is necessary for you to leave work early due to illness or a pressing appointment which cannot be scheduled outside of working hours, request permission from your Supervisor as far in advance as possible, informing him/her of the reason for your absence. It is expected that all Doctor and other appointments be made outside of working hours whenever possible. All absences and illnesses must be documented and approved by your Supervisor.

#### CONFIDENTIALITY

As an employee of the Ascent Group of Companies you have access to and are entrusted with confidential information and documents that belong to the company, its suppliers and/or its customers. Protecting confidential information is a very serious responsibility and crucial to the ongoing success of our business. It is the employee's responsibility to take every reasonable precaution to avoid the unauthorized use and/or disclosure of confidential information and documents at all times – both during your employment, and at all times after your employment ends. All employees are required to sign a confidentiality agreement when their employment is commenced.

The company also has internal procedures and processes designed to protect the privacy and security of customer information. These procedures can be found on our Intranet site. Ascent also has a primary Chief Privacy Officer (CPO), the Chief Technology Officer. For St. Thomas Energy, the Director of Customer Service is the Privacy Officer for utility related customer privacy matters.

#### ZERO TOLERANCE POLICY – ALCOHOL & ILLEGAL SUBSTANCES IN THE WORKPLACE

As employees of the Ascent Group of Companies we each must understand and accept the obligation we have to the public, our co-workers and ourselves to ensure that "zero tolerance" is the only acceptable standard when it comes to mixing alcohol and illegal substances in this workplace.

No employee shall report for work, whether scheduled or in response to a call-in, under the influence or impaired by consumption of alcohol. No employee shall consume any alcohol during scheduled hours of work or the breaks or lunch-hours during scheduled hours of work. No employee who is on call-in or standby shall consume alcohol while engaged on such status. Violations of this policy shall result in the employee being immediately sent home pending investigation by management and disciplinary action.

## ZERO TOLERANCE POLICY - WORKPLACE VIOLENCE, HARASSMENT & HUMAN RIGHTS DISCRIMINATION

Every employee has a fundamental right to a workplace free from violence or harassment by the employer, agent of the employer or by other employees. The Company is committed to providing a workplace, which demonstrates mutual respect for one another as employees and individuals, free from violence or harassment.

The Company support the principles contained in the Ontario Human Rights Code and will ensure that its practices, policies, procedures and application do not discriminate because of origin, colour, ethnic origin, citizenship, religion, creed, sex, sexual orientation, gender identity, gender expression, age, record of offences, marital status, handicap or position within the organization.

#### **SECURITY OF PROPERTY & THEFT**

Preserving and safeguarding the Company's property is everyone's responsibility. Equipment, including computers and accessories, Corporate credit cards, materials and supplies are the property of the Company and must be used only for organizational business and must be protected from theft, misuse or damage. No property may be borrowed without the authorization of your Supervisor in the prescribed manner. Vehicles are not to be left unlocked or running while unattended.

#### **USE OF TELEPHONES**

Although telephones are regularly available to employees, it is expected that personal use of telephones will be kept to a minimum and that most personal business will be conducted during your lunch hour or breaks. Particular attention should be given to ensure that a personal call is not made if it results in no free lines being available for business use. If a long distance personal call cannot be avoided, it must be charged to your personal telephone number.

### PAYROLL DEPOSITS

Direct deposit of payroll takes place every other week (bi-weekly) through electronic transfer taking place on Thursdays. Statements are distributed through employee mailboxes typically on Wednesdays. Employees have the opportunity for automatic payroll deduction for charitable giving.

### GENERAL COMPANY BENEFITS

#### COFFEE

Coffee is provided free of charge in all office locations. Most locations also have refrigerators, microwaves and other appliances for employee use.

#### **PAYMENT OF FEES**

Employees who require specific licenses and professional memberships as a condition of employment, will be reimbursed the costs by their respective Company. Requests for reimbursement must be made on an expense form, accompanied by receipts.

#### RETIREMENT

Retiring employees who have served at least 10 years continuous service, and who are 55 years of age or older, will have the opportunity to choose a gift based upon their years of service with the Company. If the employee has in excess of 25 years of service, and who are still regular (not contract) employees, a small reception will be held during business hours, held in association with the retirement date to recognize the achievement.

#### **BEREAVEMENT - PAID LEAVE**

Employees will be granted a paid leave of absence where circumstances require their absence from work for the purpose of bereavement responsibilities, as follows:

Immediate Family: A maximum of five (5) consecutive working days will be granted in the event of the death of the employee's spouse, common law spouse, son, daughter, mother, or father.

<u>Family Member</u>: A maximum of three (3) consecutive working days will be granted in the event of the death of the employee's step-father, step-mother, step-son, step-daughter, mother-in-law, father-in-law, brother, sister, grandparent or grandchild.

**Extended Family:** A maximum of one (1) paid working day will be granted in the event of, and for the attendance of the funeral, of an employee's brother-in-law or sister-in-law, son-in-law, daughter-in-law, grandparent-in-law, aunt, uncle, niece or nephew.

Pall Bearing Duties: Employees requiring to perform Pall Bearing duties will be granted one (1) day leave of absence with pay.

#### **CORPORATE TRIBUTE**

In deference to the employee, the Company will, upon notice of the bereavement:

- 1. Immediate Family & Family: send a tribute to the funeral home.
- 2. Extended Family: send a card of condolence.

### **ORGANIZATIONAL AUTHORITIES (OAR)**

The Ascent Group of Companies has in place an Organizational Authority Register that sets out the approval authorities for staff and supervisors. The OAR is available through Finance and on the company Intranet site.

### **SPECIFIC POLICY DOCUMENTS & REFERENCE MATERIAL**

Specific Ascent and St. Thomas Energy policies, manuals, organization charts, contact information, Affiliate Relationship Code (ARC), Personal Information and Protection of Electronic Documents Act (PIPEDA) and other reference materials can be found on Ascent's Intranet site (iShare). Speak with your direct supervisor or manager if you need assistance in locating reference materials.



We're Your Local Power Distributor

The following Company specific content is a high level overview. Please refer to the collective agreement, benefits package or detailed policies for full details.

#### ISO 9001:2008 and OHSAS 8001 REGISTRATION

St. Thomas Energy Inc. is committed to providing safe, reliable electricity and excellent service to our customers. In keeping with that commitment, we have been registered with the ISO 9001 Quality Management System since 1999 and in 2012, we became certified under the internationally recognized Occupational Health and Safety Assessment System (OHSAS) 18001.

The ISO 9001:2008 and OHSAS 18001 registration applies written standards and develops quality systems for the design, development, production, installation and servicing along with managing and controlling health and safety risks and improving performance.

System audits, measurement, monitoring and documentation are the tools used to ensure our systems meet the high standards recognized throughout the world associated with ISO 9001:2008 and OHSAS 18001. The certifications show serious commitment to health and safety along with quality and continuous improvement, providing instant credibility with potential customers. In order for ISO 9001:2008 Quality Management System and OHSAS 18001 to be successful, it requires the full participation and commitment from employees in all areas of the organization.

Management must accept the responsibilities of monitoring and coordinating the systems to ensure that standards are in place. External audits are conducted regularly to ensure that the systems are functioning properly. Employees from all departments must also take steps to satisfy the requirements laid out by carefully following procedural directions found in each of the manuals. When processes can be made more consistent, waste tends to be reduced. This saves money and reduces operating costs. Through commitment, accountability and responsibility, our ISO 9001:2008 and OHSAS 18001 registrations affirm the commitment to quality that the Company prides itself on.

#### HOURS OF WORK

\*employees have the option for a 30 minute unpaid lunch with hours of work 8:00 a.m. – 4:30 p.m.

Classification	Hours	Lunch Break
Linemen	7:30 a.m. – 3:30 p.m.	20 minute paid lunch at job site
Groundskeeper, Utilityperson, Field	7:30 a.m. – 4:00 p.m.	30 minutes unpaid lunch
Rep, Purchasing/Storeskeeper		
Operations Department – other	7:30 a.m. – 4:30 p.m.	1 hour unpaid lunch
Administration	8:30 a.m. – 4:30 p.m.	1 hour unpaid lunch
Accounting & Billing Clerks	7:30 a.m. – 4:30 p.m.*	1 hour unpaid lunch*

#### **BENEFITS PLAN**

#### PENSION

Participation in OMERS (Ontario Municipal Employees Retirement System) is equally shared by the Company and the employee (normal retirement age – 65).

#### LIFE INSURANCE

The plan provides basic coverage up to 150% of annual earnings with premiums paid 100% by the Company. Additional term insurance may be purchased, at the employee's expense.

#### **HEALTH & DENTAL**

Great West Life premiums for family coverage paid 100% by the Company.

- o Semi-private
  - 。Extended health
  - 。Dental
  - 。 Deluxe travel
  - 。 Health Care Spending Account

#### LONG TERM DISABILITY

Plan premiums paid 100% by the Company, underwritten by Great West Life.

#### **EMPLOYEE ASSISTANCE PROGRAM**

24 hour off-site counseling services are accessible to employees and their immediate family members. Plan premiums paid 100% by the Company.

#### SICK LEAVE POLICY

The Company's sick leave plan for regular employees is designed to provide a continuation of earnings should he/she be prevented from performing the duties of his/her occupation because of injury or illness. This is calculated on two (2) working days each month of work actually performed, accumulated to a maximum of 248 working days at full pay. Regular employees are those (other than casual) who have successfully completed their probation.

Cumulated past sick leave credits are updated each month. Whenever sick leave is used, credits shall be reduced accordingly. An employee is not entitled to any payment under the sick leave plan for illness or injury resulting from performing work for hire for others. If an employee has received sick leave grants for absences due to an accident involving a third party, and recovers loss of wages from the third party, sick leave grants shall be repaid to the Company and the employee shall be credited with sick days used. The sickness allowance shall be based upon the number of hours in an employee's normal working week.

#### VACATION

Scheduling vacation is at the discretion and approval of the employee's Supervisor, through submission of an Absentee Report. Vacation must be taken during the 12 month period following the anniversary date and no allowance may be carried forward as a credit in the following twelve month period.

#### VACATION ALLOWANCE

2 weeks – after 1 year of service 3 weeks – after 3 years of service 4 weeks – after 8 years of service 5 weeks – after 16 years of service 6 weeks – after 25 years of service

#### HOLIDAYS

The following 11 holidays are recognized:

New Year's Day	Canada Day	Last work day preceding Christmas Day
Good Friday Easter Monday	Civic Holiday Labour Day	Christmas Day Boxing Day
Victoria Day	Thanksgiving Day	

Under the Ontario Employment Standards Act, persons who have failed to work their regularly scheduled working day immediately before or after the holiday do not receive payment for the holiday.

#### **FLOATER DAYS**

Three (3) floater days are granted each calendar year for non-management staff. Scheduling is to be arranged between the employee and their Supervisor, utilizing the Absentee Report. Floater days must be used within the year they are granted.

#### SAFETY WORK WEAR

Because some employees must work in conditions that require increased visibility for safety reasons, the Company provides a variety of safety work wear for employees. Fire retardant clothing is also offered to staff that may be exposed to possible arc flash. Prescription safety glasses will be supplied, as required, with a limit of one (1) pair every twenty-four (24) months, to the maximum as prescribed through current benefits coverage.

#### **EMPLOYEE EDUCATION ALLOWANCES**

If determined course/training would be of benefit to perform their job, or could be of benefit in the foreseeable future, the Company will reimburse employees up to 100% of the course and textbook costs. Requests for reimbursement must be made on an expense form, accompanied by receipts. There are no provisions for paid time off work for the purpose of studying or writing of exams.

#### **EXPENSES - REIMBURSEMENT**

With prior approval from their Supervisor, reasonable expenses incurred by the employee on companyapproved business for travel, accommodation and meals will be reimbursed through submission of an Expense Report including all applicable receipts.

#### USE OF COMPANY EQUIPMENT FOR PERSONAL USE

<u>Small Tools</u>: Employees are permitted to sign-out small tools for personal use for a maximum of 48 hours, with the exception of tools that require specific training.

<u>Use of Garage</u>: Employees are permitted to utilize the garage on their personal time for washing of their vehicles. Vehicles are not permitted to remain in the garage unattended for extended periods of time.

### **COMPANY SPECIFIC CONTENT**



#### **HOURS OF WORK**

Classification	Hours	Lunch Break
Trades Staff / Supply Chain	7:00 a.m. – 3:30 p.m.	30 minute unpaid lunch
Engineering	7:00 a.m. – 3:30 p.m.	30 minute unpaid lunch
Sales	7:30 a.m. – 4:30 p.m.	1 hour unpaid lunch
Accounting & Admin Staff	8:00 a.m. – 4:30 p.m.	30 minute unpaid lunch

#### **BENEFITS PLAN**

#### GRSP

The objective of this employer sponsored plan is to encourage employees to accumulate capital to provide retirement income. The employee chooses the amount he or she contributes to their RRSP account and the employer matches employee contributions on a 'dollar for dollar' basis up to a limit specified in the contribution formula. Employer match increases with each year of service. Maximum is reached by 5<sup>th</sup> year of employee membership in the Group Retirement Plan.

#### LIFE INSURANCE AND AD&D

The plan provides basic coverage of \$50,000 per employee with premiums paid 100% by the Company (taxable benefit). Additional life insurance may be purchased, at the employee's expense.

#### **HEALTH & DENTAL**

Great West Life premiums for single or family coverage paid 100% by the Company.

- $_{\circ}~$  Semi-private
- Extended health (including out of Country)
- 。Dental
- 。 Health Care Spending Account

#### SHORT TERM DISABILITY

Plan premiums paid 100% by the Company (taxable benefit), underwritten by Great West Life,

#### LONG TERM DISABILITY

Plan premiums paid by the Employee, underwritten by Great West Life.

#### **EMPLOYEE ASSISTANCE PROGRAM**

24 hour off-site counseling services are accessible to employees and their immediate family members. Plan premiums paid 100% by the Company.

#### VACATION

Scheduling vacation is at the discretion and approval of the employee's Supervisor, through submission of an Absentee Report. Vacation must be taken during the calendar year in which it is accrued. In extenuating circumstances reviewed on an individual basis, limited carry-over may be granted with the approval of the President & COO. The maximum amount of vacation time that may be carried over is two (2) weeks. Any vacation time that is carried over must be used by March 31<sup>st</sup> of the subsequent calendar year.

#### **VACATION ALLOWANCE**

2 weeks / 4% - during the stub period following hire and first full vacation year 3 weeks / 6% - after 3 years of service 4 weeks / 8% - after 8 years of service 5 weeks / 10% - after 20 years of service

#### HOLIDAYS

The following 10 holidays are recognized:

New Year's Day	Canada Day	Christmas Day
Family Day	Civic Holiday	Boxing Day
Good Friday	Labour Day	
Victoria Day	Thanksgiving Day	

Under the Ontario Employment Standards Act, persons who have failed to work their regularly scheduled working day immediately before or after the holiday do not receive payment.

#### SAFETY WORK WEAR

On the date of hire, the Company will provide to employees the tools, equipment and clothing necessary to perform the duties associated with their role.

#### **EMPLOYEE EDUCATION ALLOWANCES**

If determined course/training would be of benefit to perform their job, or could be of benefit in the foreseeable future, the Company will reimburse employees up to 100% of the course and textbook costs. Requests for reimbursement must be made on an expense form, accompanied by receipts. There are no provisions for paid time off work for the purpose of studying or writing of exams.

Courses and/or programs (certificates/degrees/designations) with a cost that does not exceed \$2,500.00 per year (including all costs such as tuition, textbooks, exam fees, etc.) will be eligible for full reimbursement to the employee upon the employee's successful completion of the course.

Courses and/or programs (certificates/degrees/designations) with a cost of \$2,500.00 per year or greater (including all costs such as tuition, textbooks, exam fees, etc.) will be considered on a case by case basis and if approved, may involve a co-pay arrangement and/or a commitment by the employee to enter into a tuition agreement.

#### **EXPENSES – REIMBURSEMENT**

With prior approval from their Supervisor, reasonable expenses incurred by the employee on companyapproved business for travel, accommodation and meals will be reimbursed through submission of an Expense Report including all applicable receipts.

#### **BOARD AND LODGING - TRADES STAFF**

Board and lodging costs incurred by trades staff is covered by the Company and reimbursed through practices in use from time to time.

#### USE OF COMPANY EQUIPMENT FOR PERSONAL USE

<u>Use of Garage/Yard</u>: Employees are permitted to utilize the garage/yard on their personal time for washing of their vehicles. Vehicles are not permitted to remain in the garage/yard unattended for extended periods of time.

<u>Use of Tools/Equipment:</u> Employees are permitted to sign-out small tools for personal use for a maximum of 48 hours.

<u>Use of Vehicles/Rolling Stock:</u> Limited access to vehicles or rolling stock may be granted for personal use.

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#### Section 5.31 Pension Plans

The Ascent Group Inc. employees are not participants in OMERS. They have an RRSP through Standard Life (see attached materials).

STANDARD LIFE

**Group Savings & Retirement** 

# Notification of Change in Policyholder/Plan Name

	ient Name: tran Services Inc.		
	ient Number: 576105		
PI	an Type(s):	<ul> <li>Registered Pension Plan:</li> <li>Retirement Savings Plan:</li> <li>Deferred Profit Sharing Plan:</li> <li>Investment Only:</li> <li>other:</li> </ul>	RPP QSPP MSPP RRSP/STRP DPSP IO IPP DCIM FLEX PIF Specify:
Th Co	e following change(s) should be ma ompany of Canada and/or its affiliat	ade to the contractual documentation established ed companies ("Standard Life") to make the neces	for the Plan(s). We hereby request The Standard Life Assurance sary change(s) identified below.
Ja N	fective Date: nuary 1, 2012 ew Client Name: (must be the cent Solutions Inc.	legal name of the company and not an opera	ating name)
DI			
PI	ease complete the following:		
	RPP NEW Plan Name: (as it is to appear in the official plan text)		
Ø	RRSP/STRP NEW Plan Name: (as it is to appear in the official plan text)	Ascent Solutions Inc.	
٥	DPSP NEW Plan Name: (as it is to appear in the official plan text)		
	Other NEW Plan Name: (as it is to appear in the official plan text)		
Up	oon receipt of your authorization	n below, Standard Life will modify its adminis flect the change(s) indicated in this Notificat	trative systems, endorse the insurance policies and amer on of Change in Policyholder/Plan Name form.
W th	e hereby authorize Standard L e federal and/or provincial au	ife to proceed with the change(s) noted in	n this form. If applicable, we also agree to provide to ecessary to accept and register the change(s). We also
		sentative of the Client and Policyholder	Date (YYYY/MM/DD)
	0	unto -	2012 0131
Ро	sition and Title of the Client Rep	presentative	
	TANARA LA	WEEN, DIRECTOR OF	CORPORATE SERVICES

GE10899A-08-2006 GS

		Plan Provisions	
Plan Type and Design	Group Registered Retirement Savings Plan (RRSP)		
Plan Purpose	Employee chooses the amount he or she contributes to their RRSP account at Standard Life.		
The objective of this employer sponsored plan is to	Employer matches employee contributions on a "dollar for		
encourage employees to accumulate capital to	dollar" basis up to a limit as specified in the Contribution		
provide retirement income.	Formula	-	
1	Employer match inc	reases with each year of ser	vice. Maximum
		r of employee membership	
	Retirement Plan.		
Contribution Formula		Employee %	Employer %
TWO EMPLOYEE GROUPS	FullTimeemployeesonA	April1,2006	
1.FulltimeemployeesatApril1,2006	<u></u>		
Employer contributions start on the later of July 1,	April 1, 2006	2.5%	2.5%
2006 (plan implementation date) or the date	April 1, 2007	3%	3%
employee enrolls. Employees are eligible to receive	April 1, 2008	3.5%	3.5%
a retroactive employer match based on earnings	April 1, 2009	4%	4%
between April 2, 2006 and the plan implementation	April 1, 2010	4.5%	4.5%
date (July 1, 2006).	April 1, 2011	5%	5%
uale (July 1, 2000).	11pm 1, 2011	0,0	
2.EmployeeshiredafterApril1,2006	On January 1 employer increases matching contribution by .5% if		ution by .5% if
Employer contributions start after waiting period	employee increases their contribution by .5%.		
has been satisfied (90 days) and employee has			
enrolled.	NewHiresafterApril1,2006 Years of Plan Eligibility		
Example:			
Example: Employee contributes 2.5% during first year of plan		2.5%	2.5%
eligibility. Employer matching contribution is	1-2 years	3%	3%
2.5%. On each successive January 1 the employer	2-3 years	3.5%	3.5%
increases match by .5%, if the employee agrees to	3-4 years	4 %	4%
also increase his or her contribution by .5%.	4-5 years	4.5%	4.5%
Employee reaches the 5% employer match plateau	5 years or more	5%	5%
by his or her 5 <sup>th</sup> year as a member of the Group	5 years of more	0,0	0,0
	On January 1 employer	increases matching contrib	ution by 5% if
RRSP.	employee increases thei		ution by .0 % if
	employee increases the	r contribution by .5%.	
Eligibility	Permanent, Full Time E		
	(Part time, seasonal and contract employees excluded)		ed)
Waiting Period	Completion of 90 days of	of continuous service	
Employee Enrollment in RRSP	Employee chooses if the	ey want to join and how mu	ich they wish to
	contribute.	, , , , , , , , , , , , , , , , , , ,	2
	(An employee who chooses not to join should sign a rescindable		a rescindable
	waiver letter.)	, 0	
	1		_

Plan Provisions: Group Retirement Program for the employees of Ascent Solutions Inc.

Definition of Earnings	All Regular earnings (salary, wages, overtime, travel, commissions,
(The employer and employee contributions are a %	public holiday pay, vacation pay)
of earnings.)	(NOTE: Excludes Bonus income and automobile-related
	compensation.)
Years of Service Thresholds	Years of service does not have to be continuous, (i.e. will continue
	uninterrupted), if the employee attends an employer sponsored
	training program and subsequently returns to Ascent as a full time
	employee. (e.g. apprentice and government approved training
	programs)
Temporary suspension of contributions	Employee must be "actively at work" and earning employment
(employer and employee)	income to make a contribution and receive an employer match.
Voluntary Contributions	Employees can make additional voluntary contributions to their
Examples	RRSP that do not attract a corporate match. These amounts will be
Payroll deductions made "before tax"	recorded separately on the plan member's Standard Life statement.
Tax deductible lump sum contributions	
Consolidation of personal RRSP's	
consonautor of personal facer of	
Vesting	Employer contributions immediately vest with the employee.
(Employee's right to the employer contributions)	
Withdrawal of funds while still employed	Employees can withdraw both the employee and employer funds at
Taxable redemptions taken "in cash"	anytime.
Withdrawals made under CRA approved	
programs (e.g. Homebuyer's, Lifelong	If either employer or employee funds are transferred to another
Learning)	financial institution, the employer will cease making matching
Transfers to other financial institutions	contributions for a period of one year from the date of being advised
Transfers to other filliancial fistitutions	by Standard Life of the transfer. (Funds contributed by an employee
The primary chiesting of the Plan is to accumulate	that did not attract an employer match can be transferred at anytime
The primary objective of the Plan is to accumulate	without consequence.)
capital for retirement. Withdrawals are	Without consequences)
discouraged.	One free withdrawal can be made per employer fiscal year without
E un la seconda suich to contribute additional	administration charge; afterwards a \$25 fee applies.
Employees may wish to contribute additional	
voluntary contributions for other reasons. These	
amounts can be withdrawn by contacting Standard	
Life directly.	
Termination of service	Employer and employee funds can be transferred to a personal
and retirement	RRSP, taken in cash, or used to create retirement income.
and reurement	Funds are not "locked in" under Provincial Pension Laws.
Spougal Accounts	Employee can direct personal and additional voluntary
Spousal Accounts	contributions to a spousal account. (A separate member application
(Employee contributes to spouse's plan. Employee	signed by the spouse is required)
receives tax certificate to reduce taxable income.	signed by the spouse is required
Demonstrate to "improve and it" in acting on traces )	I Employer contributions milet no made to account in employee s
Purpose is to "income split" in retirement years. )	Employer contributions must be made to account in employee's name.

#### Section 5.32 Insurance Policies

Insurer	Amount of Coverage	Type of Insurance	Policy Number	Pending Claims
Municipal Electric Association Reciprocal Insurance Exchange	\$30,000,000	Liability	L2017STTH1	Claim no. 20170117 – lightning arrestor on STEI hydro pole hit by lightning which resulted in a piece of it falling onto a car owned by area resident and breaking car window (non-material claim)
Municipal Electric Association Reciprocal Insurance Exchange	\$21,000,000	Fleet/Vehicle	V2017STTH1	Nil
Municipal Electric Association Reciprocal Insurance Exchange	\$19,378,463	Property	P2017STTH1	Nil

#### Section 5.33 Litigation

All litigation against Ascent Group Inc. and/or St. Thomas Energy Inc. as of the date hereof has been disclosed in the Data Room.

### Section 7.2.5.3 Retired and Retiring Employees

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Nil.

#### **SCHEDULE 6.1**

#### ENTEGRUS DISCLOSURE SCHEDULE

to the

#### **MERGER AGREEMENT**

between

#### THE CORPORATION OF THE CITY OF ST. THOMAS.

- and -

#### ASCENT GROUP INC.

- and -

#### **ST. THOMAS ENERGY INC.**

- and -

#### THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT

- and -

#### CORIX ENERGY INC.

- and -

#### ENTEGRUS INC.

- and -

#### ENTEGRUS POWERLINES INC.

This Entegrus Disclosure Schedule is furnished by Entegrus to St. Thomas pursuant to the terms of a merger agreement dated as of July 21, 2017 (the "**Agreement**") between St. Thomas, AGI, STEI, Chatham-Kent, Corix, Entegrus and EPI relating to the transactions contemplated by the Agreement.

All capitalized terms used in this Entegrus Disclosure Schedule have the meanings given to them in the Agreement.

The Agreement and this Entegrus Disclosure Schedule (including the Appendices attached hereto) are to be read and understood as an integrated document and, as such, each of the exceptions, qualifications, limitations or other disclosures set forth herein shall be deemed incorporated by reference into the Agreement as if they were contained therein.

\* \* \*

#### Consents

6.4

- Between The Corporation of the Municipality of Strathroy-Cardoc and Entegrus Powerlines Inc. expect to be dated June 5, 2017 for the lease of facilities in Strathroy.
- Between Chatham Kent Public Utilities Commission and Entegrus Powerlines Inc. expected to be dated before July 1, 2017 for the services related to the Water Billing performed.
- Between Infrastructure and Engineering Services Municipality of Chatham Kent and Entegrus Powerlines Inc. This renewal is expected to be signed before July 1, 2017 and is for street light maintenance.
- Between The Corporation of the Municipality of Chatham Kent and Entegrus Powerlines Inc. This contract is expected to be renewed before August 1, 2017 at or below past values. This contract is for various services provided by the Municipality.
- Between The Corporation of the Municipality of Chatham-Kent and Entegrus Entegrus Transmission Inc.

#### \* \* \*

#### Share Ownership, Etc.

#### 6.5.4.1 Nil.

6.5.4.2

- Entegrus Transmission Inc. has an option to acquire a 15% equity interest in the Otter Creek Wind Farm.
- Entegrus Transmission Inc. has an option to acquire a 15% equity interest in the Romney Wind Farm.
- Entegrus Inc. has entered into a Letter of Intent with Tek Savvy Inc. to form a 50/50 joint venture to develop a fibre optic based broad band network.

## SCHEDULE 6.11.2

#### \* \* \*

## **Corporate Records/Directors**

## **Entegrus Powerlines Inc.**

Name	Title	Elected Date		
		yyyy/mm/dd		
Glover, Brian	Director	2015/01/01		
Hogan, Jim	Director	2012/01/03		
Hope, Randy	Director (shareholder rep) (chair)	2012/01/03		
Janssen, Justine	Director	2016/06/01		
Kenney, Dave	Director	2015/01/01		
Praill, Scott	Director	2015/01/01		
Wathy, Richard	Director	2015/01/01		

## **Entegrus Inc.**

Name	Title	Elected Date yyyy/mm/dd		
Canniff, Darrin	Director (shareholder rep)	2004/01/01		
Fantuz, Max	Director (Chair)	2001/05/01		
Hope, Randy	Director (shareholder rep)	2007/01/29		
McKerlie, Brian	Director	2000/09/29		
McMahon, Pat	Director	2012/01/03		
Platis, Helen	Director	2016/06/01		
Shropshire, Don	Director	2014/12/15		
van Roon, Eric	Director (shareholder rep)	2015/03/04		

\* \* \*

### **Financial Statements**

See attached.

Consolidated Financial Statements of

## ENTEGRUS INC.

December 31, 2016

## Management's Responsibility for Financial Reporting

Entegrus Inc.'s management is responsible for the preparation and presentation of the financial statements and all other information included in this annual report. Management is also responsible for the selection and use of accounting principles that are appropriate in the circumstances, and for the internal controls over the financial reporting process to reasonably ensure that relevant and reliable information is produced. Financial statements are not precise in nature as they include certain amounts based on estimates and judgment. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control over the financial reporting process. The Board of Directors exercises this responsibility through its Audit Committee. This committee is comprised of four directors of companies within the Entegrus group, one of whom is a director of the Entegrus Inc. Board. This committee meets with management and the external auditors to ensure that management responsibilities are properly discharged and to review the financial statements and other information included in the annual report before they are presented to the Board of Directors for approval. The financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.

Deloitte LLP, an independent external audit firm, has been appointed by the audit committee and engaged to examine the accompanying financial statements in accordance with generally accepted auditing standards in Canada and provide an independent professional opinion. Their report is presented with the financial statements.

Jim Hogan President and CEO Chris Cowell Chief Financial & Regulatory Officer & VP Administration

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# **Deloitte**

Deloitte LLP One London Place 255 Queens Avenue Suite 700 London DN N6A SR8 Canada

Tel: 510-679-1080 Fax: 519-640-4625 www.delnitro.ca

## **Independent Auditor's Report**

To the Chairman and Board Members of Entegrus Inc.

We have audited the accompanying consolidated financial statements of Entegrus Inc. which comprise the consolidated balance sheet as at December 31, 2016, and the consolidated statements of earnings and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated linancial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Entegrus Inc. as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

oite CP

Chartered Professional Accountants Licensed Public Accountants April 21, 2017

## ENTEGRUS INC. Consolidated Balance Sheet December 31, 2016

	2016	2015
ASSETS	S	\$
CURRENT		and the second
Cash and cash equivalents	3,802,936	3,600,217
Accounts receivable (Note 4) Accounts receivable - unbilled revenue	7,516,515	7,249,463
Income taxes receivable	13,032,541	13,654,476
Inventories	866,578	1.000
Prepaid expenses	1,325,862	1,225,678
r repaid expenses	869,595	610,871
	27,414,027	26,340,705
NON-CURRENT		
Property, plant and equipment (Note 5)	90,071,428	85,571,182
Goodwill and intangible assets (Note 6)	2,908,136	2,906,820
Deferred income taxes (Note 16)	1,791,079	1,920,117
	122,184,670	116,738,824
MANU INCOM		
REGULATORY		100000
Regulatory debit balances (Note 7)	623,951	3,549,455
	122,808,621	120,288,279
LIABILITIES AND EQUITY		
CURRENT		
Accounts payable and accrued fabilities	15,891,187	14,269,877
Income taxes payable	121021101	84,723
Due to the Municipality of Chatham-Kent (Note 11)	21,449,021	18,780,907
Current portion of deferred revenue	5,010	662,103
Current portion of customer deposits	700,186	891,413
	38,045,404	34,689,023
UAL PURPER		
NON-CURRENT Note payable (Note 8)		-
Employee future benefits (Note 9)	23,523,326	23,523,326
Non-current portion of deferred revenue	3,998,762	3,442,864
	4,045,851	3,254,350
Non-current portion of customer deposits	2,617,676	2,630,909
	34,185,615	32,851,449
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	26,882,150	26,882,150
Retained carnings	20,489,028	20,264,898
	47,371,178	47,147,048
	119,602,197	114.687.520
REGULATORY		
Regulatory credit balances (Note 7)	3,206,424	£ 600 700
regulatory creat datalices (Note 7)		5,600,759
	122,808,621	120,288,279

	2016	2015
	\$	\$
DISTRIBUTION REVENUE		
Residential	49,809,742	45,640,921
General service	85,868,067	81,659,234
Street lighting	1,005,666	1,099,892
	136,683,475	128,400,047
Retailer energy sales	2,402,952	3,438,480
and the second	139,086,427	131,838,527
COST OF POWER	119,701,794	111,428,528
GROSS MARGIN ON SERVICE REVENUE	19,384,633	20,409,999
OTHER OPERATING REVENUE	3,460,364	2,978,506
	22,844,997	23,388,505
OPERATING AND MAINTENANCE EXPENSE		
Distribution	5 3 (D 07)	
Distribution	5,268,071	4.301,069
ADMINISTRATIVE EXPENSE		
Billing and collection	2,282,765	2,142,948
General administration	3,805,517	3,886,752
Interest	1,682,758	1,624,583
DEPRECIATION AND AMORTIZATION	4,193,231	4,128,511
	17,232,342	16,083,863
EARNINGS BEFORE INCOME TAXES	5,612,655	7,304,642
Provision for income taxes (Note 16)	776,267	1.063,629
Charles Contaction	3.0.0	
NET EARNINGS	4,836,388	6,241,013
REGULATORY		
Net movement in regulatory balances, net of tax	(1,234,202)	(2,665,644
NET EARNINGS AFTER NET MOVEMENTS IN	3,602,186	3,575,369
REGULATORY BALANCES	-1	all talling
OTHER COMPREHENSIVE LOSS		
Remeasurements of employee benefits (Note 9)	(578,056)	(217,709)
COMPREHENSIVE INCOME	3,024,130	3,357,660

## ENTEGRUS INC. Consolidated Statement of Earnings and Comprehensive Income Year Ended December 31, 2016

## ENTEGRUS INC. Consolidated Statement of Changes in Equity Year Ended December 31, 2016

	2016	2015	
	\$	s	
SHARE CAPITAL	26,882,150	26,882,150	
RETAINED EARNINGS, BEGINNING OF YEAR	20,264,898	19,517,238	
Net earnings after net movements in regulatory balances	3,602,186	3,575,369	
Dividends paid Other comprehensive loss:	(2,800,000)	(2,610,000)	
Remeasurements of employee benefits	(578,056)	(217,709)	
RETAINED EARNINGS, END OF YEAR	20,489,028	20,264,898	
TOTAL EQUITY	47,371,178	47,147,048	

## ENTEGRUS INC. Consolidated Statement of Cash Flows Year Ended December 31, 2016

	2016	2015
	5	S
OPERATING ACTIVITIES		
Net earnings after net movement in regulatory balances Adjustments for:	3,602,186	3,575,369
Depreciation of property, plant and equipment	4,617,482	4,452,849
Amortization of intangible assets	138,646	80,647
Amortization of deferred revenue	(47,023)	(24,292
Gain on disposal of property, plant and equipment	(23,410)	(65,118
Deferred income taxes	120,726	98.034
Employee future benefits	(22,158)	(6,989
Contributions in aid of construction received	846.286	290,288
Net movements in regulatory balances	539,481	4,101,593
Change in non-current deferred revenue	(7,762)	(7,107
Change in non-current customer deposits	(13,233)	57,616 (270,533)
Change in non-cash working capital items (Note 13)	2,485,778	
	12,236,999	12,282,357
INVESTING ACTIVITIES		
Proceeds on disposal of property, plant and equipment	410,288	76,799
Additions to property, plant and equipment	(9,504,606)	(9,543,494)
Additions to intangible assets	(139,962)	(337,177
	(9,234,280)	(9,803,872)
FINANCING ACTIVITIES		
Dividends paid	(2,800,000)	(2,610,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	202,719	(131,515)
CASH AND CASH EQUIVALENTS,		
BEGINNING OF YEAR	3,600,217	3,731,732
CASH AND CASH EQUIVALENTS, END OF YEAR	3,802,936	3,600,217

See Note 13 for supplemental cash flow information

### 1. NATURE OF OPERATIONS

#### Incorporation

Entegrus Inc. ("EI" or "the Company") and its wholly-owned subsidiaries, Entegrus Powerlines Inc. ("EPI") (formerly Chatham-Kent Hydro Inc. ("CKH")) and Entegrus Services Inc. ("ESI"), were incorporated on September 22, 2000 under the *Business Corporations Act (Ontario)*. On June 30, 2005, EI purchased Middlesex Power Distribution Corporation ("MPDC") as a wholly-owned subsidiary. On October 5, 2010, Entegrus Transmission Inc. ("ETI") was incorporated under the *Business Corporations Act (Ontario)* as a wholly-owned subsidiary of EL Effective January 1, 2012, CKH and MPDC amalgamated and now continue as EPI.

The address of the Company's registered office is 320 Queen Street, Chatham, Ontario.

The principal activity of EPI is to distribute electricity to certain customers within the Municipality of Chatham-Kent, Middlesex County and the County of Elgin under a license issued by the Ontario Energy Board ("OEB"). The principal activity of ESI is to operate a Data Centre located in Chatham-Kent. The principal activity of ETI is to develop electricity transmission services in Ontario under a licence issued by the OEB.

The Company is owned 90% by the Municipality of Chutham-Kent ("the Municipality") and 10% by Corix Utilities ("Corix").

On December 20, 2016, EPI announced that it will be merging with St. Thomas Energy Inc. Both companies are awaiting final shareholder approval and have commenced due diligence processes, with the goal of receiving final OEB approval in 2017. Once approved, the merger is expected to be finalized in January 2018.

#### Rate-regulated entity

One of the Company's subsidiaries, EPI, is a regulated electricity Local Distribution Company ("LDC") and has a distribution license that is regulated by the OEB. The OEB has regulatory oversight of electricity matters in Ontario. The Ontario Energy Board Act, 1998 sets out the OEB's authority to issue a distribution licence which must be obtained by owners or operators of a distribution system in Ontario. The OEB prescribes licence requirements and conditions including, among other things, specified accounting records, regulatory accounting principles and filing process requirements for rate-setting purposes.

The OEB's authority and responsibilities include the power to approve and fix rates for the transmission and distribution of electricity and the responsibility of ensuring the electricity distribution companies fulfill obligations to connect and service customers.

EPI is required to charge its customers for the following amounts (all of which, other than the distribution rates, represent a pass through of amounts payable to third parties):

- Electricity Price The electricity price represents the commodity cost of electricity;
- Distribution Rate The distribution rate is designed to recover the costs incurred by EPI in delivering electricity to customers and the OEB allowed rate of return;

#### 1. NATURE OF OPERATIONS (continued)

- Global Adjustment The difference between the rate paid to regulated and contracted electricity generators and the spot market price;
- Retail Transmission Rate The retail transmission rate represents the wholesale costs incurred by EPI in respect of the transmission of electricity from generating stations to the local areas; and,
- Wholesale Market Service Charge The wholesale market services charge represents the cost
  of services provided by the Independent Electricity System Operator ("IESO") to operate the
  wholesale electricity market and maintain the reliability of the power grid.

In order to operate in the Ontario electrical industry all market participants, including EPI, are required to satisfy and maintain prudential requirements with the IESO, which include credit support with respect to outstanding market obligations in the form of obtaining a credit rating, letters of credit, cash deposits or guarantees from third parties with prescribed credit ratings.

#### Market-hased rate of return

The OEB approved EPI to revise rates effective May 1, 2016, which resulted in approved rates that include a 9.19% rate of return on equity rebased at 2016 test year levels. The rate of return of 9.19% was in accordance with the OEB's cost of capital parameters at that time.

#### Incentive Rate Mechanism

Between rate basing years, the OEB regulates the rates of EP1 under an Incentive Rate Mechanism ("IRM") regime. The process includes a mechanistic approach to establishing rates with a rate rebasing approach (cost-of-service) every five years. The IRM rate setting process provides an increase in rates for inflationary cost, partially offset by productivity and efficiency gains established by the OEB.

#### Regulatory balances

Electricity distributors are required to reflect certain prescribed costs on their balance sheet until the manner and timing of distribution is determined by the OEB. These costs include:

- Settlement variance between amounts charged by the Company to customers (based on regulated rates) and corresponding cost of non-competitive electricity service incurred by it in the wholesale market administered by the IESO after May 1, 2002;
- Costs incurred to invest in and install a smart meter at all of our customer premises;
- Costs incurred related to changes in the OEB's Cost Assessment Model; and,
- Costs incurred and accumulated financial differences related to the Company's transition to International Financial Reporting Standards ("IFRS").

#### 2. BASIS OF PREPARATION

#### Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with IFRS as adopted by the International Accounting Standards Board ("IASB") and interpretations as issued by the IFRS Interpretations Committee ("IFRIC") of the IASB.

The consolidated financial statements were approved by the Board of Directors and authorized for issue on April 21, 2017.

#### Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

#### Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

#### Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant sources of estimation uncertainty, assumptions and judgments include the following:

- Accounts receivable and distribution revenue measurement of unbilled revenue;
- Inventories assessment of net realizable value;
- Goodwill determination of cash-generating units ("CGUs") for impairment (esting;
- Deferred income tax assets utilization of tax losses; and,
- Employee future benefits measurement of accrued benefit liability.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting principles set out below have been applied consistently to all periods presented in these consolidated financial statements. These accounting policies are consistent with those set forth in the Accounting Procedures Handbook for Electricity Distributors ("APH") issued by the OEB under the authority of the Ontario Energy Board Act, 1998.

#### Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: EPI, ESI and ETI. All intercompany transactions are eliminated in full on consolidation.

#### Regulation and regulatory balances

EPI is regulated under a distribution licence by the OEB and any rate adjustments require OEB approval. ETI is regulated under a transmission licence by the OEB. All activities between OEB-regulated entities and their affiliates must adhere to the Affiliate Relationship Code issued by the OEB.

In January 2014, the IASB issued IFRS 14, Regulatory Deferral Accounts, as an interim standard giving entities conducting rate-regulated activities the option of continuing to recognize regulatory balances according to their previous generally accepted accounting principles ("GAAP"). Regulatory balances provide useful information about the Company's financial position, financial performance and eash flows. IFRS 14 is restricted to first-time adopters of IFRS and will remain in force until either repealed or replaced by permanent guidance on rate-regulated accounting from the IASB. The standard was effective for annual periods beginning on or after January 1, 2016. Early adoption was permitted. The Company elected to early adopt IFRS 14 in its first consolidated financial statements under IFRS for the year ended December 31, 2015.

The Company has determined that certain debit and credit balances arising from rate-regulated activities qualify for the application of regulatory accounting treatment in accordance with IFRS 14 and the accounting principles prescribed by the OEB in the APH. Under rate-regulated accounting, the timing and recognition of certain expenses and revenues may differ from those otherwise expected under other IFRS in order to appropriately reflect the economic impact of regulatory decisions regarding the Company's regulated revenues and expenditures. These amounts arising from timing differences are recorded as regulatory debit and credit balances on the Company's consolidated balance sheet, and they represent existing rights and obligations regarding cash flows expected to be recovered from or refunded to customers, based on decisions and approvals by the OEB. Regulatory balances can be recognized for rate-setting and financial reporting purposes only if the OEB directs the relevant regulatory treatment or if future OEB direction is judged to be probable. In the event that the disposition of these balances are assessed to no longer be probable based on management's judgments, the balances will be recorded in the Company's consolidated statement of earnings and comprehensive income in the period when the assessment is made. Regulatory balances that do not meet the definition of an asset or liability under any other IFRS are segregated on the consolidated balance sheet, and on the consolidated statement of earnings and comprehensive income. The netting of regulatory debit and credit balances is not permitted. The measurement of regulatory balances is subject to certain estimates and assumptions, including assumptions made in the interpretation of the OEB's regulations and decisions.

#### Cash and cash equivalents

Cush and eash equivalents consist of eash on hand and balances with the bank.

#### Unbilled revenue

Unbilled revenue is an estimate of customers' consumption of power from the last meter read to December 31.

#### Inventories

Inventories consist primarily of small consumable materials mainly related to the maintenance of the electricity distribution infrastructure. Inventories are valued at the lower of cost and net realizable value with cost being determined using the weighted average method.

#### Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

Distribution assets:	
Distribution station equipment	15 - 45 years
Distribution system - overhead	45 - 60 years
Distribution system - underground	20-55 years
Distribution transformers	35-45 years
Distribution meters	25 years
System supervisory equipment	20 years
Automated mapping	15 years
Services	40 - 50 years
Smart meters	15 years
Buildings	20-50 years
Equipment and other:	1.1.1
General office equipment	10 years
Computer hardware	3 years
Computer software	3 - 10 years
Rolling stock	7-15 years
Tools	5 years
Non-regulated generation assets	25 years

The Company recognizes work in process for larger capital projects that are not available for use at the end of the year. When the capital projects are completed, they are transferred to the appropriate property, plant and equipment account. Depreciation on these assets will begin when they are available for use.

#### Contributions in aid of construction

Contributions in aid of construction consist of third party contributions toward the cost of constructing the Company's assets. Contributions received are recorded as deferred revenue and recognized as revenue over the useful lives of the related assets.

#### Goodwill

Goodwill represents the excess of purchase price over fair value of the net identifiable assets of acquired businesses.

#### Intangible assets

Intangible assets include land rights, deferred development costs and other assets. These assets are capitalized at cost, which is comprised of directly attributable expenditures such as labour, legal, consulting, and overhead costs. Land rights relate to assets not currently in use and therefore, are not subject to amortization. Deferred development costs are amortized on a straight-line basis over their useful life of 21 years. Amortization of other intangible assets is recorded on a straight-line basis over a five year useful life.

#### Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually or more frequently when an event or circumstance occurs that indicates that goodwill might be impaired.

For impairment testing, assets are grouped together into CGUs, which are defined as the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to the CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### Customer deposits

Customer deposits are cash collections from customers to guarantee the payment of electricity bills. Deposits that are refundable to customers on demand are classified as a current liability. Interest on deposits is paid at a rate of prime less 200 basis points.

#### Employment benefits other than pension

The Company provides its current and retired employees with life insurance and medical benefits beyond those provided by government-sponsored plans. The cost of these benefits is actuarially determined annually as at December 31. The cost is determined using the projected unit credit method and assumptions including interest rates, salary escalation, retirement ages of employees, mortality rates, and health care costs. Remeasurements of the net defined benefit liability, which include actuarial gains and losses resulting from experience adjustments and changes in actuarial assumptions, are recognized in other comprehensive income as they arise without recycling through profit or loss in subsequent periods.

#### Deferred revenue

Deferred revenue is comprised of lease payments received which are not yet permitted to be recognized as revenue in accordance with LAS 17, *Leases*; contributions in aid of construction received from third parties; and conservation program funding advances received from the IESO.

#### Revenue recognition and cost of power

Distribution revenue is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the year. The related cost of power is recorded on the basis of power used. Any discrepancies in the revenue collected and associated cost of power to distribute are charged to regulatory assets or liabilities.

#### Income taxex

Under the Electricity Act, 1998, the Company is required to make payments-in-lieu of corporate taxes to the Ontario Electricity Financial Corporation ("OEFC"). These payments are recorded in accordance with the rules for computing income taxes and other relevant amounts contained in the Income Tax Act (Canada) and the Corporation Tax Act (Ontario) and modified by the Electricity Act, 1998, and related regulations.

The Company uses the liability method of accounting for income taxes. Under the liability method, current income taxes payable are recorded based on taxable income. The Company recognizes deferred tax assets and liabilities for future tax consequences of events that have been included in the consolidated financial statements or income tax returns. Deferred tax assets and liabilities are determined based on the difference between the carrying value of assets and liabilities on the consolidated balance sheet and their respective tax basis, using the tax rates enacted or substantively enacted by the consolidated balance sheet date that are in effect for the year in which the differences are expected to reverse. Tax benefits associated with income tax positions taken, or expected to be taken, in a tax return are recorded only when it is probable that they will be realized, and are measured at the best estimate of the tax amount expected to be paid to or recovered from the taxation authorities. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized. The calculation of current and deferred taxes requires management to make certain judgments with respect to changes in tax interpretations, regulations, and legislation, and to estimate probable outcomes on the timing and reversal of temporary differences and tax authority audits of income tax.

#### Income taxes (continued)

Rate-regulated accounting requires the recognition of regulatory balances and related deferred tax assets and liabilities for the amount of deferred taxes expected to be refunded to, or recovered from, customers through future electricity distribution rates. A gross-up to reflect the income tax benefits associated with reduced revenues resulting from the realization of deferred tax assets is recorded within regulatory credit balances. Deferred taxes that are not included in the rate-setting process are charged or credited to the consolidated statement of earnings and comprehensive income.

#### Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Settlement date accounting is used.

#### Classification

Cash and cash equivalents	Held for trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Due to the Municipality of Chatham-Kent	Other financial liabilities
Current portion of customer deposits	Other financial liabilities
Note payable	Other financial liabilities
Non-current portion of customer deposits	Other financial liabilities

#### Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in other income.

Financial liabilities designated as held for trading are those non-derivative financial liabilities that the Company elects to designate on initial recognition as instruments that it will measure at fair value through other interest expense. These are accounted for in the same manner as held for trading assets. The Company has not designated any non-derivative financial liabilities as held for trading.

#### Loans and receivables

Subsequent to initial recognition, loans and receivables are accounted for at amortized cost using the effective interest method.

#### Financial instruments (continued)

#### Other financial liabilities

Subsequent to initial recognition, other financial liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

#### Effective interest method

The Company uses the effective interest method to recognize interest income or expense which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### Recent accounting pronouncements not yet adopted

The IASB has issued new standards and amendments to existing standards. The Company is currently evaluating the impact of these new standards.

#### IFRS 9. Financial Instruments

The IASB issued IFRS 9 to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9, which is to be applied retrospectively, is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial asset. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The standard also adds guidance on the classification and measurement of financial liabilities.

#### IFRS 15, Revenue from Contracts with Customers

In 2014, the IASB issued IFRS 15 which supersedes existing standards and interpretations including IAS 18, Revenue.

IFRS 15 introduces a single model for recognizing revenue from contracts with customers with the exception of certain contracts under other IFRS'. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. The standard is effective for annual periods beginning on or after January 1, 2018.

Recent accounting pronouncements not yet adopted (continued)

#### IFRS 16, Leases

In January 2016, the IASB issued the final publication of the IFRS 16 standard, which will supersede IAS 17, Leases.

IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

## 4. ACCOUNTS RECEIVABLE

	2016	2015
	S	S
Electrical energy	5,885,614	4,461,499
Other	1,793,142	2,964,683
Contraction and the second	7,678,756	7,426,182
Allowance for doubtful accounts	(162,241)	(176,719)
Net accounts receivable	7,516,515	7,249,463

## ENTEGRUS INC. Notes to the Consolidated Financial Statements December 31, 2016

## 5. PROPERTY, PLANT AND EQUIPMENT

	Distribution assets	Land and buildings	Equipment and other	Total
	S	S	5	S
Cost or deemed cost				
Balance at January 1, 2015	64,094,808	13,353,023	6,773,037	84,220,868
Additions	7,296,018	373,662	1,873,815	9,543,495
Disposals and retirements	(3.052)	(38,447)	(259,057)	(300,556)
Balance at December 31, 2015	71,387,774	13.688,238	8,387,795	93,463,807
Additions	8,247,201	204,786	1,046,778	9,498,765
Disposals and retirements			(546,929)	(546,929)
Balance at December 31, 2016	79,634,975	13,893,024	8,887,644	102,415,643
Accumulated depreciation Balance at Jamiary 1, 2015	2,758,336	272 212	(02 700	3 730 / 40
Depreciation	2,758,536	276,515	693,799	3,728,650
Disposals and retirements	(2,014)	291,992 (33,895)	1,390,013 (252,966)	4,452,850 (288,875)
Balance at December 31, 2015	5,527,167	534,612	1,830,846	7,892,625
Depreciation	2,922,984	312,854	1,375,803	4,611,641
Disposals and retirements			(160.051)	(160,051)
Balance at December 31, 2016	8,450,151	847,466	3,046,598	12,344,215
Carrying amount				
Balance at December 31, 2015	65,860,607	13,153,626	6,556,949	85,571,182
Balance at December 31, 2016	71,184,824	13,045,558	5,841,046	90,071,428

The Company has recognized work in process of \$1,414,717 for capital projects that were not available for use at December 31, 2016 (2015 - \$319,029).

## 6. GOODWILL AND INTANGIBLE ASSETS

	Goodwill	Development costs	Land rights	Other	Total
	S	S	S	S	\$
Balance at January 1, 2015	1,210,537	1.421.359		18,394	2,650,290
Additions			2,537	334,640	337,177
Amortization		(74,808)		(5,839)	(80,647)
Balance at December 31, 2015	1,210,537	1,346,551	2,537	347,195	2,906,820
Additions		-	3,481	142,321	145,802
Amortization		(74.808)	~	(69,677)	(144,485)
Balance at December 31, 2016	1210.537	1,271,743	6,018	419,838	2,908,136

## 6. GOODWILL AND INTANGIBLE ASSETS (continued)

For the purposes of impairment testing, all of the Company's goodwill has been allocated to the regulated LDC. The recoverable amount of this CGU was based on fair value less costs of disposal. Fair value was estimated by applying an industry-specific valuation multiple to regulated rate base. The valuation multiple, which represents a key assumption in the determination of fair value, was determined by referencing recent enterprise acquisition activity in the Ontario electricity distribution industry. At December 31, 2016, the recoverable amount of the regulated LDC exceeded its carrying amount.

## 7. REGULATORY BALANCES

Regulatory balances arise as a result of the rate-making process. Regulatory debit balances represent future revenues associated with certain costs incurred in the current period or in prior periods that are expected to be recovered from customers in future periods through the rate setting process. Regulatory credit balances represent future reductions or limitations of increases in revenues associated with amounts that are expected to be refunded to customers as a result of the rate setting process.

	January 1, 2015	Balances arising in the period	Recovery / reversal	December 31, 2015
	S	S	\$	5
Regulatory debit balances				
Energy cost variances	5,347,317	(1,528,413)	(2,287,201)	1,531,703
Legacy meters	362,515	-	(45,375)	317,140
Other regulatory balances	933,585	183,990	(142,944)	974,631
Balances to be recovered		2,012,511	(1,383,498)	629,013
	6,643,417	668.088	(3,859,018)	3,452,487
Deferred tax asset associated with regulatory balances	-	96,968		96,968
	6,643,417	765,056	(3,859,018)	3,549,455
Regulatory credit balances				
Deferred income taxes	1,477,114	382,585	12	1,859,699
Accounting changes under				discourse of
Canadian GAAP	2,279,996	1,275,846	~	3,555,842
Other regulatory balances	151,757	33,461		185,218
Balances approved for refund	398,644		(398,644)	-
	4,307,511	1,691,892	(398,644)	5,600.759
Deferred tax liability associated with		developed.	descent of	Sec. alde
regulatory balances	1,381,838		(1,381,838)	
	5,689,349	1,691,892	(1.780.482)	5,600,759

## ENTEGRUS INC. Notes to the Consolidated Financial Statements December 31, 2016

## 7. REGULATORY BALANCES (continued)

	January 1, 2016	Balances arising in the period	Recovery / reversal	December 31, 2016
	S	S	S	S
Regulatory debit balances				
Energy cost variances	1,531,703		(1,531,703)	-
Legacy meters	317,140		(317,140)	
Other regulatory balances	974,631	192,615	(834,770)	332,476
Balances to be recovered	629.013		(629,013)	-
Providence in the second	3,452,487	192,615	(3,312,626)	332,476
Deferred tax asset associated with			No	
regulatory balances	96,968	194,507	4	291,475
	3,549,455	387,122	(3,312,626)	623,951
Regulatory credit balances				
Deferred income taxes	1.859.699	186,195	1.1	2,045,894
Energy cost variances		(1,426,817)	1,616,226	189,409
Accounting changes under		Serie of		1.440
Canadian GAAP	3,555,842		(3,555,842)	2
Other regulatory balances	185,218	4.1	(185,218)	÷
Balances approved for refund		2,161,976	(1,190,855)	971,121
	5,600,759	921,354	(3,315,689)	3,206,424

Regulatory dehit balances

#### Legacy meters

The balance in this account represents legacy metering assets that, as directed by the OEB, were amortized over their original useful lives until the end of 2015. As part of the Company's 2016 rate rebasing, this balance was approved for disposition.

#### b) Other regulatory assets

Other regulatory assets include various deferred amounts in connection with the Lost Revenue Adjustment Mechanism and changes in the OEB's Cost Assessment Model.

#### 7. REGULATORY BALANCES (continued)

Regulatory credit balances

#### a) Deferred income taxes

This balance represents the amount expected to be refunded in rates arising from temporary differences in the recognition of deferred income tax assets (see Note 16).

c) Energy cost variances

These accounts represent the variance between the revenue collected using OEB approved rates for the non-competitive components of energy and the corresponding cost of these noncompetitive charges. The net amount of these variances are held as a regulatory debit or credit balance, based on the expectation that the amounts will ultimately be approved for disposition by the OEB.

d) Accounting changes under Canadian GAAP

In 2012, the OEB issued a directive that required LDC's reporting under Canadian GAAP to adopt IFRS-compliant depreciation and capitalization accounting policies effective January 1, 2013, regardless of whether the LDC had chosen to defer the adoption of IFRS as permitted by the AcSB. This balance represents the financial differences arising as a result of adopting those IFRS-compliant policies. It was approved for disposition as part of the Company's 2016 rate rebasing.

e) Other regulatory liabilities

Other regulatory liabilities included amounts recorded as a result of the implementation of Harmonized Sales Tax ("HST"). In the May 2010 rate approval by the OEB, the Company was instructed to record the value of the savings resulting from the change to HST effective July 1, 2010. This balance was approved for disposition in the Company's 2016 rate rebasing.

f) Regulatory balances to be recovered/refunded

This balance represents the remaining amounts to be refunded to or recovered from ratepayers arising from dispositions that have been approved by the OEB.

#### 8. NOTE PAYABLE

The note payable is due to the Municipality with no set repayment terms and interest payable monthly at 5.87%. In 2016, interest expense recognized relating to this note payable was \$1,380,819 (2015 - \$1,380,819).

## 9. EMPLOYEE FUTURE BENEFITS

The Company measures its accrued benefit obligation as at December 31 of each year. The Company pays certain medical and life insurance benefits on behalf of its retired and current employees. The accrued benefit liability at December 31, 2016 was \$3,998,762 (2015 - \$3,442,864). The most recent actuarial valuation of the benefit plans for funding purposes was as of December 31, 2016 and the next required valuation will be as of December 31, 2019.

Information about the Company's defined henefit plan is as follows:

	2016	2015
	\$	5
Accrued benefit liability, beginning of year	3,442,864	3,232,142
Expense for the year		
Current service cost	50,507	46,883
Interest on obligation	152,345	150,419
Employer contributions	(225,010)	(204,289)
Remeasurements in other comprehensive income	578,056	217,709
	3,998,762	3,442,864

The main actuarial assumptions employed for the valuation are as follows:

#### General inflation

Future inflation levels, as measured by changes in the Consumers Price Index ("CPI"), were assumed to be 2.5% in 2016 and thereafter.

#### Interest (discount) rate

The present value of the future benefits, and the expense for the year ended December 31, 2016 was determined using a discount rate of 4.54% (2015 - 4.77%). This corresponds to the OEB approved non-arm's length cost of debt rate for 2016.

#### Health costs

Health costs were assumed to increase at 8% per year for 10 years after the valuation date, and then at the CPI rate plus 1% thereafter.

#### Dental costs

Dental costs were assumed to increase at the CPI rate plus 1% for 2016 and thereafter.

### 10. PENSION AGREEMENT

The Company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund") and provides pensions for employees of Ontario municipalities, local boards, public utilities, and school boards. The Fund is a contributory defined benefit pension plan, which is financed by equal contributions from participating employers and employees, and by the investment earnings of the Fund. As there is insufficient information to apply defined benefit plan accounting, defined contribution plan accounting has been used by the Company. The Company's contribution for employees' current service in 2016 was \$910,759 (2015 -\$890,529).

## 11. RELATED PARTY TRANSACTIONS

The Company provided the following services in the normal course of operations to the Municipality:

	2016	2015
	\$	S
Energy (at commercial rates)	7,131,885	6,499,895
Billing and collection services - water/wastewater	2,284,040	2,254,383
Streetlight maintenance	239,961	184,472
	9,655,886	8,938,750

The Municipality provided the following services in the normal course of operations to the Company:

	2016	2015
	s	\$
Administrative services	569,570	649,600
Asset management	128,050	250,660
	697,620	900,260

All related party transactions are recorded at the exchange amounts.

Compensation of key management personnel

Compensation of directors and other members of key management personnel was as follows:

	2016	2015
	\$	\$
Salaries, wages and other short-term benefits	1,539,736	1,349,567
Post-employment benefits	219,922	213,374
	1,759,658	1,562,941

### 12. SHARE CAPITAL

The share capital of the Company consists of the following:

#### Authorized

Unlimited common shares

	2016	2015
Issued	\$	S
2,222 common shares	26,882,150	26,882,150

## 13. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital items

	2016	2015
	\$	\$
Accounts receivable	(267,052)	230,435
Accounts receivable - unbilled revenue	621,935	(1,155,288)
Income taxes receivable/payable	(951,301)	1.559,837
Inventories Prepaid expenses Accounts payable and accrued liabilities	(100,184)	24,191 (306,618) (2,188,183)
	(258,724) 1,621,310	
Current portion of deferred revenue	(657,093)	486,836
Current portion of customer deposits	(191,227)	(467,573)
	2,485,778	(270,533)

Income taxes of \$1,566,052 (2015 refunds of \$394,451) and interest of \$1,682,758 (2014 - \$1,624,583) were paid during the year.

## 14. FINANCIAL INSTRUMENTS

#### Fair value

The Company's recognized financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, due to Municipality of Chatham-Kent, customer deposits and note payable.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and due to Municipality of Chatham-Kent approximate their carrying amounts due to their short-term nature. As there is no secondary market for customer deposits, the calculation of their fair value with appropriate reliability is impractical.

## 14. FINANCIAL INSTRUMENTS (continued)

#### Fair value (continued)

The Company has a long term promissory note payable with the Municipality in the amount of \$23,523,326. The promissory note was issued upon incorporation on September 22, 2000 with interest at 7,04%. The interest rate on the promissory note payable changed to 5.87% effective January 1, 2011. There is no "term length" associated with the promissory note.

In order to determine fair value of the note payable, comparison was made to the approved interest rate from the OEB. The OEB approves the rate of return on the long-term debt portion of "Cost of Capital" for non-arm's length transactions. An interest rate of 3,72% has been approved by the OEB through the rate setting process for rates effective January 2017.

Using the OEB approved non-ann's length cost of debt for 2017 of 3.72%, the fair value of the note payable is \$26,975,193.

#### Credit risk

The Company is exposed to credit risk from its customers. The Company has a large number of diverse customers for the most part minimizing concentration of risk. There are a select group of manufacturing-based corporations that pose a significant increase in risk due to the current state of the economy as well as the future outlook for the economy. Close monitoring of this sector is currently being examined through internal and external credit rating resources. The Company continues to utilize special payment arrangements and security deposits to reduce this risk to an acceptable level.

### 15. CAPITAL DISCLOSURES

The Company's main objectives when managing capital are to:

- ensure ongoing access to funding to maintain and improve the electricity distribution system of LDC; and
- maintain a capital structure comparable for regulated activities as approved by the OEB's deemed debt-to-equity structure in our rates.

As at December 31, 2016, the Company's definition of capital includes Shareholders' Equity and Long-Term Debt, the latter of which is comprised of the note payable and amounts due to the Municipality. This definition has remained unchanged from December 31, 2015. As at December 31, 2016, shareholders' equity amounts to \$47,371,178 (2015 - \$47,147,048) and long-term debt amounts to \$23,523,326 (2015 - \$23,523,326).

In 2016, the capital structure approved by the OEB in rates was 40% Equity, 56% Long-Term Debt and 4% Short-Term Debt. The OEB-approved capital structure is unchanged from 2015. The Company's 2016 actual capital structure was 66% Equity (2015 - 67%) and 34% Long-Term Debt (2015 - 33%).

## ENTEGRUS INC. Notes to the Consolidated Financial Statements December 31, 2016

## 16. INCOME TAXES

The reconciliation between the combined Federal and Ontario statutory tax rate and the effective rate of income tax is as follows:

15
5
38,998
26.50%
29,334
15,448)
8,246
58,503)
63,629
22.93%
(

## Deferred income taxes

The deferred income tax asset is comprised of the following:

	2016	2015
	\$	5
Temporary differences related to:		
Property, plant and equipment	(391,076)	36,413
Non-current deferred revenue	669,838	671,895
Employee future benefits	1,436,158	1,148,239
Unused tax losses	76,159	63,570
	1,791,079	1,920,117

## 16. INCOME TAXES (continued)

#### Deferred income taxes (continued)

ETI has an unrecognized deferred income tax asset of \$202,188 (2015 - \$296,583) related to unused tax losses. ETI's unused tax losses are scheduled to expire as follows:

	\$
Expiry year:	
2032	600,779
2033	433,532
2034	16,056
	1,050,367

\* \* \*

## Absence of Changes

All relevant information has been disclosed in the Data Room.

\* \* \*

### Absence of Undisclosed Liabilities

6.16.1 Nil.

#### \* \* \*

#### **Absence of Unusual Transactions**

Since December 31, 2016:

- 6.17.1 Nil.
- 6.17.2 Nil.
- 6.17.3 EPI has arranged for a 5-year lease agreement to be entered into with the Municipality of Strathroy-Caradoc for use of the property located at 351 Frances Street, Strathroy, ON N7G 2L7.
- 6.17.4 EPI has agreed to enter into the CK PUC Fibre Network Agreement. The projects involve the joint construction of approximately 24 kilometres of 96 strand fibre optic cable between the towns of Thamesville, Ridgetown and Highgate. The Agreement, in addition to other matters, sets out the allocation of costs and ownership rights of each party in relation to the fibre being constructed. The agreement outlines that project costs and fibre ownership will be allocated 1/12<sup>th</sup> to the CK PUC and 11/12<sup>th</sup> to Entegrus.

Further, members of the Entergrus Group expect:

- 6.17.5 normal dividends to be paid in December 2017 and normal service level activity and payments occur throughout the year.
- 6.17.6 Nil.

Since December 31, 2016, the following Contracts have been entered into by Entegrus Group members (a true and complete copy of each of which is contained in the Data Room):

6.17.7

- The North-Kent Wind farm Transmission Line Services Agreement;
- The Belle River Wind Farm Transmission Line Services Agreement;
- The Entegrus /TekSavvy Letter of Intent;
- A joint application submitted with Tek Savvy Inc. to Innovation, Science and Economic Development Canada's ("ISED") Connect to Innovate program aimed at developing broadband services in Chatham-Kent;
- The Chatham-Kent PUC Thamesville/Ridgetown and Ridgetown/Highgate fibre optic agreement.
- 6.17.8 Nil.
- 6.17.9 Nil.
- 6.17.10 All relevant information has been disclosed in the Data Room.

- 6.17.11 Recorded the current portion of prepaid rate rebasing cost as a current prepaid asset rather as an intangible asset.
- 6.17.12 Nil.

#### SCHEDULE 6.19

#### \* \* \*

### **Real Property**

#### 6.19.1

## Leases:

- Lease Agreement between The Corporation of the Municipality of Strathroy-Caradoc and Entegrus Powerlines Inc., dated July 1, 2017 for the use of land and premises consisting of part of a building at 351 Frances Street, Strathroy ON to maintain an operational service centre in Strathroy-Caradoc following the acquisition of Middlesex Power Distribution Corporation and for the common use of common areas, driveways and parking areas by employees, invitees, customers and/or agents (new lease agreement currently being finalized).
- Lease Agreement between Entegrus Powerlines Inc. and Entegrus Inc., dated January 1, 2017 for the use of certain parts or portions of land and premises at 320 Queen Street, Chatham, ON N7M 5K2.
- Lease Agreement between Entegrus Powerlines Inc. and Entegrus Services Inc. dated January 1, 2017 for the use of certain parts or portions of land and premises at 320 Queen Street, Chatham, ON N7M 5K2.
- Lease Agreement between Entegrus Powerlines Inc. and Entegrus Transmission Inc. dates January 1, 2017 for the use of certain parts or portions of land and premises at 320 Queen Street, Chatham, ON N7M 5K2.
- Lease Agreement between Municipality of Chatham-Kent, Chatham-Kent Public Utilities Commission (PUC) and Entegrus Powerlines Inc., dated November 13, 2013 for the use of land on the Municipalities property to construct and maintain a methane burning electricity generation facility, known as Biogas Facility.

### Head Office:

- 320 Queen Street, Chatham, ON
- 336 Queen Street, Chatham, ON (Stores Building)
- 342 Queen Street, Chatham, ON (Data Centre)

### All PINS see attached

### Substations:

- 81 Grand Ave East, Chatham, ON
- 229 Richmond Street, Chatham, ON

- 480 St. Clair Street, Chatham, ON
- 292 Baldoon Rd, Chatham. ON
- 152 Queen Street, Chatham, ON
- 18 Llewllyn, Chatham, ON
- Colborne St, Chatham, ON
- 267 Main Street, Dresden, ON
- Talbert St, Dresden, ON
- Centenial Dr., Ridgetown, ON
- Con 1, S PT Lot 3, Chatham, ON
- Beattie St, Strathroy, ON
- English St, Strathroy, ON
- Frank St, Strathroy, ON
- Carrie St, Strathroy, ON
- King St, Parkhill, ON

All PINS see attached

### Land Corridor and Easements:

- 6.19.2 Several parcels of land along the rail corridor. Easements noted and 71 PIN numbers listed. See attached land registrar document.
- 6.19.6 Nil.

Roll Number	City	Property
365024000230900	RIDGETOWN	Centenial Dr
365038000131600	THAMESVILLE	London Rd
365039000132900	DRESDEN	Talbert St
365039000401200	DRESDEN	267 Main St
365042000201906	СНАТНАМ	Colborne St
365042000205401	CHATHAM	Colborne St
365042000713401	СНАТНАМ	Park Ave E
365042002120200	СНАТНАМ	429 Richmond St
365042002712400	СНАТНАМ	152 Queen St
365042003013501	СНАТНАМ	Con 1 S Pt Lot 3
365042003604500	СНАТНАМ	292 Baldoon Rd
365042004127400	СНАТНАМ	480 St Clair St
365042004905700	СНАТНАМ	81 Grand Ave E
365042002813600	СНАТНАМ	18 Llewellyn st
3916 000 020-04400	Strathroy Caradoc	Beattie St
3916 000-05-19400	Strathroy Caradoc	English
3916 000-090-18300	Strathroy Caradoc	Frank
3916 000-130-14200	Strathroy Caradoc	Carrie
3954-052-010-00110	Parkhill	King

LEASE

**THIS AGREEMENT** is deemed to take effect as and from the 1<sup>st</sup> day of January, 2017.

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT.

Between:

**ENTEGRUS POWERLINES INC.** 

Hereinafter called the "LANDLORD",

OF THE FIRST PART,

-and-

**ENTEGRUS INC.,** 

Hereinafter called the "TENANT",

### OF THE SECOND PART.

(collectively "PARTIES" and individually a "PARTY")

# RECITALS

- A. The Landlord is the owner in fee simple of the land and premises more particularly described in paragraph 1.01 hereof.
- B. The Tenant is desirous of leasing and the Landlord has consented to lease to the Tenant the said land and premises upon the terms and conditions hereinafter contained.

**NOW THEREFORE WITNESSETH** that in consideration of the premises herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are respectively acknowledged and confirmed by each of the parties hereto, the parties hereto mutually covenant, promise, agree, warrant and undertake as follows.

## ARTICLE I GRANT AND TERM

#### **1.01** *Demised Premises*

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and preformed, the Landlord doth demise and lease unto the Tenant that certain part or portion of lands and premises known municipally as 320 Queen Street, Chatham, Ontario, N7M 5K2 at a cost of \$16.89 per square foot, as follows:

- a) The CEO, CFO and Executive Assistant, such space comprising approximately 950 square feet = \$16,045.
- b) Three (3) percent share of the hallway, washrooms and lunchroom in the center portion of the existing building in common with employees of the Landlord; such space comprising approximately 204 square feet = \$3,439.
- c) The lawns, gardens and parking area located adjacent to the existing building in common with employees of the Landlord;
- d) The parties agree that the rear portion of the existing building, being the garage and workshop area, the shed located to the side of the existing building and the fenced parking and storage yard does not form part of the Demised Premises.
- e) Total Cost For 2017 = \$19,484.

## 1.02 Term

To have and to hold the Demised Premises, unless such term shall be sooner terminated as hereinafter provided, for and during the term of one (1) year to be completed from and inclusive of the 1<sup>st</sup> day of January, 2017 and from thenceforth next ensuing and fully to be completed and ended on the 31<sup>st</sup> day of December, 2017, provided always and it is mutually agreed that at the end of the term or any deemed renewal of this Lease the term shall automatically be extended for a further year unless at least six (6) months before the end of the term or any anniversary thereof either the Landlord or Tenant shall give to the other a notice terminating this Lease at the end of the term.

## ARTICLE II RENT

### 2.01 Amount of Rent

The Tenant covenants and agrees to pay to the Landlord, its successors and assigns, or as the Landlord may in writing direct, in lawful money of Canada at par in Chatham, Ontario, without any set-off or deduction whatsoever as annual rent, subject to the increases hereinafter provided for, the sum of \$19,484 per annum, which shall be payable in advance, in equal monthly instalments of \$1,624 each on the first day of each and every month during the term hereby granted or any renewal or extension thereof.

#### 2.02 Past Due Rent and Additional Charges

If the Tenant shall fail to pay when the same are due and payable, any rent or additional charges due under this Lease, such unpaid amounts shall bear interest from the due date thereof to the date of payment of the rate of one per cent (1%) per month.

## 2.03 Place of Payment

All payments required to be made by the Tenant under or in respect of this Lease shall be made to the Landlord at 320 Queen Street, Chatham, Ontario, N7M 5K2, or to such agents of the Landlord or at such place as the Landlord shall hereinafter from time to time direct in writing to the Tenant.

### ARTICLE III TAXES

#### 3.01 Business and Personal Property Tax

Tenant shall pay all taxes, rates, charges and licenses fees assessed, levied or imposed in respect of the personal property business or income of the Tenant as and when the same become due and payable.

## 3.02 Tax On Rents

In the event that any Federal, Provincial, Municipal or other governmental authority shall impose or assess any tax, levy, or other charge on or against all or any part of the rentals and/or charges paid or to be paid by the Tenant under the terms of this Lease, and Landlord is required to collect from the Tenant and/or pay such tax, levy on charge to such authority, the Tenant shall, within ten (10) days from written demand therefore, pay to or reimburse the Landlord (as the case may be) all such charges as may be imposed or assessed which, for the purposes of this Lease, shall be deemed to be due from the Tenant as additional charges; it being the intention of the parties hereto that the rents payable hereunder shall be paid to the Landlord absolutely net, without deduction of any nature whatsoever, except as in this Lease otherwise expressly provided; provided,

the Tenant shall not be required to pay any estate, inheritance, succession, transfer, income or similar taxes which may be payable by the Landlord.

# 3.03 Land Taxes

During the term herein granted, or any renewal or extension thereof, the Landlord shall, pay and discharge as the same become due and payable all taxes (including local improvement rates) rates, duties, and assessments that may be levied, rated, charged or assessed against the Demised Premises, or any fixtures or chattels situate thereon, or any part thereof by any Municipal, Provincial, Parliamentary, school or other body during the term hereby demised, including without being limited to every tax, charge, rate, assessment or payment which may become a charge or encumbrance or levied upon or collected in respect of the Demised Premises or any part thereof (herein collectively called the "land taxes").

# ARTICLE IV USE, WASTE, NUISANCE, GOVERNMENTAL REGULATIONS

# 4.01 Conduct of Business

Tenant shall conduct Tenant's business in the Demised Premises and occupy the Demised Premises in a proper, reputable manner, shall keep the Demised Premises in a clean and tidy condition, shall not bring thereon any machinery, equipment, article or thing that might damage the same, shall not overload the floors, and shall not permit garbage, waste or objectionable material to accumulate on or neat the Demised Premises.

# 4.02 Waste or Nuisance

The Tenant shall not use or permit the Demised Premises to be used or occupied for any unlawful purpose, or commit or suffer to be committed any waste upon the Demised Premises, or do or permit to be done anything the doing or omission of which shall be or result in a nuisance or which may disturb the quiet enjoyment of any neighbouring properties, tenants or tenements.

# 4.03 Governmental Regulations

The Tenant shall, at the Tenant's expense, faithfully observe and promptly comply with all the requirements of Federal, Provincial, Municipal and other applicable governmental authorities, and all applicable orders, rules and regulations of the Canadian Fire Underwriters Association, or any other body having similar functions, now in force, or which may hereafter be in force, pertaining to the Demised Premises, and likewise observe and comply with the requirements of all policies of public liability fire and other insurance now in force, or which may hereafter be in force with respect to the Demised Premises and any equipment used in connection therewith.

# ARTICLE V UTILITIES

#### 5.01 Utility Charges

The Landlord shall be solely responsible for and pay as the same become due respectively all charges for heat, water, gas, electricity, telephone, or any other utility used or consumed in the Demised Premises and all charges for any utility service supplied to the Demised Premises. The Landlord shall not be liable for any interruption or failure in the supply of any such h utilities to the Demised Premises.

The Tenant shall pay for Tenant's cell phone and after hours answering services and usage.

## ARTICLE VI MAINTENANCE AND REPAIRS

### 6.01 *Condition of the Demised Premises*

Tenant acknowledges that the Tenant has inspected and is familiar with the physical attributes and conditions of the Demised Premises at the date hereof and that the Landlord has made no representation or warranties of whatsoever nature or kind with respect to the same other than those which are expressly set forth in this Lease. Except as provided in paragraph 6.02 hereof the Landlord shall not be liable for any latent or patent defects in the building or for the existence of any other circumstances or condition not expressly represented or warranted in this Lease, and in particular, the Landlord shall not be responsible for any want of repair of the building.

## 6.02 Maintenance and Repairs

The Landlord shall, at the Landlord's expense maintain and keep the Demised Premises and every part thereof (including all plate glass and other glass and equipment not or hereafter installed or placed therein or thereon) in good, substantial repair and condition, both interior and exterior, (reasonable wear and tear, damage by fire, lightning, tempest, structural defects, vis major, act of the Queen's enemies, riot, mob violence, civil commotion, earthquake, structural, latent or inherent defect only excepted, provided that the same are not insured against), and to promptly make all needed repairs and replacement of a quality and kind at least equal to the original, including without being limited to the roof, foundations, outside walls, partitions, drains, pipes, electrical wiring and fixtures, including lamps, heating and air-conditioning plant and equipment and all other machinery, facilities and equipment belonging to and used in connection with the Demised Premises.

Provided however that Tenant shall pay for interior painting, decorating, carpet, ceiling tile and alteration of partitions.

# 6.02.1 Insect Control

The Landlord shall engage the services of and pay the cost of a competent

pest control firm to treat the Premises as required to control insects.

### 6.03 Surrender or Demised Premises at End of Term

Upon the expiration of this Lease, the Tenant shall surrender the Demised Premises to the Landlord in a condition comparable to that in which they were delivered to the Tenant at the commencement of the term hereof, subject to alterations to the Demised Premises by the Tenant, reasonable wear and tear and damage by fire, lightning, tempest, structural defects, vis major, act of the Queen's enemies, riot, mob violence, civil commotion, earthquake, structural, latent or inherent defect or by reason of any explosion, accident or agency not the result of some negligent act or omission of the Tenant, Tenant's employees, invitees or contractors only excepted.

## 6.04 Tenant's Further Obligation to Repair

The Landlord, at the Landlord's expense shall keep and maintain in good repair and condition any curbs, sidewalks, lawns, gardens and parking areas, in, on, or adjoining the Demised Premises in good repair and condition and to keep the same clean and free of dirt, rubbish, ice and snow.

### 6.05 Janitorial Services

The parties agree that the janitorial contractor, shall be paid on the following basis:

- a) by the Landlord for the areas described in Article 1.01;
- b) by the Landlord for the exterior of the building;
- c) by the Tenant for any additional cleaning required by the Tenant.

## ARTICLE VII ACCESS BY LANDLORD

### 7.01 Right of Entry

The Landlord and the Landlord's agents shall have the right to enter the Demised Premises at reasonable times upon 24 hours prior written notice, to inspect the same, and in the event an inspection reveals any maintenance work or repairs are necessary and required by this Lease to be done by the Tenant, the Landlord shall give the Tenant notice in writing and thereupon the Tenant shall, within a reasonable time after receipt thereof, do such maintenance work or make necessary repairs or replacements in a good and workmanlike manner and if the Tenant shall fail to so do, the Landlord and its contractors, agents or workmen shall be allowed to take all material into and upon the Demised Premises and do such maintenance work or made such repairs or replacements, and the rent reserved shall in no way abate while the said maintenance work, repairs or replacements are being made. The Landlord shall not be liable for any inconvenience, disturbance, loss of business or other damage resulting therefrom.

### 7.02 Access

During the month prior to the expiration of the term of this Lease, or any renewal term, the Landlord may exhibit the Demised Premises to prospective tenants or purchasers at reasonable times on 24 hours prior written notice and place upon the Demised Premises the usual notice "To Let" or "For Sale", which notices the Tenant shall permit to remain thereon without molestation.

# ARTICLE VIII INSURANCE AND INDEMNITY

## 8.01 Fire Insurance and other Risks

The Landlord shall, at the Landlord's expense, keep all buildings, improvements, equipments, fixtures, motors, machinery and equipment in or upon the Demised Premises (other than the Tenant's trade fixtures and equipment) insured against loss or damage by fire and such other perils as the Landlord may reasonably require to be insured against and which similar properties are usually insured against in the Province of Ontario by prudent owners, including without being limited to fire, lightning, windstorm, hail, explosion, riot, civil commotion, damage from air-craft and vehicles and smoke damage in an amount equal to the full insurable value.

## 8.02 Liability Insurance

The Tenant shall also, at the Tenant's expense, keep in full force and effect a policy of general public liability insurance with respect to the Demised Premises and the business conducted by the Tenant protecting against claims for personal injury, death and property damage in which the limits shall be not less than Two Million Dollars (\$2,000,000.00). A copy of the policy or a certificate of insurance shall be delivered to the Landlord.

### 8.03 Indemnification of Landlord

The Tenant will indemnify and save harmless the Landlord from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Demised Premises or any part thereof occasioned wholly or in part by any act or omission of the Tenant, or the Tenant's agents, contractors, employees or servants.

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## **Total and Partial Destruction**

If the Demised Premises are wholly or partly damaged or destroyed by fire

or any other cause this Lease shall remain in full force and effect with an abatement of rent and the Landlord shall promptly repair, restore and rebuild the same as nearly as possible to the condition they were in immediately prior to such damage or destruction.

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#### 10.01 Consent of Landlord

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#### 10.02 Fixtures

The Tenant may remove its fixtures so long as all rent and other sums due or to become due hereunder are fully paid and so long as the Tenant does not remove or carry away from the Demised Premises any part of the building or any plumbing, heating, electrical or ventilating plant or equipment or other building services and so long as the Tenant repairs any damage caused by such removal. Provided, however, that all electric light fixtures, alterations, additions and improvements to the Demised Premises which in any manner are or shall be attached to the walls, floors, or ceilings or any linoleum tile, carpet or similar floor covering which may be cemented or otherwise affixed to the floor of the Demised Premises or any panelling or other covering affixed to the walls thereof shall remain upon the premises and become the property of the Landlord at the expiration or other termination of the Lease.

## 10.03 Construction Liens

The Tenant shall not suffer or permit any construction liens for work, labour, services or materials ordered by the Tenant or for the cost of which the Tenant may in any way be obligated, to attach to the building or the Demised Premises and whenever any such lien shall attach or a claim therefore, shall be registered, the Tenant shall, within twenty (20) days after the Tenant has notice of the claim for lien, procure the discharge thereof by payment or by giving security or in such other manner as is or may be required or permitted by law.

## ARTICLE XI DEFAULT OF TENANT

#### 11.01 Proviso For Re-entry

Proviso for re-entry by the Landlord on non-payment of rent or nonperformance of covenants; and in case, without consent of the Landlord, the Demised Premises shall become and remain vacant or not used to a period of thirty (30) days while the same are suitable for use by the Tenant or be used by any other person than the Tenant or taken in execution or in attachment by any credit of the Tenant or the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or any other shall be made for the winding-up of the Tenant, then and in every such case the then current month's rent and the next ensuing three (3) month's rent shall immediately become due and payable and at the option of the Landlord, this Lease shall cease and terminate and the said term shall immediately become forfeited and void, in which event the Landlord may re-enter and take possession of the Demised Premises as though the Tenant or any occupant or occupants of the Demised Premises was or were holding over after the expiration of the term without any right whatever.

#### 11.02 Distress

Notwithstanding the benefit of any present or future statute taking away or limiting the Landlord's right of distress none of the goods and chattels of the Tenant on the Demised Premises at any time during the same term shall be exempt from levy by distress for rent in arrears.

## 11.03 Tenant's Chattels

Provided that in the case or removal by the Tenant of the goods and chattels of the Tenant from off the premises, the Landlord may follow the same for thirty (30) days in the same manner as is provided for in the Commercial Tenancies Act.

## ARTICLE XII ASSIGNMENT AND SUBLETTING

#### 12.01 Consent Required

The Tenant shall not assign this Lease or sublet the whole or any part of the Demised Premises save to the purposes herein permitted and then only with the proper written consent of the Landlord in each instance which consent shall not be unreasonable or arbitrarily withheld. Notwithstanding any assignment or sublease, the Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this lease.

## ARTICLE XIII OVERHOLDING

# 13.01 Overholding

Subject to the provisions of paragraph 1.02 herein, if upon the termination of this Lease or any renewal thereof for any reasons whatsoever the Landlord permits the Tenant to remain in possession of the Demised Premises and accepts rent in respect thereto, a tenancy from year to year shall not be created by implication of the law, but the Tenant shall be deemed to be a monthly tenant only subject in all respects to the provisions of this Lease.

## ARTICLE XIV TERMINATION

### 14.01 *Termination*

The Lease herein contained shall be terminated at the option of the Landlord, on the happening of any of the following events:

(a) The expiration of the term herein granted or any deemed renewal Thereof;

(b) The death, bankruptcy or insolvency of the Tenant;

(c) The breach by the Tenant of any of it's covenants herein contained;

(d) The Tenant being in default of any payment hereunder in excess of thirty (30) days from the due date for such payment (notwithstanding any other provision otherwise herein contained);

(e) By mutual agreement of the parties hereto under memorandum in writing signed by both the Landlord and the Tenant;

(f) A decision by the Landlord, in the second year of the Term to sell the Demised Premises, upon six months prior notice in writing to the Tenant, whereupon this Lease shall terminate on the completion date of Such sale.

Provided however that the Tenant shall have a right of first refusal in any sale by the Landlord.

## ARTICLE XV LANDLORD'S COVENANTS

#### 15.01 *Quiet Enjoyment*

The Landlord covenants with the Tenant that upon the Tenant duly paying the rent hereby reserved together with all additional charges herein secured and duly keeping, observing and performing the covenants, agreements and conditions herein on the Tenant's part to be kept, observed, and performed, the Tenant shall and may peaceably posses and enjoy the Demised Premises for the term hereby granted without hindrance, interruption or disturbance from the Landlord.

## ARTICLE XVI OFFSET STATEMENT, SUBORDINATION

### 16.01 Offset Statement

The Tenant shall, within fifteen (15) days after request therefore by the Landlord, or in the event that upon any sale, assignment or hypothecation of the Demised Premises an offset statement shall be required from the Tenant, deliver a certificate to any proposed purchaser or mortgagee, or to the Landlord certifying (if such be the case) that this Lease is in full force and effect that there are no defences or offsets thereto, or stating those claimed by the Tenant.

## ARTICLE XVII DISPUTE RESOLUTION

#### **17.01** Dispute Resolution

In the event that an issue related to the rent payable under or the interpretation of this Lease cannot be resolved by the Parties, either Party may refer the matter for resolution using the following procedures:

(a) Either Party may provide written notice ("Dispute Notice") to the other of an unresolved issue.

(b) Representatives designated by each of the Parties must meet within seven (7) business days after delivery of a Dispute Notice. The purpose of the meeting will be to develop an action plan that can be presented to the Parties within seventeen (17) business days after delivery of a Dispute Notice.

(c) If the action plan fails to resolve the issue within twenty one (21) business days after delivery of the Dispute Notice, on the twenty-second (22<sup>nd</sup>) business day after delivery of the Dispute Notice the issue shall be escalated to the Presidents of the Parties.

(d) If the Presidents of the Parties fail to resolve the issue within seven (7) business days after the day on which it was referred to them, then it is the joint

responsibility of the Presidents of each Party to escalate the issue, and the corresponding documentation, to the Board of Directors of Entegrus Inc. for final deliberation and resolution. The Parties hereby agree to abide by any such resolution.

(e) If the resolution is in favour of the Landlord, then the Landlord may apply any late charges associated with rent payments postponed due to the invocation of this dispute resolution process.

# ARTICLE XVIII MISCELLANEOUS

## **18.01** Short Form Lease

The Tenant shall not register this Lease in this form but if the Tenant desires to register notice of this Lease, then the parties hereto shall execute a short form solely for the purpose of registration if requested by the Tenant.

## 18.02 Notices

Any notice, demand, request or other instrument which may be or are required to be given under this Lease shall be delivered in person, or mailed by prepaid registered mail and shall be addressed (a) if to the Landlord at the address first herein given or at such other address as the Landlord may designate by written notice and (b) if to the Tenant at the Demised Premises are at such other address as the Tenant may designate in writing. Any such notice, demand, request or other instrument shall conclusively by deemed to have been received on the date of such personal service or on the third day following the date of posting in the case of mailing, as aforesaid.

### 18.03 Waiver

1

The waiver by the Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by the Landlord, unless such wavier be in writing and signed by the Landlord.

## 18.04 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly rent stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any cheque or any letter accompanying any cheque or payment of rent be deemed on accord and satisfaction and the Landlord may accept such cheque or payments without prejudice to the

Landlord's right to recover the balance of such rent to pursue any other remedy in this Lease provided.

IN WITNESS WHEREOF the Landlord hereto has caused to be affixed its corporate seal duly attested to by the hands of its proper signing officers in that behalf and the Tenant has hereunder set his hand and seal

SIGNED, SEALED AND DELIVERD ) In the presence of: ) **ENTEGRUS POWERLINES INC** ) ) ) Per: ) **CHRIS COWELL** ) **CHIEF FINANCIAL &** ) ) REGULATORY **OFFICER AND VP-**) **ADMINISTRATION** ) ) ) We have authority to bind the ) corporation. ) ) **ENTEGRUS INC.** ) ) ) ) Per: ) JIM HOGAN ) ) PRESIDENT AND CEO

# LEASE

**THIS AGREEMENT** is deemed to take effect as and from the 1<sup>st</sup> day of January, 2017.

## IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT.

Between:

**ENTEGRUS POWERLINES INC.** 

Hereinafter called the "LANDLORD",

OF THE FIRST PART,

-and-

## ENTEGRUS SERVICES INC.

Hereinafter called the "TENANT",

### OF THE SECOND PART.

(collectively "PARTIES" and individually a "PARTY")

# RECITALS

- A. The Landlord is the owner in fee simple of the land and premises more particularly described in paragraph 1.01 hereof.
- B. The Tenant is desirous of leasing and the Landlord has consented to lease to the Tenant the said land and premises upon the terms and conditions hereinafter contained.

**NOW THEREFORE WITNESSETH** that in consideration of the premises herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are respectively acknowledged and confirmed by each of the parties hereto, the parties hereto mutually covenant, promise, agree, warrant and undertake as follows.

# ARTICLE I GRANT AND TERM

## 1.01 Demised Premises

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and preformed, the Landlord doth demise and lease unto the Tenant that certain part or portion of lands and premises known municipally as 320 Queen Street, Chatham, Ontario, N7M 5K2 at a cost of \$5.46 per square foot, as follows:

a) The land upon which the Data Centre is situated, such space comprising approximately 5,400 square feet = \$29,484

## 1.02 Term

To have and to hold the Demised Premises, unless such term shall be sooner terminated as hereinafter provided, for and during the term of one (1) year to be completed from and inclusive of the 1<sup>st</sup> day of January, 2017 and from thenceforth next ensuing and fully to be completed and ended on the 31<sup>st</sup> day of December, 2017, provided always and it is mutually agreed that at the end of the term or any deemed renewal of this Lease the term shall automatically be extended for a further year unless at least six (6) months before the end of the term or any anniversary thereof either the Landlord or Tenant shall give to the other a notice terminating this Lease at the end of the term.

# ARTICLE II RENT

# 2.01 Amount of Rent

The Tenant covenants and agrees to pay to the Landlord, its successors and assigns, or as the Landlord may in writing direct, in lawful money of Canada at par in Chatham, Ontario, without any set-off or deduction whatsoever as annual rent, subject to the increases hereinafter provided for, the sum of \$29,484 per annum, which shall be payable in advance, in equal monthly instalments of \$2457 each on the first day of each and every month during the term hereby granted or any renewal or extension thereof.

# 2.02 Past Due Rent and Additional Charges

If the Tenant shall fail to pay when the same are due and payable, any rent or additional charges due under this Lease, such unpaid amounts shall bear interest from the due date thereof to the date of payment of the rate of one per cent (1%) per month.

### 2.03 Place of Payment

All payments required to be made by the Tenant under or in respect of this Lease shall be made to the Landlord at 320 Queen Street, Chatham, Ontario, N7M 5K2, or to such agents of the Landlord or at such place as the Landlord shall hereinafter from time to time direct in writing to the Tenant.

### ARTICLE III TAXES

#### 3.01 Business and Personal Property Tax

Tenant shall pay all taxes, rates, charges and licenses fees assessed, levied or imposed in respect of the personal property business or income of the Tenant as and when the same become due and payable.

### 3.02 Tax On Rents

In the event that any Federal, Provincial, Municipal or other governmental authority shall impose or assess any tax, levy, or other charge on or against all or any part of the rentals and/or charges paid or to be paid by the Tenant under the terms of this Lease, and Landlord is required to collect from the Tenant and/or pay such tax, levy on charge to such authority, the Tenant shall, within ten (10) days from written demand therefore, pay to or reimburse the Landlord (as the case may be) all such charges as may be imposed or assessed which, for the purposes of this Lease, shall be deemed to be due from the Tenant as additional charges; it being the intention of the parties hereto that the rents payable hereunder shall be paid to the Landlord absolutely net, without deduction of any nature whatsoever, except as in this Lease otherwise expressly provided; provided, the Tenant shall not be required to pay any estate, inheritance, succession, transfer, income or similar taxes which may be payable by the Landlord.

### 3.03 Land Taxes

During the term herein granted, or any renewal or extension thereof, the Landlord shall, pay and discharge as the same become due and payable all taxes (including local improvement rates) rates, duties, and assessments that may be levied, rated, charged or assessed against the Demised Premises, or any fixtures or chattels situate thereon, or any part thereof by any Municipal, Provincial, Parliamentary, school or other body during the term hereby demised, including without being limited to every tax, charge, rate, assessment or payment which may become a charge or encumbrance or levied upon or collected in respect of the Demised Premises or any part thereof (herein collectively called the "land taxes").

# ARTICLE IV USE, WASTE, NUISANCE, GOVERNMENTAL REGULATIONS

## 3

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# 4.01 Conduct of Business

Tenant shall conduct Tenant's business in the Demised Premises and occupy the Demised Premises in a proper, reputable manner, shall keep the Demised Premises in a clean and tidy condition, shall not bring thereon any machinery, equipment, article or thing that might damage the same, shall not overload the floors, and shall not permit garbage, waste or objectionable material to accumulate on or near the Demised Premises.

# 4.02 *Waste or Nuisance*

The Tenant shall not use or permit the Demised Premises to be used or occupied for any unlawful purpose, or commit or suffer to be committed any waste upon the Demised Premises, or do or permit to be done anything the doing or omission of which shall be or result in a nuisance or which may disturb the quiet enjoyment of any neighbouring properties, tenants or tenements.

### 4.03 Governmental Regulations

The Tenant shall, at the Tenant's expense, faithfully observe and promptly comply with all the requirements of Federal, Provincial, Municipal and other applicable governmental authorities, and all applicable orders, rules and regulations of the Canadian Fire Underwriters Association, or any other body having similar functions, now in force, or which may hereafter be in force, pertaining to the Demised Premises, and likewise observe and comply with the requirements of all policies of public liability fire and other insurance now in force, or which may hereafter be in force with respect to the Demised Premises and any equipment used in connection therewith.

# ARTICLE V UTILITIES

## 5.01 *Utility Charges*

The Landlord shall be solely responsible for and pay as the same become due respectively all charges for heat, water, gas, electricity, telephone, or any other utility used or consumed in the Demised Premises and all charges for any utility service supplied to the Demised Premises. The Landlord shall not be liable for any interruption or failure in the supply of any such utilities to the Demised Premises.

The Tenant shall pay for Tenant's cell phone and after hours answering services and usage.

# ARTICLE VI MAINTENANCE AND REPAIRS

#### 6.01 *Condition of the Demised Premises*

Tenant acknowledges that the Tenant has inspected and is familiar with

the physical attributes and conditions of the Demised Premises at the date hereof and that the Landlord has made no representation or warranties of whatsoever nature or kind with respect to the same other than those which are expressly set forth in this Lease. Except as provided in paragraph 6.02 hereof the Landlord shall not be liable for any latent or patent defects in the building or for the existence of any other circumstances or condition not expressly represented or warranted in this Lease, and in particular, the Landlord shall not be responsible for any want of repair of the building.

#### 6.02 *Maintenance and Repairs*

The Landlord shall, at the Landlord's expense maintain and keep the Demised Premises and every part thereof (including all plate glass and other glass and equipment not or hereafter installed or placed therein or thereon ) in good, substantial repair and condition, both interior and exterior, (reasonable wear and tear, damage by fire, lightning, tempest, structural defects, vis major, act of the Queen's enemies, riot, mob violence, civil commotion, earthquake, structural, latent or inherent defect only excepted, provided that the same are not insured against), and to promptly make all needed repairs and replacement of a quality and kind at least equal to the original, including without being limited to the roof, foundations, outside walls, partitions, drains, pipes, electrical wiring and fixtures, including lamps, heating and air-conditioning plant and equipment and all other machinery, facilities and equipment belonging to and used in connection with the Demised Premises.

Provided however that Tenant shall pay for interior painting, decorating, carpet, ceiling tile and alteration of partitions.

### 6.02.1 Insect Control

The Landlord shall engage the services of and pay the cost of a competent pest control firm to treat the Premises as required to control insects.

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Upon the expiration of this Lease, the Tenant shall surrender the Demised Premises to the Landlord in a condition comparable to that in which they were delivered to the Tenant at the commencement of the term hereof, subject to alterations to the Demised Premises by the Tenant, reasonable wear and tear and damage by fire, lightning, tempest, structural defects, vis major, act of the Queen's enemies, riot, mob violence, civil commotion, earthquake, structural, latent or inherent defect or by reason of any explosion, accident or agency not the result of some negligent act or omission of the Tenant, Tenant's employees, invitees or contractors only excepted.

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insured against and which similar properties are usually insured against in the Province of Ontario by prudent owners, including without being limited to fire, lightning, windstorm, hail, explosion, riot, civil commotion, damage from air-craft and vehicles and smoke damage in an amount equal to the full insurable value.

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The Tenant may remove its fixtures so long as all rent and other sums due or to become due hereunder are fully paid and so long as the Tenant does not remove or carry away from the Demised Premises any part of the building or any plumbing, heating, electrical or ventilating plant or equipment or other building services and so long as the Tenant repairs any damage caused by such removal. Provided, however, that all electric light fixtures, alterations, additions and improvements to the Demised Premises which in any manner are or shall be attached to the walls, floors, or ceilings or any linoleum tile, carpet or similar floor covering which may be cemented or otherwise affixed to the floor of the Demised Premises or any panelling or other covering affixed to the walls thereof shall remain upon the premises and become the property of the Landlord at the expiration or other termination of the Lease.

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The Tenant shall not suffer or permit any construction liens for work, labour, services or materials ordered by the Tenant or for the cost of which the Tenant may in any way be obligated, to attach to the building or the Demised Premises and whenever any such lien shall attach or a claim therefore, shall be registered, the Tenant shall, within twenty (20) days after the Tenant has notice of the claim for lien, procure the discharge thereof by payment or by giving security or in such other manner as is or may be required or permitted by law.

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Proviso for re-entry by the Landlord on non-payment of rent or nonperformance of covenants; and in case, without consent of the Landlord, the Demised Premises shall become and remain vacant or not used to a period of thirty (30) days while the same are suitable for use by the Tenant or be used by any other person than the Tenant or taken in execution or in attachment by any credit of the Tenant or the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or any other shall be made for the winding-up of the Tenant, then and in every such case the then current month's rent and the next ensuing three (3) month's rent shall immediately become due and payable and at the option of the Landlord, this Lease shall cease and terminate and the said term shall immediately become forfeited and void, in which event the Landlord may re-enter and take possession of the Demised Premises as though the Tenant or any occupant or occupants of the Demised Premises was or were holding over after the expiration of the term without any right whatever.

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## ARTICLE XII ASSIGNMENT AND SUBLETTING

#### 12.01 Consent Required

The Tenant shall not assign this Lease or sublet the whole or any part of the Demised Premises save to the purposes herein permitted and then only with the proper written consent of the Landlord in each instance which consent shall not be unreasonable or arbitrarily withheld. Notwithstanding any assignment or sublease, the tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this lease.

### ARTICLE XIII OVERHOLDING

#### 13.01 Overholding

Subject to the provisions of paragraph 1.02 herein, if upon the termination of this Lease or any renewal thereof for any reasons whatsoever the Landlord permits the Tenant to remain in possession of the Demised Premises and accepts rent in respect thereto, a tenancy from year to year shall not be created by implication of the law, but the Tenant shall be deemed to be a monthly tenant only subject in all respects to the provisions of this Lease.

## ARTICLE XIV TERMINATION

#### 14.01 *Termination*

The Lease herein contained shall be terminated at the option of the Landlord, on the happening of any of the following events:

(a) The expiration of the term herein granted or any deemed renewal Thereof;

(b) The death, bankruptcy or insolvency of the Tenant;

(c) The breach by the Tenant of any of its covenants herein contained;

(d) The Tenant being in default of any payment hereunder in excess of thirty (30) days from the due date for such payment (notwithstanding any other provision otherwise herein contained);

(e) By mutual agreement of the parties hereto under memorandum in writing signed by both the Landlord and the Tenant;

(f) A decision by the Landlord, in the second year of the Term to sell the Demised Premises, upon six months prior notice in writing to the Tenant, whereupon this Lease shall terminate on the completion date of Such sale.

Provided however that the Tenant shall have a right of first refusal in any sale by the Landlord.

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# 15.01 *Quiet Enjoyment*

The Landlord covenants with the Tenant that upon the Tenant duly paying the rent hereby reserved together with all additional charges herein secured and duly keeping, observing and performing the covenants, agreements and conditions herein on the Tenant's part to be kept, observed, and performed, the Tenant shall and may peaceably posses and enjoy the Demised Premises for the term hereby granted without hindrance, interruption or disturbance from the Landlord.

## ARTICLE XVI OFFSET STATEMENT, SUBORDINATION

## 16.01 Offset Statement

The Tenant shall, within fifteen (15) days after request therefore by the Landlord, or in the event that upon any sale, assignment or hypothecation of the Demised Premises an offset statement shall be required from the Tenant, deliver a certificate to any proposed purchaser or mortgagee, or to the Landlord certifying (if such be the case) that this Lease is in full force and effect that there are no defences or offsets thereto, or stating those claimed by the Tenant.

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## 17.01 Dispute Resolution

In the event that an issue related to the rent payable under or the interpretation of this Lease cannot be resolved by the Parties, either Party may refer the matter for resolution using the following procedures:

(a) Either Party may provide written notice ("Dispute Notice") to the other of an unresolved issue.

(b) Representatives designated by each of the Parties must meet within seven (7) business days after delivery of a Dispute Notice. The purpose of the meeting will be to develop an action plan that can be presented to the Parties within seventeen (17) business days after delivery of a Dispute Notice.

(c) If the action plan fails to resolve the issue within twenty one (21) business days after delivery of the Dispute Notice, on the twenty-second (22<sup>nd</sup>) business day after delivery of the Dispute Notice the issue shall be escalated to the Presidents of the Parties.

(d) If the Presidents of the Parties fail to resolve the issue within seven (7) business days after the day on which it was referred to them, then it is the joint responsibility of the Presidents of each Party to escalate the issue, and the corresponding documentation, to the Board of Directors of Entegrus Inc. for final deliberation and resolution. The Parties hereby agree to abide by any such resolution.

(e) If the resolution is in favour of the Landlord, then the Landlord may apply any late charges associated with rent payments postponed due to the invocation of this dispute resolution process.

## ARTICLE XVIII MISCELLANEOUS

## 18.01 Short Form Lease

The Tenant shall not register this Lease in this form but if the Tenant desires to register notice of this Lease, then the parties hereto shall execute a short form solely for the purpose of registration if requested by the Tenant.

#### 18.02 Notices

Any notice, demand, request or other instrument which may be or are required to be given under this Lease shall be delivered in person, or mailed by prepaid registered mail and shall be addressed (a) if to the Landlord at the address first herein given or at such other address as the Landlord may designate by written notice and (b) if to the Tenant at the Demised Premises are at such other address as the Tenant may designate in writing. Any such notice, demand, request or other instrument shall conclusively by deemed to have been received on the date of such personal service or on the third day following the date of posting in the case of mailing, as aforesaid.

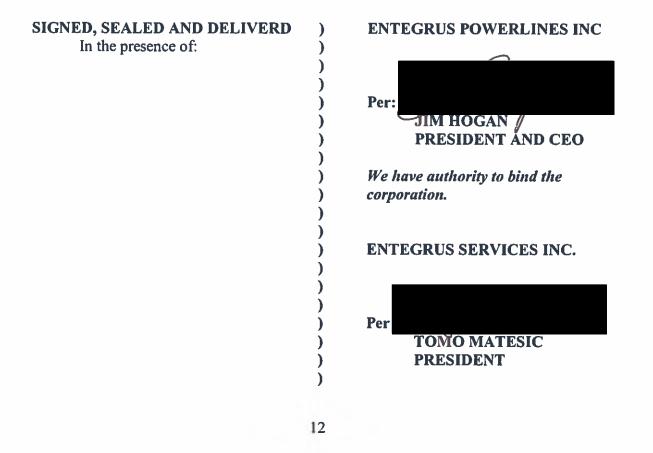
18.03 Waiver

The waiver by the Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by the Landlord, unless such wavier be in writing and signed by the Landlord.

# 18.04 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly rent stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any cheque or any letter accompanying any cheque or payment of rent be deemed on accord and satisfaction and the Landlord may accept such cheque or payments without prejudice to the Landlord's right to recover the balance of such rent to pursue any other remedy in this Lease provided.

IN WITNESS WHEREOF the Landlord hereto has caused to be affixed its corporate seal duly attested to by the hands of its proper signing officers in that behalf and the Tenant has hereunder set his hand and seal



Reference: D

# LEASE

**THIS AGREEMENT** is deemed to take effect as and from the 1<sup>st</sup> day of January, 2017.

IN PURSUANCE OF THE SHORT FORMS OF LEASES ACT.

Between:

**ENTEGRUS POWERLINES INC.** 

Hereinafter called the "LANDLORD",

OF THE FIRST PART,

-and-

## ENTEGRUS TRANSMISSION INC.,

Hereinafter called the "TENANT",

## OF THE SECOND PART.

(collectively "PARTIES" and individually a "PARTY")

## **RECITALS**

- A. The Landlord is the owner in fee simple of the land and premises more particularly described in paragraph 1.01 hereof.
- B. The Tenant is desirous of leasing and the Landlord has consented to lease to the Tenant the said land and premises upon the terms and conditions hereinafter contained.

**NOW THEREFORE WITNESSETH** that in consideration of the premises herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are respectively acknowledged and confirmed by each of the parties hereto, the parties hereto mutually covenant, promise, agree, warrant and undertake as follows.

## ARTICLE I GRANT AND TERM

## **1.01** *Demised Premises*

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and preformed, the Landlord doth demise and lease unto the Tenant that certain part or portion of lands and premises known municipally as 320 Queen Street, Chatham, Ontario, N7M 5K2 at a cost of \$16.87 per square foot, as follows:

- a) The President, such space comprising approximately 234 square feet = \$3,948
- b) Less than one (1) percent share of the hallway, washrooms and lunchroom in the center portion of the existing building in common with employees of the Landlord; such space comprising approximately 17 square feet = \$288.
- c) The lawns, gardens and parking area located adjacent to the existing building in common with employees of the Landlord;
- d) The parties agree that the rear portion of the existing building, being the garage and workshop area, the shed located to the side of the existing building and the fenced parking and storage yard does not form part of the Demised Premises.
- e) Total Cost For 2017 = \$4,236.

### 1.02 Term

To have and to hold the Demised Premises, unless such term shall be sooner terminated as hereinafter provided, for and during the term of one (1) year to be completed from and inclusive of the 1<sup>st</sup> day of January, 2017 and from thenceforth next ensuing and fully to be completed and ended on the 31<sup>st</sup> day of December, 2017, provided always and it is mutually agreed that at the end of the term or any deemed renewal of this Lease the term shall automatically be extended for a further year unless at least six (6) months before the end of the term or any anniversary thereof either the Landlord or Tenant shall give to the other a notice terminating this Lease at the end of the term.

## ARTICLE II RENT

#### 2.01 Amount of Rent

The Tenant covenants and agrees to pay to the Landlord, its successors and assigns, or as the Landlord may in writing direct, in lawful money of Canada at par in Chatham, Ontario, without any set-off or deduction whatsoever as annual rent, subject to the increases hereinafter provided for, the sum of \$4,236 per annum, which shall be payable in advance, in equal monthly instalments of \$353 each on the first day of each and every month during the term hereby granted or any renewal or extension thereof.

#### 2.02 Past Due Rent and Additional Charges

If the Tenant shall fail to pay when the same are due and payable, any rent or additional charges due under this Lease, such unpaid amounts shall bear interest from the due date thereof to the date of payment of the rate of one per cent (1%) per month.

#### 2.03 Place of Payment

All payments required to be made by the Tenant under or in respect of this Lease shall be made to the Landlord at 320 Queen Street, Chatham, Ontario, N7M 5K2, or to such agents of the Landlord or at such place as the Landlord shall hereinafter from time to time direct in writing to the Tenant.

### ARTICLE III TAXES

#### 3.01 Business and Personal Property Tax

Tenant shall pay all taxes, rates, charges and licenses fees assessed, levied or imposed in respect of the personal property business or income of the Tenant as and when the same become due and payable.

### 3.02 Tax On Rents

In the event that any Federal, Provincial, Municipal or other governmental authority shall impose or assess any tax, levy, or other charge on or against all or any part of the rentals and/or charges paid or to be paid by the Tenant under the terms of this Lease, and Landlord is required to collect from the Tenant and/or pay such tax, levy on charge to such authority, the Tenant shall, within ten (10) days from written demand therefore, pay to or reimburse the Landlord (as the case may be) all such charges as may be imposed or assessed which, for the purposes of this Lease, shall be deemed to be due from the Tenant as additional charges; it being the intention of the parties hereto that the rents payable hereunder shall be paid to the Landlord absolutely net, without deduction of any nature whatsoever, except as in this Lease otherwise expressly provided; provided, the Tenant shall not be required to pay any estate, inheritance, succession, transfer, income or similar taxes which may be payable by the Landlord.

#### 3.03 Land Taxes

During the term herein granted, or any renewal or extension thereof, the Landlord shall, pay and discharge as the same become due and payable all taxes (including local improvement rates) rates, duties, and assessments that may be levied, rated, charged or assessed against the Demised Premises, or any fixtures or chattels situate thereon, or any part thereof by any Municipal, Provincial, Parliamentary, school or other body during the term hereby demised, including without being limited to every tax, charge, rate, assessment or payment which may become a charge or encumbrance or levied upon or collected in respect of the Demised Premises or any part thereof (herein collectively called the "land taxes").

# ARTICLE IV USE, WASTE, NUISANCE, GOVERNMENTAL REGULATIONS

## 4.01 Conduct of Business

Tenant shall conduct Tenant's business in the Demised Premises and occupy the Demised Premises in a proper, reputable manner, shall keep the Demised Premises in a clean and tidy condition, shall not bring thereon any machinery, equipment, article or thing that might damage the same, shall not overload the floors, and shall not permit garbage, waste or objectionable material to accumulate on or neat the Demised Premises.

### 4.02 Waste or Nuisance

The Tenant shall not use or permit the Demised Premises to be used or occupied for any unlawful purpose, or commit or suffer to be committed any waste upon the Demised Premises, or do or permit to be done anything the doing or omission of which shall be or result in a nuisance or which may disturb the quiet enjoyment of any neighbouring properties, tenants or tenements.

### 4.03 Governmental Regulations

The Tenant shall, at the Tenant's expense, faithfully observe and promptly comply with all the requirements of Federal, Provincial, Municipal and other applicable governmental authorities, and all applicable orders, rules and regulations of the Canadian Fire Underwriters Association, or any other body having similar functions, now in force, or which may hereafter be in force, pertaining to the Demised Premises, and likewise observe and comply with the requirements of all policies of public liability fire and other insurance now in force, or which may hereafter be in force with respect to the Demised Premises and any equipment used in connection therewith.

# ARTICLE V UTILITIES

### 5.01 Utility Charges

The Landlord shall be solely responsible for and pay as the same become due respectively all charges for heat, water, gas, electricity, telephone, or any other utility used or consumed in the Demised Premises and all charges for any utility service supplied to the Demised Premises. The Landlord shall not be liable for any interruption or failure in the supply of any such h utilities to the Demised Premises.

The Tenant shall pay for Tenant's cell phone and after hours answering services and usage.

## ARTICLE VI MAINTENANCE AND REPAIRS

### 6.01 *Condition of the Demised Premises*

Tenant acknowledges that the Tenant has inspected and is familiar with the physical attributes and conditions of the Demised Premises at the date hereof and that the Landlord has made no representation or warranties of whatsoever nature or kind with respect to the same other than those which are expressly set forth in this Lease. Except as provided in paragraph 6.02 hereof the Landlord shall not be liable for any latent or patent defects in the building or for the existence of any other circumstances or condition not expressly represented or warranted in this Lease, and in particular, the Landlord shall not be responsible for any want of repair of the building.

#### 6.02 Maintenance and Repairs

The Landlord shall, at the Landlord's expense maintain and keep the Demised Premises and every part thereof (including all plate glass and other glass and equipment not or hereafter installed or placed therein or thereon) in good, substantial repair and condition, both interior and exterior, (reasonable wear and tear, damage by fire, lightning, tempest, structural defects, vis major, act of the Queen's enemies, riot, mob violence, civil commotion, earthquake, structural, latent or inherent defect only excepted, provided that the same are not insured against), and to promptly make all needed repairs and replacement of a quality and kind at least equal to the original, including without being limited to the roof, foundations, outside walls, partitions, drains, pipes, electrical wiring and fixtures, including lamps, heating and air-conditioning plant and equipment and all other machinery, facilities and equipment belonging to and used in connection with the Demised Premises.

Provided however that Tenant shall pay for interior painting, decorating, carpet, ceiling tile and alteration of partitions.

### 6.02.1 Insect Control

The Landlord shall engage the services of and pay the cost of a competent

pest control firm to treat the Premises as required to control insects.

# 6.03 Surrender or Demised Premises at End of Term

Upon the expiration of this Lease, the Tenant shall surrender the Demised Premises to the Landlord in a condition comparable to that in which they were delivered to the Tenant at the commencement of the term hereof, subject to alterations to the Demised Premises by the Tenant, reasonable wear and tear and damage by fire, lightning, tempest, structural defects, vis major, act of the Queen's enemies, riot, mob violence, civil commotion, earthquake, structural, latent or inherent defect or by reason of any explosion, accident or agency not the result of some negligent act or omission of the Tenant, Tenant's employees, invitees or contractors only excepted.

# 6.04 Tenant's Further Obligation to Repair

The Landlord, at the Landlord's expense shall keep and maintain in good repair and condition any curbs, sidewalks, lawns, gardens and parking areas, in, on, or adjoining the Demised Premises in good repair and condition and to keep the same clean and free of dirt, rubbish, ice and snow.

## 6.05 Janitorial Services

The parties agree that the janitorial contractor, shall be paid on the following basis:

- a) by the Landlord for the areas described in Article 1.01;
- b) by the Landlord for the exterior of the building;
- c) by the Tenant for any additional cleaning required by the Tenant.

## ARTICLE VII ACCESS BY LANDLORD

# 7.01 Right of Entry

The Landlord and the Landlord's agents shall have the right to enter the Demised Premises at reasonable times upon 24 hours prior written notice, to inspect the same, and in the event an inspection reveals any maintenance work or repairs are necessary and required by this Lease to be done by the Tenant, the Landlord shall give the Tenant notice in writing and thereupon the Tenant shall, within a reasonable time after receipt thereof, do such maintenance work or make necessary repairs or replacements in a good and workmanlike manner and if the Tenant shall fail to so do, the Landlord and its contractors, agents or workmen shall be allowed to take all material into and upon the Demised Premises and do such maintenance work or made such repairs or replacements, and the rent reserved shall in no way abate while the said maintenance work, repairs or replacements are being made. The Landlord shall not be liable for any inconvenience, disturbance, loss of business or other damage resulting therefrom.

### 7.02 Access

During the month prior to the expiration of the term of this Lease, or any renewal term, the Landlord may exhibit the Demised Premises to prospective tenants or purchasers at reasonable times on 24 hours prior written notice and place upon the Demised Premises the usual notice "To Let" or "For Sale", which notices the Tenant shall permit to remain thereon without molestation.

# ARTICLE VIII INSURANCE AND INDEMNITY

# 8.01 Fire Insurance and other Risks

The Landlord shall, at the Landlord's expense, keep all buildings, improvements, equipments, fixtures, motors, machinery and equipment in or upon the Demised Premises (other than the Tenant's trade fixtures and equipment) insured against loss or damage by fire and such other perils as the Landlord may reasonably require to be insured against and which similar properties are usually insured against in the Province of Ontario by prudent owners, including without being limited to fire, lightning, windstorm, hail, explosion, riot, civil commotion, damage from air-craft and vehicles and smoke damage in an amount equal to the full insurable value.

# 8.02 Liability Insurance

The Tenant shall also, at the Tenant's expense, keep in full force and effect a policy of general public liability insurance with respect to the Demised Premises and the business conducted by the Tenant protecting against claims for personal injury, death and property damage in which the limits shall be not less than Two Million Dollars (\$2,000,000.00). A copy of the policy or a certificate of insurance shall be delivered to the Landlord.

#### 8.03 Indemnification of Landlord

The Tenant will indemnify and save harmless the Landlord from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Demised Premises or any part thereof occasioned wholly or in part by any act or omission of the Tenant, or the Tenant's agents, contractors, employees or servants.

# ARTICLE IX DAMAGE AND DESTRUCTION

#### 9.01

# **Total and Partial Destruction**

If the Demised Premises are wholly or partly damaged or destroyed by fire

or any other cause this Lease shall remain in full force and effect with an abatement of rent and the Landlord shall promptly repair, restore and rebuild the same as nearly as possible to the condition they were in immediately prior to such damage or destruction.

# ARTICLE X ADDITIONS, ALTERATIONS, FIXTURES

#### 10.01 Consent of Landlord

The Tenant shall not make any structural alterations or additions to the Demised Premises without the prior consent of the Landlord, which consent shall not be unreasonably or arbitrarily withheld. If structural alterations become necessary because of the application of the laws or governmental regulations to the business conducted by the Tenant, the Tenant shall make such alterations or additions, at the Tenant's expense, after all necessary municipal and other governmental permits and authorizations have been obtained. Such alterations or additions shall be completed in a good and workmanlike manner and within reasonable time and the same shall be in compliance with the building and zoning by-laws of the municipality in which the Demised Premises are situated and with all federal, provincial and municipal by-laws and regulations of the Canadian Underwriters Association or any other body successor thereto.

# 10.02 Fixtures

The Tenant may remove its fixtures so long as all rent and other sums due or to become due hereunder are fully paid and so long as the Tenant does not remove or carry away from the Demised Premises any part of the building or any plumbing, heating, electrical or ventilating plant or equipment or other building services and so long as the Tenant repairs any damage caused by such removal. Provided, however, that all electric light fixtures, alterations, additions and improvements to the Demised Premises which in any manner are or shall be attached to the walls, floors, or ceilings or any linoleum tile, carpet or similar floor covering which may be cemented or otherwise affixed to the floor of the Demised Premises or any panelling or other covering affixed to the walls thereof shall remain upon the premises and become the property of the Landlord at the expiration or other termination of the Lease.

# 10.03 Construction Liens

The Tenant shall not suffer or permit any construction liens for work, labour, services or materials ordered by the Tenant or for the cost of which the Tenant may in any way be obligated, to attach to the building or the Demised Premises and whenever any such lien shall attach or a claim therefore, shall be registered, the Tenant shall, within twenty (20) days after the Tenant has notice of the claim for lien, procure the discharge thereof by payment or by giving security or in such other manner as is or may be required or permitted by law.

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# ARTICLE XI DEFAULT OF TENANT

#### 11.01 Proviso For Re-entry

Proviso for re-entry by the Landlord on non-payment of rent or nonperformance of covenants; and in case, without consent of the Landlord, the Demised Premises shall become and remain vacant or not used to a period of thirty (30) days while the same are suitable for use by the Tenant or be used by any other person than the Tenant or taken in execution or in attachment by any credit of the Tenant or the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any act now or hereafter in force for bankrupt or insolvent debtors or any other shall be made for the winding-up of the Tenant, then and in every such case the then current month's rent and the next ensuing three (3) month's rent shall immediately become due and payable and at the option of the Landlord, this Lease shall cease and terminate and the said term shall immediately become forfeited and void, in which event the Landlord may re-enter and take possession of the Demised Premises as though the Tenant or any occupant or occupants of the Demised Premises was or were holding over after the expiration of the term without any right whatever.

#### 11.02 Distress

Notwithstanding the benefit of any present or future statute taking away or limiting the Landlord's right of distress none of the goods and chattels of the Tenant on the Demised Premises at any time during the same term shall be exempt from levy by distress for rent in arrears.

### **11.03** Tenant's Chattels

Provided that in the case or removal by the Tenant of the goods and chattels of the Tenant from off the premises, the Landlord may follow the same for thirty (30) days in the same manner as is provided for in the Commercial Tenancies Act.

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#### 12.01 Consent Required

The Tenant shall not assign this Lease or sublet the whole or any part of the Demised Premises save to the purposes herein permitted and then only with the proper written consent of the Landlord in each instance which consent shall not be unreasonable or arbitrarily withheld. Notwithstanding any assignment or sublease, the Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this lease.

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Subject to the provisions of paragraph 1.02 herein, if upon the termination of this Lease or any renewal thereof for any reasons whatsoever the Landlord permits the Tenant to remain in possession of the Demised Premises and accepts rent in respect thereto, a tenancy from year to year shall not be created by implication of the law, but the Tenant shall be deemed to be a monthly tenant only subject in all respects to the provisions of this Lease.

# ARTICLE XIV TERMINATION

### 14.01 *Termination*

The Lease herein contained shall be terminated at the option of the Landlord, on the happening of any of the following events:

(a) The expiration of the term herein granted or any deemed renewal Thereof;

- (b) The death, bankruptcy or insolvency of the Tenant;
- (c) The breach by the Tenant of any of it's covenants herein contained;

(d) The Tenant being in default of any payment hereunder in excess of thirty (30) days from the due date for such payment (notwithstanding any other provision otherwise herein contained);

(e) By mutual agreement of the parties hereto under memorandum in writing signed by both the Landlord and the Tenant;

(f) A decision by the Landlord, in the second year of the Term to sell the Demised Premises, upon six months prior notice in writing to the Tenant, whereupon this Lease shall terminate on the completion date of Such sale.

Provided however that the Tenant shall have a right of first refusal in any sale by the Landlord.

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### 16.01 Offset Statement

The Tenant shall, within fifteen (15) days after request therefore by the Landlord, or in the event that upon any sale, assignment or hypothecation of the Demised Premises an offset statement shall be required from the Tenant, deliver a certificate to any proposed purchaser or mortgagee, or to the Landlord certifying (if such be the case) that this Lease is in full force and effect that there are no defences or offsets thereto, or stating those claimed by the Tenant.

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(a) Either Party may provide written notice ("Dispute Notice") to the other of an unresolved issue.

(b) Representatives designated by each of the Parties must meet within seven (7) business days after delivery of a Dispute Notice. The purpose of the meeting will be to develop an action plan that can be presented to the Parties within seventeen (17) business days after delivery of a Dispute Notice.

(c) If the action plan fails to resolve the issue within twenty one (21) business days after delivery of the Dispute Notice, on the twenty-second (22<sup>nd</sup>) business day after delivery of the Dispute Notice the issue shall be escalated to the Presidents of the Parties.

(d) If the Presidents of the Parties fail to resolve the issue within seven (7) business days after the day on which it was referred to them, then it is the joint

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responsibility of the Presidents of each Party to escalate the issue, and the corresponding documentation, to the Board of Directors of Entegrus Inc. for final deliberation and resolution. The Parties hereby agree to abide by any such resolution.

(e) If the resolution is in favour of the Landlord, then the Landlord may apply any late charges associated with rent payments postponed due to the invocation of this dispute resolution process.

# ARTICLE XVIII MISCELLANEOUS

# 18.01 Short Form Lease

The Tenant shall not register this Lease in this form but if the Tenant desires to register notice of this Lease, then the parties hereto shall execute a short form solely for the purpose of registration if requested by the Tenant.

#### 18.02 Notices

Any notice, demand, request or other instrument which may be or are required to be given under this Lease shall be delivered in person, or mailed by prepaid registered mail and shall be addressed (a) if to the Landlord at the address first herein given or at such other address as the Landlord may designate by written notice and (b) if to the Tenant at the Demised Premises are at such other address as the Tenant may designate in writing. Any such notice, demand, request or other instrument shall conclusively by deemed to have been received on the date of such personal service or on the third day following the date of posting in the case of mailing, as aforesaid.

#### <u>18.03</u> Waiver

The waiver by the Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by the Tenant of any term, covenant or condition of this Lease, other than the failure of the Tenant to pay the particular rent so accepted, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by the Landlord, unless such wavier be in writing and signed by the Landlord.

# 18.04 Accord and Satisfaction

No payment by the Tenant or receipt by the Landlord of a lesser amount than the monthly rent stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any cheque or any letter accompanying any cheque or payment of rent be deemed on accord and satisfaction and the Landlord may accept such cheque or payments without prejudice to the

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Landlord's right to recover the balance of such rent to pursue any other remedy in this Lease provided.

IN WITNESS WHEREOF the Landlord hereto has caused to be affixed its corporate seal duly attested to by the hands of its proper signing officers in that behalf and the Tenant has hereunder set his hand and seal

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SIGNED, SEALED AND DELIVERD In the presence of:

ENTE	SIM HOGAN
Per:	PRESIDENT AND CEO
We ha	ive authority to bind the
corpor	ration.
ENTE INC.	GRUS TRANSMISSION
Per	TOMO MATESIC PRESIDENT

THIS LEASE made the 18 day of Noveman 2013.

BETWEEN

# THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT

(the "Landlord")

AND

#### ENTEGRUS POWERLINES INC.

(the "Tenant")

AND

# THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT PUBLIC UTILITES COMMISSION

(the "PUC")

WHEREAS the Landlord is the owner of the municipal sewage treatment plant on the Subject Property hereinafter described.

AND WHEREAS the PUC operates the sewage treatment plant on the Lands on behalf of the Landlord.

AND WHEREAS the Tenant wishes to construct a methane burning electricity generation facility (the "Biogas Facility") on a portion of the Subject Property (the "Lands") of the Landlord.

AND WHEREAS the Tenant has obtained from the Ontario Power Authority a contract for the sale of the electricity generated by the Biogas Facility under the Feed In Tariff Program (the "FIT Contract").

AND WHEREAS the Landlord has agreed to lease to the Tenant the Lands and certain

equipment of the Landlord hereinafter defined as the "Landlord's Equipment" to allow for the construction and operation by the Tenant of the Biogas Facility in accordance with the term hereinafter set forth.

# WITNESSETH THAT THE PARTIES AGREE AS FOLLOWS:

#### Article 1 - Basic Terms, Definitions

#### 1.1 Basic Terms

- (a) Landlord: Corporation of the Municipality of Chatham-Kent Public Address: 315 King Street, Chatham, Ontario
- (b) Tenant: Entegrus Powerlines Inc.Address: 320 Queen Street, Chatham, Ontario
- (c) Lands: the lands illustrated in Schedule "A", legally described in Schedule "B" and municipally known as 100 Irwin Street, Chatham, Ontario
- (d) Area of the Lands: approximately acres outlined in red on Schedule "A"
- (e) Construction Period: period from beginning of construction until the Commercial Operation Date Term: 20 years, subject to Section 2.2 Commencement Date: November 17, 2013 End of Term: November 16, 2033, subject to Section 2.2
- (f) Rent: the sum calculated as set out in Section 4.1
- (g) Permitted Use (Section 8.1): Biogas Facility
- (h) Extension Rights, if any: set out in Section 2.2
- (i) Schedules forming part of this Lease:

Schedule "A", Sketch of Lands Schedule "B", Legal Description Schedule "C", Landlord's Equipment Schedule "D", Initial Plans Schedule "E", the FIT Contract and Assignment to Tenant Schedule "F", Costs of Operation

### **1.2 Definitions**

In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

(a) "Additional Rent" means all sums of money or charges required to be paid by the Tenant under this Lease (except Rent and Rental Taxes) either to the Landlord or otherwise including, without limitation, payment of Realty Taxes and charges for water, gas, electricity, telephone and other utilities and other charges which may give rise to a lien upon the interest of the Landlord in the Lands, whether or not the same are designated as "Additional Rent";

- (b) "Business Day" means a day other than a Saturday, Sunday or other day which is a statutory holiday in the province in which the Lands are located;
- (c) "Capital Taxes" means any tax or taxes levied against the Landlord and any owner of the Lands by any governmental authority having jurisdiction (including, without limitation, the "large corporations tax," imposed under the *Income Tax Act* (Canada) and the tax imposed under any applicable provincial corporate tax legislation) based upon or computed by reference to the paid-up capital or place of business of the Landlord or any owner of the Lands or the taxable capital employed in Canada by the Landlord or any owner of the Lands as determined for the purposes of such tax or taxes;
- (d) "Costs of Operation" has the meaning set out in Schedule "F" hereto;
- (e) "Commencement Date" means the Commercial Operation Date;
- (f) "Commercial Operation Date" means November 17, 2013;
- (g) "Construction Period" means the period specified in Section 1.1(e);
- (h) "Event of Default" has the meaning set out in Section 12.1;
- (i) "FIT Contract" means the FIT Contract and assignment of the same as set out in Schedule "E" hereto;
- (j) "Improvements" means all buildings, fixed improvements, structures and other installations located on, in or under any portion of the Lands at any time throughout the Construction Period and the Term, including chattels, equipment and machinery owned by the Tenant and including any additions, substitutions, alterations or replacements thereto or thereof;
- (k) "Initial Improvements" means the initial Improvements to be constructed by the Tenant in accordance with the Initial Plans as the same may be amended in accordance with Section 6.4 and other terms hereof;
- "Initial Plans" means the initial conceptual plans for the Initial Improvements as prepared by the Tenant's Consulting Engineer and approved by the Landlord prior to the date of execution hereof, which Initial Plans are listed in Schedule "D";
- (m) "Initiating Party" has the meaning set out in Section 13.2;

- (n) "Lands" means the lands identified in Section 1.1(c) and having the area as set out in Section 1.1(d) and as outlined in red on Schedule "A";
- (o) "Landlord's Equipment" means the equipment of the Landlord as set out in Schedule "C" hereto.
- (p) "Lease" means this lease, as amended from time to time;
- (q) "Mortgage" means any mortgage or other security against the Lands and/or the Landlord's interest in this Lease, from time to time;
- (r) "Mortgagee" means the holder of any Mortgage from time to time;
- (s) "Realty Taxes" means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the date hereof, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Lands or its interest therein, but specifically excluding any taxes assessed upon the income of the Landlord;
- (t) "Rent" means the Rent as provided by Article 4;
- (u) "Rental Taxes" means any and all taxes or duties imposed upon the Landlord or the Tenant, measured by or based in whole or in part upon the Rent payable under the Lease, whether existing at the date of this Lease or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, harmonized sales tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (v) "Responding Party" has the meaning set out in Section 13.2;
- (w) "Subject Property" means the property of the Landlord at 100 Irwin Street, Chatham, Ontario illustrated in Schedule "A" and legally described in Schedule "B" hereto;
- (x) "Substantial Breach" means any breach which would cost at least \$20,000 to cure;

- (y) "Substantial Default" means:
  - (i) a Substantial Breach of an obligation arising from the construction obligations in Article 6, the compliance with laws obligations in Section 8.2;
  - (ii) a breach of an obligation which has resulted in cancellation of insurance coverage where the Tenant has not, prior to or concurrent with such cancellation, replaced such coverage with comparable coverage, or a breach of an obligation where there has been a notice of cancellation of insurance coverage which has not been cured and where the Tenant has not, within the period of time set out in such notice (or within ten (10) days where no period is set out therein), replaced such coverage with comparable coverage or which is otherwise a Substantial Breach of the obligations respecting insurance;
  - (iii) a failure to discharge a lien on the Lands unless the Tenant is contesting the same pursuant to Section 7.5; or
  - (iv) assigning, subletting or changes in corporate ownership contrary to the terms of Article 10;
- (z) "Substantially Completed" means the date that the contract(s) pursuant to which any work to be carried out by the Tenant are to be completed have been substantially performed as defined in the *Construction Lien Act* (Ontario) and, in the case of the construction of the Initial Leasehold Improvements, the Tenant's Consulting Engineer has also certified to the Landlord that:
  - (i) all work of a structural nature and all services to the building have been properly completed;
  - (ii) all base building equipment and services, including elevators, heating and airconditioning systems and utilities, have been completed and are operating properly and available for connection by tenants and all lobbies, stairwells and other areas intended for the common use of tenants are completed except for work of a decorative or superficial nature, which is both minor in character and of a type which, owing to the likelihood of damage, is reasonably to be deferred until the Initial Improvements are partially or substantially occupied by the Tenant;

- (iii) all building by-laws and other regulations have been complied with and all necessary permits for occupancy will be available on completion of tenant improvement work;
- (iv) all rentable space is completed for occupancy by the Tenant, except for (such as painting and the installation of lighting fixtures, dividing partitions and lessee's fixtures) and other work which is reasonably and customarily allocated to lessees to complete;
- (v) all areas are clean and all surplus building material and rubbish is removed; and
- (vi) the Initial Improvements have been completed in all material respects in a good and workmanlike manner in accordance with the Initial Plans, except for any requirements of the Initial Plans which have been waived or varied by the Landlord in writing, except for any items that cannot be completed due to seasonal conditions and except for faults and defects which, in the opinion of the Tenant's Engineering Consultant, are minor and the correction of which is adequately assured;
- (aa) "Tenant's Engineering Consultant" means Lawrence Lighter P.ENG. of CEM Engineering, the engineering consultant responsible for supervising the construction of the Initial Improvements as hereinafter defined, or from time to time any other engineer as the Tenant may appoint in substitution, with the written approval of the Landlord, who shall be an engineer duly qualified in the province in which the Lands are located and a member in good standing of the provincial association of engineers;
- (bb) "Term" means the period specified in Section 1.1(e) and, where the context requires, any renewal or extension as set out in Section 2.2 or overholding thereof as set out in Section 2.4; and

#### Article 2 - Demise and Term

#### 2.1 Demise

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant, and the Tenant rents from the Landlord, the Lands and the Landlord's Equipment.

### 2.2 Term

(a) The Term shall commence on the Commencement Date, run for the period set out in Section 1.1(e), and end on the date set out in Section 1.1(e), unless terminated earlier pursuant to the provisions of this Lease.

(b) The Tenant shall have the right to extend the Term for two additional periods of 10 years each (the "Extended Term(s)") by notice in writing given to the Landlord not less than 2 months prior to the expiration of the initial Term of the Lease or to the Extended Term, as the case may be, on the same terms and conditions as contained in this Lease.

### 2.3 Construction Period

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The Tenant shall carry out the construction of the Initial Improvements during the Construction Period in accordance with the provisions of Article 6 hereof save and except for the Tenant's obligations to pay Rent and Additional Rent, the provisions of this Lease shall apply during the Construction Period.

#### 2.4 Overholding

If, at the expiration of the initial Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Lands without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (1) month's notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred and fifty percent (150%) of the monthly installment of Rent payable during the last year of the Term and one-twelfth (1/12) of all Additional Rent charges provided for herein, determined in the same manner as if this Lease had been renewed, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

### 2.5 Landlord's Representations and Warranties

The Landlord represents and warrants that, as of the start of the Construction Period:

(a) it has good title in fee simple to the Lands, free from all encumbrances;

#### Article 3 - Payment of Rent

#### 3.1 Covenant to Pay, Net Lease

The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that this is a net and carefree lease and that the Rent provided to be paid shall be net to the Landlord and clear of all taxes, costs and charges arising from or relating to the Lands, and that the Tenant shall pay as Additional Rent all charges, impositions and expenses of every nature and kind relating to the Lands and Landlord's Equipment as if it were an owner thereof (except the Landlord's income taxes, debt service on any Mortgage and except as otherwise specifically provided) in the manner hereinafter provided, and the Tenant hereby covenants with the Landlord accordingly.

# 3.2 Rental Taxes

- (1) The Tenant shall pay to the Landlord the Rental Taxes assessed upon:
- (a) the Rent;
- (b) the Landlord; and/or
- (c) the Tenant, pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof.

(2) The Rental Taxes shall not be deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as though they were Additional Rent.

#### Article 4 - Rent

# 4.1 Rent

The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever, all Additional Rent hereunder and all Costs of Operation of the Biogas Facility. The Additional Rent, Rental Taxes, Capital Taxes and the Costs of Operation shall be paid from and deducted from the payments made by the Ontario Power Authority for the electricity purchased from the Tenant pursuant to the FIT Contract (the "Electricity Purchase Payments"), together with all income taxes or payments in lieu of taxes resulting from such Electricity Purchase Payments. The remaining amount after the payment of the Initial Rent, Rental Taxes, Capital Taxes, Costs of Operation and income taxes or payment in lieu of taxes arising from the Electricity Purchase Payments. The Tenant shall pay monthly to the Landlord for Rent an amount equivalent to one half of the Net Electricity Purchase Payments within 10 days after the receipt of the Electricity Purchase Payments from the Ontario

Power Authority. In the event that in any month of the Term the Additional Rent, Rental Taxes, Capital Taxes, Costs of Operation and income taxes or payments in lieu of taxes applicable to the Electricity Purchase Payments, exceed the Electricity Purchase Payments received by the Tenant in such month, (hereinafter a "Monthly Deficit"), then the Tenant and the Landlord shall each be responsible for paying one half of the said Monthly Deficit.

# Article 5 - Additional Rent

# **5.1** Additional Rent

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(1) In addition to the Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord or as otherwise provided in this Lease, in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs incurred and attributable to the Lands, Landlord's Equipment and Improvements:

- (a) all Realty Taxes levied, rated, charged or assessed on or in relation to the Lands and Biogas Facility;
- (b) all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Lands; and
- (c) all other sums, amounts, costs, cost escalations and charges specified in this Lease to be payable by the Tenant.

(2) All of the payments set out in this Lease (other than Rental Taxes) shall constitute Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not any payment is payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Rent.

#### **5.2 Realty Taxes**

The Tenant covenants to pay to the lawful taxing authorities, on or before the due date therefor, as Additional Rent, all Realty Taxes. The obligation of the Tenant to pay Realty Taxes shall commence as of the start of the Term, and shall be apportioned for the current taxation year between the Landlord and Tenant as at such date on a *per diem* basis. Upon the expiry or termination of this Lease, Realty Taxes during the taxation year of termination shall be similarly apportioned between the parties as at the termination date. If the Tenant fails to pay any Realty Taxes when due to the appropriate taxing authorities in situations where the Tenant (or persons on its behalf) is not contesting Realty Taxes in accordance with the provisions of Section 5.3, then the Landlord may itself, after notice to the Tenant as required herein, pay the Realty Taxes, and the amount paid by the Landlord on account of Realty Taxes shall be immediately repaid by the Tenant to the Landlord as Additional Rent under this Lease.

### 5.3 Contesting Realty Taxes

The Tenant shall have the right, in the name of the Landlord or otherwise, at the Tenant's expense, by appropriate proceedings conducted diligently and in good faith, to contest or apply for the reduction of the amount, legality or mode of payment of any Realty Taxes in respect of the Lands or any portion thereof or any assessments or valuations with respect thereto. The Landlord shall provide any consents, authorizations and other assurances as may be required in order for such Realty Taxes to be contested or such applications to be made and proceeded with. During the period of any *bona fide* contesting or application, the Tenant may defer the payment of Realty Taxes to the extent permitted under applicable legislation, and no default shall be deemed to have occurred in the Tenant's obligations to pay Realty Taxes by reason of such deferral. The Tenant shall be entitled to any rebate of any Realty Taxes unless such Realty Taxes have been paid by the Landlord in accordance with Section 5.2 and the Tenant has not reimbursed the Landlord.

# 5.4 Business and Other Taxes

In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, the following:

- (a) every tax, licence fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant on the Lands in respect of the use or occupancy of the Lands by the Tenant (other than such taxes as income, profits or similar taxes assessed upon the income of the Landlord); and
- (b) all Realty Taxes in respect of the Landlord's Equipment, Tenant's fixtures, Improvements, equipment or facilities on or about the Lands, and any Realty Taxes occurring as a result of any reason peculiar to the Tenant.

# 5.5 Capital Taxes

In each and every year during the Construction Period and the Term, the Tenant shall pay to the Landlord, as Additional Rent, the portion of the Capital Taxes that, in the Landlord's reasonable discretion, is attributable to the Lands, as if the Lands were the only property of the Landlord and/or any owner of the Lands and with any credits or exemptions available to the Landlord reasonably allocated by the Landlord among all properties to which such are applicable. Payment shall be due in equal monthly installments over each calendar year. Prior to the commencement of each calendar year, the Landlord shall estimate the amount of such equal monthly installments and notify the Tenant in writing of such estimate. From time to time during the year, the Landlord may re-estimate the amounts payable for such year, in which event the Landlord shall notify the Tenant in writing of such re-estimate and fix monthly installments for the remaining balance of such year.

#### 5.6 Utilities and Services

The Tenant shall be solely responsible for and shall promptly pay to the appropriate utility suppliers, as Additional Rent, all charges for water, gas, electricity, telephone telecommunications and other utilities and services used or consumed in, and any other charges levied or assessed on or in respect of or services supplied to, the Lands and Improvements. In no event is the Landlord liable for, nor has the Landlord any obligation with respect to, an interruption or cessation of or a failure in the supply of any utilities, services or systems in, to or serving the Lands or Improvements.

### Article 6 - Construction of Initial Improvements

#### 6.1 Tenant to Construct Initial Improvements

The Tenant shall construct and complete the Initial Improvements expeditiously and in good and workmanlike manner and in accordance with the Initial Plans and provisions of this Article 6.

# 6.2 Contracts for Construction of Initial Improvements

The Tenant shall submit to the Landlord for the Landlord's approval every construction contract which the Tenant proposes to enter into for the Initial Improvements, and shall not enter into any contract until approved by the Landlord, such approval not to be unreasonably withheld. The requirement for the Landlord's approval extends to the contractor, the terms of the contract and the indemnity, insurance and performance bonds to be given by the contractor, and in every case the Landlord shall promptly either give its approval or notify the Tenant of the reasons for such approval being withheld. The Tenant has the right to submit to the Landlord for its approval from time to time contracts affecting part of the work (such as contracts for excavation and foundations and contracts for structural steel work) as the contracts require to be let, and it is not necessary to let contracts for the entire work at the same time. All working drawings and specifications supplied to contractors shall be consistent with the Initial Plans.

# 6.3 Commencement of Construction of Initial Improvements

Before commencing excavation or any work on the Lands for the construction of the Initial Improvements, the Tenant shall have:

- (a) furnished to the Landlord proof of the insurance required by Section 6.5;
- (b) obtained the approval of the Landlord to and shall have entered into a construction contract for that part of the construction which is to be commenced; and
- (c) obtained from the contractor the indemnity, insurance and performance bonds required by the contract.

#### 6.4 Duties of Tenant in Construction

The Tenant shall perform and comply with the following covenants and requirements in the construction of the Initial Improvements:

- (a) the Initial Improvements shall be constructed in all respects in accordance with the Initial Plans, subject to such changes as may be required by governmental authorities or otherwise as approved in writing by the Landlord, such approval not to be unreasonably withheld or delayed;
- (b) all necessary building permits shall be obtained and all municipal by-laws and legal requirements pertaining to the conduct of the work shall be complied with;
- (c) the construction work shall be conducted expeditiously in a good and workmanlike manner and otherwise in accordance with the provisions of this Lease;
- (d) the Tenant, through the Tenant's Consulting Engineer, shall properly supervise the work;
- (e) any contractor engaged on the work shall be required to observe all provisions of its contract as approved by the Landlord, and to furnish and maintain all security, indemnity, insurance and performance bonds required by the contract;

- (f) the Landlord and its agents and consultants shall at all times have the right to inspect the work and to protest to the Tenant or the Tenant's Consulting Engineer any default or non-compliance with any construction contract or this Lease, and the Tenant shall forthwith deal with the protest and remedy any default or non-compliance;
- (g) the Landlord may require the Tenant, at its own expense, to submit at reasonable intervals certificates of the Tenant's Consulting Engineer as to the status of the work, the existence and extent of any faults or defects, the value of the work then done and to be done under any contract, the amount owing to any contractor and the amounts paid or retained by the Tenant on any contract, and the Tenant shall also, whenever requested by the Landlord, furnish copies of certificates furnished to it by contractors or by the Tenant's Consulting Engineer in connection with construction;
- (h) the Tenant covenants and agrees to deliver to the Landlord, from time to time as available, copies of the following in respect of the Initial Improvements:
  - soil tests;
  - (ii) Tenant's Consulting Engineer development plans and drawings;
  - (iii) consultants' reports;
  - (iv) applications to amend by-laws;
  - (v) site plan applications and approvals;
  - (vi) building permit applications;
  - (vii) building permits issued; and
  - (viii) all other documents or information pertaining to the development of the Initial Improvements in the possession or control of the Tenant; and
- (i) the Tenant shall promptly pay when due all proper accounts for work done or materials furnished under all contracts which it has entered into relating to the construction of the Initial Improvements, but this shall not prevent the Tenant from retaining any amounts claimed due which the Tenant's Consulting Engineer has not certified to be due, or which are properly and reasonably retained to secure the performance of any work or the correction of any defect or which, in the opinion of the Tenant's Consulting Engineer, are reasonably retained in anticipation of damages arising from any contractor's default, or which are required to be retained under the provisions of the Construction Lien Act

(Ontario).

### 6.5 Property and Liability Insurance During Construction

(1) The Tenant shall obtain or shall cause its contractor or contractors to obtain prior to the commencement of construction of the Initial Improvements, and shall maintain and keep in force until the insurance required under Article 9 has been obtained, Commercial General Liability protection against public liability and property damage in the amount of not less than \$5,000,000 naming the Landlord and the Tenant as additional insureds and:

- (a) protecting both the Tenant and the Landlord against claims for personal injury, death or property damage or other third party or public liability claims arising from any accident or occurrence upon, in or about the Lands and from any cause, including the risks occasioned by the construction of the Initial Improvements, and to an amount of not less than five million dollars (\$5,000,000) for any personal injury, death, property or other claims in respect of any one accident or occurrence. Coverage shall include a cross liability endorsement with a severability of interests clause, premises and operations liability, blanket contractual liability, products and completed operations liability, personal injury liability and non-owned automotible liability. The contractor shall maintain automobile liability insurance on all owned and leased automobiles to a limit of \$2,000,000 throughout the term of the construction project; and
- (b) protecting both the Tenant and the Landlord from loss or damage to the Initial Improvements and all fixtures, equipment, improvements and building materials on the Lands from time to time, both during and after construction (but which may be by policies obtained from time to time covering the risk during different phases of construction) against fire and extended perils under a standard extended form of fire insurance policy in such amounts

and on such terms and conditions as would be carried by a prudent owner of a similar project during construction to the full insurable value thereof at all times (to be computed upon a replacement cost basis with deduction only of the cost of excavation and foundations and of the value of building materials from time to time on the site but not incorporated in the Initial Improvements, and in any event in an amount sufficient to prevent the Landlord being deemed a co-insurer). (2) All the provisions of Article 9 respecting insurance which are of general application apply to the insurance during construction of the Initial Improvements required by this Section 6.5.

### 6.6 Landlord Consents and Assurances

Subject to the terms hereof, the Tenant shall have the right to develop and manage the Lands and Landlord's Equipment subject to compliance with all laws, by-laws and regulations of any kind, and the Landlord shall provide all consents, authorizations and approvals, and enter into all usual and necessary agreements as may be required for such purpose including as to any rezoning, variances and site plan approvals which are sought by the Tenant for the purpose of constructing and operating the Initial Improvements or other Improvements on the Lands, so long as the aforesaid do not result in any expense or obligation of the Landlord in respect of which the Landlord is not fully indemnified, and provided the Landlord has received from the Tenant such security, if any, for any such liability, which the Landlord, acting reasonably, determines is required, in such form, amount and at such times as the Landlord may reasonably require, and so long as the Improvements contemplated by such agreements are in compliance with the terms hereof.

#### Article 7 - Ownership, Maintenance and Repair

#### 7.1 Ownership of Improvements and Fixtures

(1) The Improvements are intended to be and shall become the absolute property of the Landlord upon the expiration or termination of the Lease, but shall be deemed, as between the Landlord and the Tenant during the Construction Period and the Term, to be the separate property of the Tenant and not of the Landlord, but subject to and governed by all the provisions of this Lease applicable thereto. The Landlord's absolute right of property in the Improvements which will arise upon the termination of this Lease takes priority over any other interest in the Improvements which may now or hereafter be created by the Tenant, provided that all dealings by the Tenant with the Improvements which in any way affect title thereto shall be made expressly subject to this right of the Landlord, and the Tenant shall not assign, encumber or otherwise deal with the Improvements separately from any permitted dealing with the leasehold interest under this Lease, to the intent that no person who does not at the same time hold a like interest in the Improvements shall hold or enjoy any interest in this Lease acquired from the

Tenant.

(2) The provisions of Section 7.1(1) shall not be construed to prevent the Tenant from conferring on lessees or occupants of the Improvements the right of property in, or the right to remove, fixtures or improvements which are of the nature of usual tenants' fixtures and normally removable by lessees, and which are not part of the structure or any essential part of the Improvements or any building services. The Tenant shall make good, or shall cause the lessees to make good, all damage to the Improvements or building services caused by any removal of the Tenant's fixtures.

(3) The Tenant shall, at or immediately before the expiration of the Term, remove its furniture, chattels and other usual tenants' fixtures not forming any part of the structure of the Improvements or any building services and, provided the Tenant is not in default, the Tenant may from time to time remove such tenants' fixtures in the ordinary course of its business or in the event of any Changes made pursuant to this Lease, provided that the Tenant shall, except upon the expiration of the Term, cause the Tenant's fixtures to be replaced with fixtures having a value and utility at least equal to that of the fixtures so removed, considering the need to replace obsolete or defective fixtures and to substitute improved fixtures, and the consequences of any reconstruction, changes and alterations to the Improvements.

(4) At the end of the Term the Tenant shall be entitled to receive from the Landlord an amount equivalent to one half of the liquidation value of the Biogas Facility.

#### 7.2 Maintenance and Repair of Lands and Improvements

The Landlord and the PUC shall, at the reasonable cost and expense of the Tenant, payable by the Tenant to the Landlord as Additional Rent, during the entire Term, oversee and monitor and keep in good order and condition the Lands, Landlord's Equipment, and Improvements, and the appurtenances and equipment thereof, both inside and outside, including, but not limited to, fixtures, walls, foundations, roofs, vaults, elevators and similar devices, heating and airconditioning equipment, sidewalks on the property, yards and area ways, water and sewer mains and connections, water, gas, electric and telecommunications facilities and conduits, and all other fixtures in and appurtenances to the Lands, Landlord's Equipment and Improvements and machinery and equipment used or required in the operation thereof, whether or not enumerated herein, and shall make any and all necessary repairs, replacements, substitutions, improvements and additions, ordinary or extraordinary, foreseen or unforeseen, structural or otherwise, subject to reasonable wear and tear, having regard to the size, age, location and character of the Lands, Landlord's Equipment and Improvements and force majeure as set out in Section 14.1. Such repairs shall be completed in a good and workmanlike manner and in all respects consistent in quality and workmanship appropriate for a similar project in the vicinity, and shall meet the requirements of municipal and governmental regulations and the fire insurance underwriters. **7.3** Inspection by Landlord

The Landlord, its servants, agents and contractors shall be entitled to enter upon the Lends, Landlord's Equipment and Improvements at any time during normal business hours, on reasonable prior notice, for the purpose of inspecting the Lands and Improvements. The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord shall take reasonable precautions and attempt to schedule such inspections so as not to unreasonably interfere with the Tenant's use and enjoyment of the Lands, Landlord's Equipment and Improvements.

#### 7.4 Waste, Nuisance

The Tenant shall not commit or suffer any waste or injury to the Lands and Improvements or any part thereof save and except any demolition and alteration respecting the Improvements on the Lands as herein permitted, and shall not use or occupy or permit to be used or occupied the Lands and Improvements or any part thereof so as to constitute a nuisance or for any illegal or unlawful purpose, nor in any manner which may contravene any lawful restrictions of the use thereof by any municipal or governmental authorities.

#### 7.5 Lien Claims

The Tenant shall not permit any lien to be registered against the Lands for any labour or materials furnished to, or with the consent of, the Tenant, its agents or contractors, in connection with any work performed or claimed to have been performed on the Lands or Improvements by or at the direction or sufferance of the Tenant. The Tenant shall have the right to contest the validity of, or the amount claimed under or in respect of, any such lien if such contesting shall involve no forfeiture, foreclosure or sale of the Lands or any part thereof but, until a final determination of such contest, the Tenant shall not be required to cause such lien to be discharged and released until after a final determination, at which time the Tenant shall cause such lien to be discharged.

### Article 8 - Use, Compliance with Laws

#### 8.1 Use

The Tenant covenants that at all times the use made of the Lands, Landlord's Equipment and Improvements shall be solely for the use set out in Section 1.1(g) and for no other purposes.

#### 8.2 Compliance with Laws

The Tenant covenants that at all times the use made of the Improvements shall be in conformity with all of the requirements of the zoning by-laws and any other municipal and governmental regulations which may affect the Lands and Landlord's Equipment. The Tenant shall comply with all or recommendations and requirements made by its fire insurance underwriters, and observe and obey all municipal and governmental regulations governing the conduct of any businesses carried out on the Lands, Landlord's Equipment and Improvements or with respect to the use of the Lands, Landlord's Equipment and Improvements. The Tenant shall indemnify and save the Landlord harmless against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, counsel and solicitor's fees on a substantial indemnity basis, reasonable costs of professional advisors, consultants and experts) arising out of non-compliance with or violation of any of the said laws and regulations or from any liability for costs for damage or injury to any person or property resulting therefrom on and after the start of the Construction Period.

### Article 9 - Insurance and Indemnity

#### 9,1 Tenant's Indemnity

Subject to the Landlord's obligations under this Article 9, throughout the Construction Period and the Term the Tenant shall indemnify and save the Landlord harmless against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, counsel and solicitor's fees on a substantial indemnity basis, reasonable costs of professional advisors, consultants and experts) arising from injury to property or injury to any person, firm, partnership or corporation, caused by the use, occupancy or presence of the Tenant or any other person, firm, partnership or corporation operating under the authority of the Tenant in, on or upon the Lands or Improvements save and except any liabilities, claims or damages arising from the negligence of the Landlord or from the Landlord's failure to fulfill its obligations hereunder.

### 9.2 Tenant's Insurance

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) All Risk Property Insurance with standard extended coverage endorsements, in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar project, or any mortgagee requires from time to time, having regard to the size, age and location of the project on the Lands with coverage to the full insurable value thereof at all times (to be computed upon a replacement cost basis with deduction only of the cost of excavation and foundations);
- (b) Commercial General Liability Insurance including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability and owners' and contractors' protective insurance coverage with respect to the Lands, written on a comprehensive basis with inclusive limits of at least five million dollars (\$5,000,000) for each occurrence, or such higher limit as the Landlord, acting reasonably, requires from time to time. Such insurance shall add the Landlord as an additional insured; and
- (c) broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to any boilers and machinery upon the Lands or relating to or serving the Lands; and
- (d) any other form of insurance with whatever limits the Tenant, the Landlord, acting as a prudent owner, or any Mortgagee reasonably requires from time to time, in such form and amounts and for risks against which a prudent tenant under similar circumstances would insure.

(2) All public liability insurance shall contain a provision for cross liability or severability of interest as between the Landlord and the Tenant. The Tenant shall obtain, from the insurers under the building coverage, undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. Evidence of all insurance coverages must be provided to the Landlord in the form of a Certificate of Insurance prior to the commencement of work. The Certificate shall state that coverage will not be cancelled or coverage diminished without 30 days prior written notice to the Landlord.

# 9.3 Landlord's Indemnity

Subject to the Tenant's obligations under this Article 9, throughout the Construction Period and the Term the Landlord shall indemnify and save the Tenant harmless against any and all liabilities, claims, damages, interest, penalties, fines, monetary sanctions, losses, costs and expenses whatsoever (including, without limitation, counsel and solicitor's fees on a substantial indemnity basis, reasonable costs of professional advisors, consultants and experts) arising from injury to property or injury to any person, firm, partnership or corporation, caused by the use, occupancy or presence of the Landlord or PUC or any other person, firm, partnership or corporation operating under the authority of the Landlord or PUC in, on or upon the Lands or Improvements save and except any liabilities, claims or damages arising from the negligence of the Tenant or from the Tenant's failure to fulfill its obligations hereunder.

#### 9.4 Landlord's Insurance

(1) The Landlord shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance with respect to the balance of the Subject Property:

- (a) All Risk Property Insurance with standard extended coverage endorsements, in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar project, or any mortgagee requires from time to time, having regard to the size, age and location of the improvements on the Subject Property with coverage to the full insurable value thereof at all times (to be computed upon a replacement cost basis with deduction only of the cost of excavation and foundations);
- (b) Commercial General Liability Insurance including general liability and property damage insurance, including personal liability, contractual liability, non-owned automobile liability and owners' and contractors' protective insurance coverage with respect to the Subject Property, written on a comprehensive basis with inclusive limits of at least five million dollars (\$5,000,000) for each occurrence, or such higher limit as the Tenant, acting reasonably, requires from time to time. Such insurance shall add the Tenant as an additional insured; and

- (c) broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to any boilers and machinery upon the Subject Property or relating to or serving the Subject Property; and
- (d) any other form of insurance with whatever limits the Landlord, acting as a prudent owner, or any Mortgagee reasonably requires from time to time, in such form and amounts and for risks against which a prudent tenant under similar circumstances would insure.

(2) All public liability insurance shall contain a provision for cross liability or severability of interest as between the Landlord and the Tenant. The Landlord shall obtain, from the insurers under the building coverage, undertakings to notify the Tenant in writing at least thirty (30) days prior to any cancellation thereof. Evidence of all insurance coverages must be provided to the Tenant in the form of a Certificate of Insurance prior to the commencement of work. The Certificate shall state that coverage will not be cancelled or coverage diminished without 30 days prior written notice to the Tenant.

### Article 10 - Assignment, Mortgaging and Subletting

#### 10.1 Assignment by Tenant

Save and except as set out in this Article 10, the Tenant shall not assign this Lease or sublet all or substantially all of the Lands and/or Improvements without first obtaining the written consent of the Landlord, which consent shall not be unreasonably withheld or delayed. Any transfer or issue by sale, assignment, bequest, inheritance, operation of law or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be an assignment.

#### 10.2 Landlord's Sale

In the event of the sale, transfer or other disposition by the Landlord of its interest in the Lands or any part thereof, or the assignment by the Landlord of this Lease or any interest of the Landlord hereunder, the Landlord shall cause the purchaser, transferee or assignee thereof to directly assume the covenants and obligations of the Landlord hereunder and, thereupon, the Landlord shall, without further agreement, be freed and relieved of all liability with respect to such covenants and obligations under this Lease relating to matters arising from and after such assignment.

#### Article 11 - Quiet Enjoyment

#### 11.1 Quiet Enjoyment

The Tenant, upon paying the Rent hereby reserved and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Lands for the Construction Period and the Term.

# Article 12 - Default

#### 12.1 Default and Right to Re-enter

Any of the following constitutes an Event of Default under this Lease:

- (a) the Tenant fails to pay any Rent on the day or dates appointed for the payment thereof and fails to pay the same, with interest, within sixty (60) days of written notice to the Tenant of such failure;
- (b) the Tenant fails to observe or perform any other of the terms, covenants or conditions of this Lease to be observed or performed by the Tenant, other than those terms, covenants or conditions set out in Section 12.1(a) or in Section 12.1(c) to (f), inclusive, the Landlord may, at any time thereafter, give notice of such failure to the Tenant; and if, such notice having been given by the Landlord to the Tenant, the Tenant shall not either:
  - (i) if the matter complained of in such notice is capable of being remedied by the payment of money, correct the matter complained of within sixty (60) days of written notice to the Tenant of any such failure; or
  - (ii) if the matter complained of in such notice is not capable of being remedied by the payment of money:
    - (A) remedy such breach within sixty (60) days (or such shorter period as may be provided in this Lease) of written notice to the Tenant of any such failure;
    - (B) if such breach cannot reasonably be remedied within sixty (60) days or such shorter period, commence to remedy such breach within sixty (60) days of

written notice to the Tenant of any such breach and thereafter proceed diligently to remedy such breach; or

- (C) notify the Landlord within sixty (60) days after the giving of such notice by the Landlord that the Tenant disputes the matters complained of in such notice, in which case, unless otherwise agreed between the Landlord and the Tenant, such issues shall be determined in accordance with Article 13; if such determination shall be adverse to the Tenant, wholly or in part, the Tenant shall, within sixty (60) days after such determination shall have been made, remedy such breach;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant;
- (e) the Tenant or any Indemnifier makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with a Transfer made pursuant to this Lease;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within sixty (60) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease or other Transfer other than in compliance with the provisions of this Lease; or
- (h) the Tenant abandons the Lands and Improvements.

# 12.2 Default and Remedies

If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

(a) to terminate this Lease by notice to the Tenant or to re-enter the Lands and Improvements and repossess them including the Landlord's Equipment and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Lands and Improvements and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Lands and Improvements without notice to the Tenant as to whether it is terminating this Lease under this Section 12.2(a) or proceeding under Section 12.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 12.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord shall have the effect of terminating this Lease without notice to that effect to the Tenant;

- (b) to enter the Lands, Landlord's Equipment and Improvements as agent of the Tenant to do any or all of the following:
  - (i) relet the Lands, Landlord's Equipment and Improvements for whatever length of time and on such terms as the Landlord, in its discretion, may determine, and to receive the Rent therefor;
  - (ii) take possession of any property of the Tenant on the Lands, Landlord's Equipment and Improvements, store such property at the expense and risk of the Tenant, or sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant;
  - (iii) make alterations to the Lands and Improvements to facilitate their reletting; and
  - (iv) apply the proceeds of any such sale or reletting, first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and, third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Lands for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the

Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;

- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Lands; and
- (c) to recover from the Tenant the full amount of the current month's Rent together with the next three months' installments of Rent based upon the average of the prior year's Monthly Rent installments all of which shall immediately become due and payable as accelerated rent.

Provided that the Landlord may not exercise its rights under (a) or (b) above in the event of an Event of Default under Section 12.1(b) unless such default thereunder is a Substantial Default.

Provided further, that in the event that the Landlord is entitled to exercise its rights under Section 12.2(a) herein, and take possession of and operate the Biogas Facility pursuant to the provisions of the FIT Contract then the Tenant hereby irrevocably constitutes the Landlord its lawful power of attorney for the purposes of the assigning of the said FIT Contract in favour of the Landlord under these circumstances.

#### 12.3 Distress

Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Lands at any time shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

#### 12.4 Costs

The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a substantial indemnity basis) incurred by the Landlord in enforcing

the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

#### 12.5 Remedies Cumulative

Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

### Article 13 - Settlement of Disputes

#### 13.1 Disputes Subject to Arbitration

Any dispute arising between the Landlord and the Tenant hereunder where recourse is expressly provided to arbitration, or any other dispute arising between the Landlord and the Tenant with regard to this Lease which the parties jointly determine in writing shall be resolved by arbitration, shall be resolved in accordance with Sections 13.2 and 13.3.

#### **13.2 Initiation of Proceedings**

Wherever any arbitration is permitted or required under this Lease, arbitration proceedings shall be commenced by the party desiring arbitration (the "Initiating Party") giving notice to the other party (the "Responding Party") specifying the matter in dispute and requesting that it be resolved. Within ten (10) days of receipt of such notice, the parties shall meet and shall consider whether they wish to have the dispute in question resolved by an Expert pursuant to Section 13.1 (unless the parties have already disagreed as to the use of an Expert). In the event that, within ten (10) days after such meeting, the parties agree to the use of an Expert and agree to the other matters referred to in Section 13.1, the dispute in question shall be resolved pursuant to Section 13.1. In the event that the parties do not agree as to the use of an Expert within such ten (10) day after the expiry of such ten (10) day period. If the parties cannot agree upon an arbitration procedure within fifteen (15) day period, the Initiating Party shall, by written notice to the Responding Party, designate an arbitrator. The Responding Party shall, within fifteen (15) days

thereafter, be entitled to appoint an arbitrator by written notice to the Initiating Party, and the two (2) arbitrators so appointed shall meet and select a third arbitrator acceptable to both of them. If the Responding Party fails to appoint an arbitrator within the fifteen (15) day period, then the arbitration will proceed before the arbitrator appointed by the Initiating Party who will act as a sole arbitrator. If the two (2) arbitrators so appointed are unable to agree upon a third arbitrator, then the Initiating Party shall make an application to the appropriate court pursuant to the *Arbitration Act*, 1991 (Ontario) for the selection of a third arbitrator, and the provisions of the *Arbitration Act*, 1991 (Ontario) shall govern such selection.

#### 13.3 Arbitration Procedure

When the conditions set out in Section 13.2 have been fulfilled, the resulting arbitration panel shall thereupon proceed to hear the submissions of the parties and shall render a decision within thirty (30) days after the appointment of the third arbitrator, if applicable. The decision of a majority of the arbitration panel shall be deemed to be the decision of the arbitration panel, and that decision shall be final and binding upon the parties and not subject to appeal. The arbitration panel shall have the authority to assess the costs of the arbitration panel against either or both of the parties; however, each party shall bear its own witness and counsel fees.

#### Article 14 - General

#### 14.1 Force Majeure

Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section 14.1 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

### 14.2 Effect of Waiver or Forbearance

No waiver by any party hereto of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations, nor

shall any forbearance by any party hereto to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant hereby waives the benefit of any statutory or other right in respect of abatement or set off in its favour at the time hereof or at any future time.

#### 14.3 Notices

(1) Any notice required hereunder shall be in writing and any such notice and any delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out in Section 1.1(a), (b) or (c), as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received upon delivery of same or on the third (3rd) business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

(2) Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of Canada Post shall be deemed to have been received only if delivered personally or sent by prepaid courier.

#### 14.4 Registration

(1) Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any assignee, subtenant or other occupant) shall register in full this Lease or any assignment, sublease or other instrument relating to this Leaser against the Lands. The Tenant may register a notice or caveat of this Lease provided that:

- (a) a copy of the Lease is not attached; and
- (b) the Landlord gives its prior written approval of the notice or caveat.
- (2) Upon the expiration or earlier termination of the Term, the Tenant shall immediately

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discharge or otherwise vacate any such notice or cavcat.

#### 14.5 Number, Gender, Effect of Headings

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and vice versa. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease.

#### 14.6 Severability

Should any Article or Section or part or parts of an Article or Section in this Lease be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding upon the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease.

#### 14.7 Subdivisional Control

It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent, and the Landlord agrees to co-operate with the Tenant in bringing such application.

#### 14.8 Entire Agreement

There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein, and this Lease constitutes the entire agreement duly executed by the parties hereto, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties hereto. Upon the execution of this agreement by the parties hereto the prior lease between the parties hereto dated August 5, 2010 shall be null and void.

#### 14.9 Successors and Assigns

The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

IN WITNESS WHEREOF the parties hereto have duly executed this Lease.

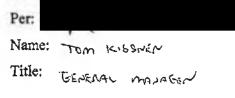
THE Corporation of the Municipality of Chatham-Kent Per: Name: RANDY R. Hope Title: MAYOR Per: Name: YOY BRITH Title: CLERK

> Entegnic Powerlines Inc. Per: Name: Dan Charron Title: Provident

Per: Name: Title:

The Corporation of the Municipality of Chatham-

Kent Public Utilites Commision



Per:

Name:

Title:

J/We have the authority to bind the Corporation

I/We have the authority

to bind the Corporation

I/We have the authority to bind the Corporation

# LEASE AMENDING AGREEMENT

This Agreement is deemed to take effect as and from the 1<sup>st</sup> day of September, 2013.

## IN PURSUANCE OF THE SHORT FORM OF LEASES ACT

BETWEEN:

# THE CORPORATION OF THE MUNICIPALITY OF STRATHROY-CARADOC

Hereinafter called the "Landlord"

OF THE FIRST PART

-and-

### ENTEGRUS POWERLINES INC.

Hereinafter called the "Tenant"

OF THE SECOND PART

### WHEREAS:

- 1. By Lease dated to take effect as and from the 1<sup>st</sup> day of August , 2010, and made between The Corporation of the Municipality of Strathroy-Caradoc (the "Landlord") and Middlesex Power Distribution Corporation ("Tenant") (the "Original Lease"), the Landlord did grant and demise unto the Tenant certain lands and premises consisting of part of a building at 351 Frances Street, Strathroy, Ontario in the Township of Strathroy-Caradoc, County of Middlesex and Province of Ontario, more particularly therein described as Schedule "A" (the "Building") and containing approximately 8685 rentable square feet (the "Leased Premises"), together with a right of way in common with the Landlord and their employees, invitees, customers and/or agents over and along the Common Areas, driveways and parking areas servicing the Leased Premises.
- 2. Middlesex Power Distribution Corporation by Articles of Amalgamation and Articles of Amendment is now Entegrus Powerlines Inc.
- 3. The Parties have agreed to enter into this Lease Amending Agreement to amend certain provisions and extend the Term of the Original Lease.

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the mutual covenants herein contained and of other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Parties hereto), the Parties hereto do hereby covenant and agree as follows:

- The Parties agree that the Original Lease, shall be extended for a term of three (3) years and four (4) months to be computed from the 1<sup>st</sup> day of August, 2013, to and including the 31<sup>st</sup> day of December, 2016.
- 2. Paragraph 3.4 shall be added to the Original Lease as follows:

1

3.4 A Semi-Gross Rent payable by the Tenant to the Landlord shall be increased annually during the extended term by two (2) percent effective January 1<sup>st</sup>, 2014.

3. Paragraph 4.2 (a) of the Original Lease shall be amended as follows:

"Proportionate Share" means that fraction which has a numerator of the Tenant's rental area of the Demised Premises and a denominator of the total rentable area of the Building. The parties acknowledge and agree that the "Tenant's Proportionate Share" is currently 60% save and except that natural gas and electricity charges and charges for television and Scada line of which the "Tenant's Proportionate Share is 50%."

- 4. Paragraph 4.2 (b) (vi) of the Original Lease shall be deleted.
- 5. Since the office upgrade has been completed the last sentence of Paragraph 7.3 of the Original Lease is deleted.
- 6. The second sentence of Paragraph 4.2(c) of the Original Lease shall be amended as follows:

"Expenses paid by the Tenant required under paragraph 4.2 will be at the end of the month based on actual expenses incurred by the Landlord."

- 7. The following subparagraph shall be added to the Original Lease:
  - "4.2 (d) Notwithstanding any other provision of Article 4 of this Lease, the Landlord and Tenant acknowledge that the Tenant pays all of the costs associated with the shared telephone system and the Landlord reimburses the Tenant for fifty per cent (50%) of such costs, where such costs do not include capital costs.

8. Paragraph 8.1 of the Original Lease shall be amended as follows:

" (a) The Landlord shall obtain and maintain Commercial General Liability Insurance on the Leased Premises for its replacement cost with an insurance company or companies providing competitive premiums in relation to the coverage obtained and with good reputation in the industry against any risk of physical loss or damage to property on a replacement cost basis, boiler and pressure vessels insurance on a broad form blanket cover repair and replacement basis, third party liabilities hazards including exposure to personal injury bodily injury, property damage on an occurrence basis including insurance for all contractual obligations and covering also actions of all authorized employees, subcontractors and agents while working on behalf of the Landlord in amounts against which a prudent owner would protect itself, subject to the provisions of Article 8.2 hereof;

(b) Maintain public liability and property damage insurance, including personal injury liability, contractual liability, employer's liability and owners and contractors protective broad form property damage occurrence insurance coverage with respect to the Leased Premises and their use by the Landlord, coverage to include the activities and operations conducted by the Landlord and any other person performing work on behalf of the Landlord and those for whom the Landlord is in law responsible for in any part of the Leased Premises. Such policy shall:

- be written on an occurrence basis with inclusive limits of not less than five million (\$5,000,000) Dollars or such higher limits as the Tenant, acting reasonably, may require;
- (ii) contain a severability of interest clause and a cross-liability clause.

(c) All contracts of insurance placed by the Landlord shall be written in the name of the Landlord and shall to the extent available show the Tenant as an additional insured as its interest may from time to time appear and shall contain:

- (i) a cross-liability clause protecting the Tenant in respect of claims by the Landlord as if the Tenant were separately insured. "
- 9. Paragraph 8 (2)(b)(i) of the Original Lease shall be amended to increase the insurance required to Five Million (\$5,000,000.00) Dollars.

- 10. Paragraph 8.2 of the Original Lease shall be amended to delete in its entirety Paragraph 8.2 (c)(ii).
- 11. The third sentence of Paragraph 13.13 of the Original Lease shall be amended as follows:

"In the event that the parties do not so agree, within 15 days thereafter, each party shall provide written notice to the other party of one arbitrator chosen by them, and the two arbitrators thus chosen shall select within 15 days after the selection of the later of them, a third arbitrator, failing which such third arbitrator shall be chosen by a Justice of the Supreme Court of Ontario, and the dispute shall be settled by the award of the three arbitrators or a majority of them."

- 12. The Tenant shall have the option to renew the Original Lease as amended by this first Lease Amending Agreement for a further period of one year upon the same terms and conditions contained in the Original Lease as amended by this lease amending agreement, save and except a further option to renew, upon written notice from the Tenant to the Landlord at least 60 days prior to the expiry of the extended term herein.
- 13. In all other respects, the Parties hereto do hereby ratify and confirm the terms of the Original Lease.
- 14. This Agreement shall be known as the "First Lease Amending Agreement".

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IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and date first written above.

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)

)

SIGNED, SEALED & DELIVERED In the presence of The Corporation of the Municipality of Strathroy-Caradoc

) Per: ) I have authority to bind the Corporation

) Per: A MELA TOTA, CLERK ) We/I have authority to bind the Corporation

Entegrus Rowerlines Inc.

# SCHEDULE "A"

# **Description of Landlord's Lands:**

Lot 54 and 55, Plan 282, Municipality of Strathroy-Caradoc, Province of Ontario.

Roll Number	City	Property	PIN
365024000230900	RIDGETOWN	Centenial Dr	00693-0552
365038000131600	THAMESVILLE	London Rd	00727-0061
365039000132900	DRESDEN	Talbert St	00604-0074
365039000401200	DRESDEN	267 Main St	00601-0167
365042000201906	CHATHAM	Colborne St	00510-0011
365042000205401	CHATHAM	Colborne St	00510-0014
365042000713401	CHATHAM	Park Ave E	00512-0053
365042002120200	CHATHAM	429 Richmond St	00522-0021
365042002712400	CHATHAM	152 Queen St	00506-0264
365042003013501	CHATHAM	Con 1 S Pt Lot 3	00511-0036
365042003604500	СНАТНАМ	292 Baldoon Rd	00532-0355
365042004127400	CHATHAM	480 St Clair St	00536-0034
365042004905700	CHATHAM	81 Grand Ave E	00541-0086
365042002813600	CHATHAM	18 Llewellyn st	00505-0158
3916 000 020-04400	Strathroy Caradoc	Beattie St	09607-0078
3916 000-05-19400	Strathroy Caradoc	English	09610-0320
3916 000-090-18300	Strathroy Caradoc	Frank	08596-0074
3916 000-130-14200	Strathroy Caradoc	Carrie	08592-0017
3954-052-010-00110	Parkhill	King	09634-0265
	Chathan	320 Queen	00507-0810
	Chatham		00507-0817

7		TARCEL REGIVIER (ABBASYINTED) NOR TRUTTER FUE		
Contario ServiceOntario	LAND REGISTRY OFFICE \$24 • CERTIFIED IN ACCORDANCE WITH	THE LAND TITLES ACT * SUBJECT	PAGE 1 OF 1 PREPARED FOR EMPatrick ON 2017/05/31 AT 16:01:18 TO RESERVATIONS IN CROWN GRANT *	
PROPERTY DESCRIPTION: PT 11 9 CON 10 HOWARD	RD PT 5, 24R337; S/T 376655; CHATHAM-KENT	ATHAM-KENT		
PROBERTY REMARKS:			הניקט ואדמ	
ESTATE/QUALIFIER: FEE SIMPLE LT CONVERSION QUALIFIED	RECENTRY FROM 00693-1338		2010/08/23 2010/08/23	
OMNERS <u>' NAVES</u> ENTEGRUS POWERLINES INC	CAPACITY SHARE ROWN			
REG. NUM. DATE INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/
** PRINTOUT INCLUDES AL DOCUMENT TYPES (DE ETED INSTRUMENTS NOT	INCLUDEDI	₩ 		
**SUBJECT, ON FIRST RECISTRATION UNDER THE AND TITLES ACT,	AND TITLES ACT, TO			
** SUBSECTION 4 (1) OF THE LAND TITLES ACT,		EXCEPT PARKGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *		
** AND ESCHEATS OR FORFEITURE TO TH	TH. CROWN,			70
** THE RIGHTS O' ANY PERSON WHO WOU I	D, BUT FOR THE LAND TITLES ACT,	RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
+* IT THROUGH L NGTH OF ADVERSE POS 1	THROUGH L NGTH OF ADVERSE POS ESSION, PRESCRIPTIN, MISDESCRIPTION OR BOUNDARIES SETTLED BY	fiion or boundaries settled by		28
** CONVENTION.				je 5
** ANY LEASE TO WHICH THE SUBSECTION	70(2) OF THE REGISTRY ACT APPLIES	IES		Paç
**DATE OF CONVERSION TO LAND TITLES; 2010/0 /23 **	·** 52/			
24R337 1971/12/06 PLAN REFERENCE				Ð
24R2948 1981/11/09 PLAN REFERENCE				n
376655 1981/11/30 TRANSEER REUARKS: RE:EASEMENT	\$1 PUBLIC UTILI	PUBLIC UTILITES CONMISSION OF THE TOWN OF RIDGETOWN	TOWN OF RIDGETOWN	O
596747 1999/12/22 NOTICE RE DRKS: 376655	THE CORPORATI	THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT		a
657350 2007/09/06 TRANSFER	S1 THE PUBLIC U1 CHATEAM-KENT	THE PUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY OF CLATEAM-RENT	CHATEAM-KENT HYDRO INC.	n

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

CK71270

2012/05/11 APL CH NAME OWNER

CHATHAM-KENT HYDRO INC.

ENTEGRUS POWERLINES INC.

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EIN CREATION DATE: 2010/09/20 PARTIES TO NT HYDRO INC.
EIN CREATION DATE: 2010/09/20 PARTIES TO CHATHAM-KENT HYDRO INC.

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RES	IDENTIFIER PREPARE 1 OF 1 PREPARED FOR EMPatrick ON 2017/05/31 AT 16:00:5D RESERVATIONS IN CROWN GRANT *	
PROPERTY REMARKS: ESITATE/QUALIFIER: FEE SIMPLE IT CONVERSION QUALIFIED RE-ENTRY FROM 00604-0271	PIN <u>-C</u> REATION DATEL 2010/07/19	
OMNERS', NAMOS ENTEGRUS POWERLINES INC. ROWN		
REG. NOM. DATH INSTRUMENT TYPE AMOUNT PARTIES FROM	PARTIES TO	CERT/
** PRINTOUR INCLUDES AL DOCUMENT TYPES (DE ETED INSTRUMENTS N'I INCLUDED) **		
**SUBJECT, ON FIRST REG STRATION UNDER THE AND TITLES ACT, TO		
** SUBSECTION 4 (1) OF THE LAND TIT ES ACT, EXCEPT PAR GRAPH 11, PAPAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		
** AND ESCHEATS OR FORFEITURE TO THE CROWN.		70
** THE RIGHTS OF ANY PERSON WHO NOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
** IT THROUGH LINGTH OF ADVERSE POSIESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY		30 (
** CONVENTION.		je 5
** ANY LEASE TO WHICH THE SUBSECTION TO(2) OF THE REGITRY ACT APPLIES		Pag
**DATE OF CONVERSION TO LAND TITLES: 2010/0 //19 **		
658339 2007/11/15 TRANSFER S1 THE PUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY CHATHAM-KENT	CHATHAM-KENT HYDRO INC.	C
	ENTEGRUS POWERLINES INC.	n

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER	ATY IDENTIFIER PAGE 1 OF 1	
Ontario ServiceOntario REGISTRY     OFFICE \$24     OD601-0167 (LT)     * CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT	PREPARED FOR EMPatrick ON 2017/05/31 AT 16:00:14 TO RESERVATIONS IN CROWN GRANT *	
PROPERTY_DESSERTFICN: LT B PL 131, CHATHAM-KENT		
PROPERTY REMARKS: ESTATE/QUALLEIER: RECENTLY:	PIN CREATION DATE:	
FIE SIMPLE LI CONVERSION QUALIFIED	800 800 0 - 1 - 8 0	
ONN <u>URRS' NAMES</u> ENTEGRUS POMERLINES INC. ROMN		
REG. NUM. DATE INSTRUMENT TYPE AMOUNT PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DE ETED INSTRUMENTS N.T INCLUDED)		
**SUBJECT, ON FIRST REG STRAIION UNDER THE AND TITLES ACT, TO		
** SUBSECTION 4 (1) OF THE LAND TIT ES ACT, EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		
** AND ESCHEATS OR FORFEITURE TO THE CROWN.		70
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAN TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
** IT THROUGH LINGTH OF ADVERSE POSIESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY		31 (
** CONVENTION.		je 5
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGITERY ACT APPLIES		Pag
**DATE OF CONVERSION TO LAND TITLES: 2010/0 /19 **		
658341 2007/11/15 TRANSFER \$1 THE PUBLIC UTILITIES COMMISSION FOR THE MUNCIPALITY OF CHATHAM-KENT	CHATHAM-KENT HYDRO INC.	Q
CK71270 2012/05/11 APL CH NAME OWNER CHATHAM-KENT HYDRO INC	ENTEGRUS POWERLINES INC.	Q

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY MOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

7	•			PARCEL REGISTER (AF	PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER	VTIFIER PAGE 1 OF 1	
F (	Ontario	Or Ontario ServiceOntario	-	REGISTRY OFFICE #24 • CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT • SUBJEC	H	PREPARED FOR EMPatrick ON 2017/05/31 AT 16:27:13 TO RESERVATIONS IN CROWN GRANT *	
PROPERTY_DESCRIPTION:	RIPTION	PT LT 3 CON 1 RIVER	THAMES SURVE	CON 1 RIVER THAMES SORVEY HARWICH AS IN 96113; CHATHAM-RENT			
PROPERTY REMARKS: ESTATE/QUALIFIER:	ARKS: FIER:		RECENTLY:	RECENTLY: BY. FROM ONSIG-0044		PIN CREATION DATE: 2005/10/24	
LT CONVERSION QUALIFIED	1 QUALIFIED						
OMNERS' NAMES ENTEGRUS POWERLINES INC.	RLINES INC.		CAPACITY	TY SHARE			
REG. NUM	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	ROM	PARTIES TO	CERT/ CHKD
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8 9 90	UBSECTION 4	(1) OF THE LAND TIT E	S ACT, EXCEP	SUBSECTION 4 (1) OF THE LAND TIT ES ACT, EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES	; SUCCESSION DUTIES		
6 6	ND ESCHEATS	AND ESCHEATS OR FORFEITURE TO THE CROWN	CROWN.				70
*	THE RIGHTS O	P ANY PERSON WHO WOU D	, BUT FOR TH	OF ANY PERSON WHO WOU D, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF	IND OR ANY PART OF		of 6
+ + + +	T THROUGH L	NGTH OF ADVERSE POS E	SSION, PRESCI	IT THROUGH LINGTH OF ADVERSE POS ESSION, PRESCRIPTIN, MISDESCRIPTION OR BOUNDARIES SETTLED BY	TTLED BY		32 (
*	CONVENTION.						je 5
*	WY LEASE TO	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.	70(2) OF THE	REGITRY ACT APPLIES			Pag
**DATE OF CO	INVERSION TO	CONVERSION TO LAND TITLES: 2005/1 /24 **	24 **				
171785 RE 0	1966/05/13 RE MRKS: BYLAW	BYLAW 5564, SUBDIVISION CLVTROL	<i>TROL</i>	CITY OF CHATHAM			0
CK52307	2010/12/06	TRANSFER		52 THE PUBLIC UTILITIES COMMISSION OF THE CORPORATION OF CITY OF CHATHAM	F THE CORPORATION OF THE	CHATHAM-KENT HYDRO INC.	0

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY-NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

CK71270

2012/05/11 APL CH NAME OWNER

CHATHAM-KENT HYDRO INC.

ENTEGRIS POWERLINES INC.

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7			1.AND	PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDE	IDENTIFIER PAGE 1 OF 1	
7	Ontario	Ontario ServiceOntario		. #24 00510-0014 (LT)	PREPARED FOR EMPacrick ON 2017/05/31 AT 15:56:39	
				D IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO	RESERVATIONS IN CROWN GRANT *	
PROPERTY DESCRIPTION:	<u>CRIPTION</u> :	PT LT 3 CON 1 RIVER	RIVER THAMES SURVEY HARWICH AS	IICH AS IN 647642; SUBJECT TO A R.O.W. OVER PART 2, 24R-3026; CHATHAM-KENT	CHATHAM-KENT	
PROPERTY REMARKS: ESTATE/QUALIFIER: FEE SIMPLE LT CONVERSION QUALIFIED	<u>arks:</u> <u>fier:</u> N oualified		<u>recently:</u> re-entry fro	<u>RECENTLY:</u> RE-ENTRY EROM 00510-0047	<u>EIN</u> .CREAT <u>ION D</u> ATE <u>:</u> 2005/10/24	
OWNERS' NAMES ENTEGRUS POWERLINES	S ERLINES INC		CARACITY SI BENO	<u>Ş</u> HĄRE		
REG. NOM.	DATE	Instrument type	AMOUNT	PARTIES FROM	PARTIES TO	CEKT/
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4	SUBSECTION 4	SUBSECTION 4. (1) OF THE LAND TIT ES ACT.		EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		
8	ND ESCHEATS	AND ESCHEATS OR FORFEITURE TO TH	TH CROWN.			70
16 15	THE RIGHTS OF	ANY PERSON WHO WOU D,	BUT FOR	THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
10 10	IT THROUGH L	INGTH OF ADVERSE POS E	SSION, PRESCRIPTI	IT THROUGH LINGTH OF ADVERSE FOS ESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY		33 (
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**DATE OF C	CONVERSION TO	LAND TITLES: 2005/1 /24 **	** \$Z			
171765 RE	1966/05/13 RE MARKS: BYLAW	BYLAW 5564, SUBDIVISION CUNTROL	TROL	CITY OF CRATHAM		n
24R3026	1982/06/24	PLAN REFERENCE				ß
647642	2005/10/07	TRANSFER	\$1	THE PUBLIC UTILITIES COMPLISSION FOR THE MUNICIPALITY OF CHATHAM-KENT	CHATHAM-KENT HYDRO INC.	n
CK71270	2012/05/11	APL CH NAME OWNER		CHATHAM-KENT HYDRO INC.	ENTEGRUS POWERLINES INC.	G

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY-NOTE: ENSURE THAT YOUR PRINTOUT STRTES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

C.V	)ntario	Ontario ServiceOntario	* OF	STRY 12 #24 OUS12-0053 (LT) TO TO TO TO	PAGE 1 OF 1 PREPARED FOR EMPartick ON 2017/05/31 AT 15:57:43 RESERVATIONS IN CROWN GRANT *	
PROPERTY DESCRIPTION:	LIPTION:	PT LT 3 CON 2 RIVER	CON 2 RIVER THAMES SURVEY HARWICH AS IN	92487, EXCEPT PT 2, 24R7468; S/T 92487; CHATHAM-	INT	
PROP <u>ERTY</u> REW <u>ARKS:</u> ESTATE/QUALLCIER: FEE SIMPLE	<u>I</u> ER:	FLANNING ACT CONSENT AS		N 92487. <u>Recently</u> : Re-ENTRY FROM 00512-0094	PIN CREATION DATE: 2005/10/24	
OW <u>NERS'</u> NAMES ENTEGRUS POWERLINES INC	LINES INC.		CAPACITY	SHARE		
REG. NOM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/
** PRINTOUT 1	NCLUDES AL	** PRINTOUT INCLUDES AL DOCUMENT TYPES (DE ETED INSTRUMENTS N'I INCLUDED)	TED INSTRUMENTS	NOT INCLUDED) **		
*"SUBJECT, DE	I FIRST REG	ON FIRST REG STRATION UNDER THE LAND TITLES ACT,	ND TITLES ACT, TO	0		
35 ac	IBSECTION 4	SUBSECTION 4 (1) OF THE LAND TITLES ACT,		EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *		
27a + + +	ID ESCHEATS	AND ESCHEATS OR FORFEITURE TO THE CROWN.	CROWN.			70
** T5	HE RIGHTS O	THE RIGHTS OF ANY PERSON WHO WOULD,	BUT FOR THE LAND TITLES	ND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
** 75	r THROUGH L	INGTH OF ADVERSE POSIE	SSION, PRESCRIP?	IT THROUGH LINGTH OF ADVERSE POSIESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY		34
**	CONVENTION.					je 5
a +	ANY LEASE TO WHICH	THE SUBSECTION	70(2) OF THE REC	70(2) OF THE REGITRY ACT APPLIES		Paç
**DATE OF COL	VERSION TO	CONVERSION TO LAND TITLES: 2005/10/24 **	24 **			
171785 1 RE.17	1966/05/13 REIARKS: BYLAW	BYLAW 5554, SUBDIVISION CONTROL	ROL	CITY OF CHATHAM		Ω
248621 ]	1973/10/11	PLAN REFERENCE				C
24R3026	1982/06/24	PLAN REFERENCE				G
CK19860	2007/11/07	TRANSFER	51	THE PUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY OF CHATHAM-KENT	CHATHAM-KENT HYDRO INC.	n
CK71270 2	2012/05/11	APL CH NAME OWNER		CHATHAM-KENT HYDRO INC.	ENTEGRUS FOWERLINES INC.	0

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CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO AU	PAGE 1 OF I PREPARED FOR EMPattick ON 2017/05/31 AT 15:58:05 TO RESERVATIONS IN CROWN GRANT *	
PROPERTY REMARKS: ESTATE/QUALIFIER: RECENTLY: RECENTLY: RE-ENTRY FROM D0522-0321 LT CONVERSION QUALIFIED	FIN CREATION DATE: 2005/11/21	
OMNERS', NAMES ENTEGRUS POWERLINES INC.		
REG. NUM. DATE INSTRUMENT TYPE AMOUNT PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES AL DOCUMENT TYPES (DE ETED INSTRUMENTS N'T INCLUDED) **		
**SUBJECT, ON FIRST REG STRATION UNDER THE AND TITLES ACT, TO		
** SUBSECTION 4 (A) OF THE LAND TITLES ACT, EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *		
** AND ESCHEATS OR FORFEITURE TO THE CROWN.		70
** THE RIGHTS O' ANY PERSON WHO HOU.D, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
** IT THROUGH LINGTH OF ADVERSE FOS.ESSION, PRESCRIPTIN, MISDESCRIPTION OR BOUNDARIES SETTLED BY		35 (
** CONVENTION.		je 5
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGITRY ACT APPLIES		Pag
**DATE OF CONVERSION TO LAND TITLES: 2005/1 /21 **		
CK19860 2007/11/07 TRANSFER \$1 THE PUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY OF CHATHAM-KENT	CHATHAM-KENT HYDRO INC.	n
CHATBAM-RENT FORD THE NAME OF AN AND AND AND AND AND AND AND AND AND	ENTEGRUS POWERLINES INC	C

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

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NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY, NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE FICKED THEM ALL UP.

<b>D</b> Ontario		ServiceOntario	* 9 2 E	PARCEL RÉGISTER (ABBREVIATED) FOR PROPERTY D IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO	IDENTIFIER PAGE 1 OF 2 PREPARED FOR EMPatrick ON 2017/05/31 AT 15:54:31 RESERVATIONS IN CROWN GRAMT *	
PROPERTY DESCRIPTION:	N: LT 1 BLK	K 2 PL 291; S/T	437387, 440	450206, 460338, 460341, 460347, 4	463891	
P <u>ROPERTY REMARKS</u> ; ESTAT <u>E/OU</u> ALI <u>FIER;</u> FEE SINFLE LT CONVERSION QUALIFIED	9100 0		RECENTLY: RE-ENTRY FRO	RECENTLY: RE-ENTRY FROM 0D506-0592	<u> 보기재</u> CREATION 아랫다 : 2005/10/24	
OMNERS' NAMES ENTEGRUS POMERLINES INC	ÎNC		CAPACITY S	Shàud		
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** AND ESC	ESCHEATS OR FORFEITURE TO THE CROWN	ITURE TO THE CH	OWN.			
** THE RIGHTS OF	HTS OF ANY PER	ANY PERSON WHO WOU.D.	BUT FOR THE LAND	TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		
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"*DATE OF CONVERSION TO		LAND TITLES: 2005/1 /24 **	**			
437387 1986/10/30	AGR RE	EASMT	\$1	CITY OF CHATHAM	THE PUBLIC UTILITIES COMMISSION OF THE CORP. OF THE CITY OF CHATHAM	ū
440914 1997/02/DS	AGR RE	EASMT		MCCALL DRUG CO. LTD	THE PUBLIC UTILITYES COMMISSION OF THE CORP. OF THE CITY OF CHATRAM	O
446479 1987/06/25	AGR RE	Easmt		PANOPOULOS, NICITAS PANOPOULOS, SOTIROS	THE PUBLIC UTILITIES COMMISSION OF THE CITY OF CHATHAM	Ω
446483 1,987/06/25	AGR RÉ	Easht	\$1	CAMPBELL, KENNETH CAMPBELL, THOMAS D	THE FUBLIC UTILITIES COMMISSION OF THE CITY OF CHATHAM	C
450205 1987/09/22	AGR RE	EASMT	L 5-	STANDARD TRUST CO.	THE PUBLIC UTILITIES COMMISSION OF THE CORP. OF THE CITY OF CHATHAM	n
450206 1987/09/22	AGR RÉ	EASMT		STANDARD TRUST CO	THE PUBLIC UTILITIES COMMISSION OF THE CORP. OF THE CITY OF CHATHAM	G
		5 » ?		MCKEOUGH INVESTMENTS LID	CITY OF CHATHAM	a

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CK71270	CK19860	0.0	455450	464441	463891	460349	NO	460347	460341	REG. NUM.	4
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APL CH NAME OWNER	transfer	CORRECTIONS: PARTY TO NAME CHANGED FROM THE PUBLIC UTIL CITY OF CHATHAN ON 2014/01/03 BY PINSONNEAULT, ROXANNE	AGR RE ÉASMT	AGR RE EASMT	AGR RE EASMT	AGR RE EASMT	CONRECTIONS: PARTY TO NAME CHANGED & 20 4/01/03 BY EINSONNEAULT, ROXANNE	AGR RE EASMT	AGR RE EASMT	INSTRUMENT TYPE	Ontario ServiceOntario
		FROM THE PUBLIC VSONNEAULT, ROX					TROM THE PUBLIC			AMOUNT	* 0 22
CHATHAM-KENT HYDRO INC	\$1 THE PUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY OF CHATHAM-KENT	CAMPBELL, THOMAS D. ITIES COMMISSION OF THE CITY OF CHATHAM TO THE PUBLIC	CAMPBELL, KENNETH	J. S. PEIFER & SON LTD.	NORMAN EARL SHAW HOLDINGS INC.	BANK OF MONTREAL	WOLFE, BMILY SOBHIA CONRECTIONS: PARTY TO NAME CHANGED FROM THE PUBLIC UTIDITIES COMMISSION TO THE PUBLIC UTIDITIES COMMISSION OF THE C 20 4/01/03 BY FINSONNEAULT, ROXANNE.	WOLFE, GEORGE HENRY (EST.)	TSIRIBIS, GEORGE TSIRIBIS, STEVE	PARTIES FROM	LAND REGISTRY OFFICE #24 * CERTIFIED IN ACCORDANCS WITH THE LAND TITLES ACT * SUBJECT TO RE
ENTEGRUS POWERLINES INC.	CHATHAM-KENT HYDRO INC-	UTILITIES COMMISSION OF THE CORP. OF THE	THE PUBLIC UTILITIES COMMISSION OF THE CORP. OF THE CITY OF CHATHAM	THE FUBLIC UTILITIES OF THE CORP. CITY OF CHATHAM	THE PUBLIC UTILITIES COMMISSION THE CITY OF CHATHAM	THE PUBLIC UTILITIES COMMISSION	THE CORP. OF THE CITY OF CHATHAM ON	THE FUBLIC UTILITIES COMMISSION OF THE CORP. OF THE CITY OF CHATHAM	THE PUBLIC UTILITIES COMMISSION	PARTIES TO	PAGE 2 OF 2 PREPARED FOR EMPatrick ON 2017/05/31 AT 15:54:31 TO RESERVATIONS IN CROWN GRANT *
a	n	Page {	0	n f 67(	n	C		C	n	CERT/	

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

	Ontario ServiceOntario
PROFERTY DESCRIPTION:	REFILON: PT LT 3 CON 1 RIVER THAMES SURVEY HARWICH AS
<u>ergperty remarks</u> : Estat <u>e/QUALIELER</u> : FEE SIMPLE LT CONVERSION QUALIFIED	<u>,RKS:</u> Jer: Qualified
OMNERS' NAMES ENTEGRUS POWERLINES INC	RLINES INC.
REG. NUM.	DATE INSTRUMENT TYPE
** PRINTOU1	** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DE ETED INSTRUMENTS
	SUBSECTION 4. (1) OF THE LAND TITLES ACT, EXCEPT
:	AND ESCHEATS OR FORFEITURE TO THE CROWN
	THE RIGHTS O. ANY PERSON WHO WOULD,
:	IT THROUGH LINGTH OF ADVERSE POS ESSION, PRESCRIPTI N, MISDESCRIPTION OR BOUNDARIES SETTLED BY
:	CONVENTION.
**	ANY LEASE TO WHICH THE SUBSECTION
**DATE OF C.	CONVERSION TO LAND TITLES: 2005/10/24 +*
171785 AEU	1966/05/13 BYLAW REMARKS: BYLAW 5564, SUBDIVISION CONTROL
644275	2005/06/14 TRANSFER

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE FICKED THEM ALL UP.

	2188484 1967/11/02 REST COV APL ANNEX 641746 2005/03/08 NOTICE REMARKS: 165378	Ş	** ANY LEASE TO WHICH THE SUBSECTION TO (2) OF THE REGISTRY ACT APPLIES. **DATE OF CONVERSION TO LAND TITLES: 2005/11/19 **	** CONVENTION.	** IT THROUGH LINGTH OF ADVERSE POS ESSION, PR	** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR	** AND ESCHEATS OR FORFEITURE TO TH" CROWN.	** SUBSECTION 4 (1) OF THE LAND TIT ES ACT, EX	**SUBJECT, ON FIRST REGISTRATION UNDER THE AND TITLES ACT,	** FRINTOUT INCLUDES AL. DOCUMENT TYPES (DE ÉTED INSTRUMENTS N.T.	REG. NUM. DATE INSTRUMENT TYPE AMOUNT	OWNERS' NAMES CAPACITY CAPACITY	PROPERTY REMARKS: ESTATE/OUALIFIER: FEE SIMPLE LT CONVERSION QUALIFIED	PROPERTY DESCRIPTION: LT 143 PL 645; S/T 165378; CHATHAM-KENT	Pontario ServiceOntario	2
\$1 THE PUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY OF	S1 UNION GAS LIMITED		E REGITRY ACT APPLIES.		IT THROUGH LINGTH OF ADVERSE POS ESSION, PRESCRIPTIN, MISDESCRIPTION OR BOUNDARIES SETTLED BY	BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		SUBSECTION 4 (1) OF THE LAND TIT ES ACT, EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES	CT, TO	ENTS N T INCLUDED! **	PARTIES FROM	HTY SHARE	RECENTLY: RE-ENTRY FROM 00532-0939	HAM-KENT	LAND REGISTRY OFFICE \$24 * CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO R	PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER
CHATHAM-KENT HYDRO INC.		UNION GAS COMPANY OF CANDA LIMITED									PARTIES TO		<u>PIN CREATION_DATE;</u> 2005/12/19		PAGE 1 OF 1 PREPARED FOR EMPatrick ON 2017/05/31 AT 15:58:35 RESERVATIONS IN CROWN GRANT *	
a	c f	n r	Pag	je 5:	39 (	of 6	70		_		CHRCD					

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY, NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

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7		PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER	ENTIFIER PAGE 1 OF 1	
Ontario ServiceOntario	/iceOntario	STRY CE #24 RTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT *	PREPARED FOR EMPattick ON 2017/05/31 AT 15:59:35 TO RESERVATIONS IN CROWN GRANT *	
PROPERTY DESCRIPTION: PT 17 2-3 BLK Q	PL 3 AS IN	CI55698; CHAJHAM-KENT		
PROPERTY REMARKS: ESTATE/QUALIFIER; FEE SIMPLE	REC.	RECENTLY: RE-ENTRY FROM 00541-0312	PIN CREATION DATE: 2005/12/19	
OWNERS' NAMES ENTEGRUS POWERLINES INC.	cares	CARACITY SHARE		
REG. NUM. DATE INSTRUMENT TYPE	INT TYPE AMOUNT	T FARTIES FROM	PARTIES TO	CERT/
** PRINTOUT INCLUDES AL DOCUMENT TYPES (DE ETED INSTRUMENTS	TYPES (DE ETED INSTRU	MENTS N T INCLUDED)		
*+SUBJECT, ON FIRST REG STRATION UNDER THE	UNDER THE AND TITLES ACT.	ACT, TO		
** SUBSECTION 4 (1) OF THE	OF THE LAND TIT ES ACT, EXU	EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		
** AND ESCHEATS OR FORFEITURE TO	TURE TO THE CROWN.			670
** THE RIGHTS O' ANY PERSON WHO	ON WHO WOULD, BUT FOR THE	THE LAN TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
** IT THROUGH LINGTH OF ADVERSE POS ESSION, PRESCRIPTI N,	DVERSE POS ESSION, PRI	SCRIPTI N, MISDESCRIPTION OR BOUNDARIES SETTLED BY		541
CONVENTION.				ge 5
-+ ANY LEASE TO WHICH THE	SUBSECTION 70(2) OF :	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGITRY ACT APPLIES		Pa
**DATE OF CONVERSION TO LAND TITLE	LAND TITLES: 2005/1 /19 **			
CK19860 2007/11/07 TRANSFER		\$1 THE PUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY OF CHATHAM-KENT	CHATHAM-KENT HYDRO INC	n
CK71270 2012/05/11 APL CH NA	CH NAME OWNER	CHATHAM-KENT HYDRO INC	ENTEGROS FOWERLINES INC	D

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

77	Ontario	Ontario ServiceOntario	tario LAND REGISTRY OFFICE \$24	D IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT	PAGE 1 OF 1 PREPARED FOR ENPatrick ON 2017/05/31 AT 15:54:03 TO RESERVATIONS IN CROMN GRANT *	
PROPERTY	NOILIINOSad' Ausoda	PT LT 91 PL OLD SUR	VEY AS IN 563317; T/	3317; CHATHAN-KENT		
<u>PROPERTY REMARKS:</u> E <u>STATE/QUALIFIE</u> R; FEE SIMPLE	<u>PROPERTY REMARKS:</u> E <u>STAT</u> P/QUALIFIER; FEE SIMPLE		RECENTLY: RE-ENTRY FROM 00505-0395	00505-0395	PIN CREATION DATE: 2005/10/24	
OWNERS' NAMES	OWNERS' NAMES ENTEGRUS POWERLINES INC.		ÇAPACITY <u>Share</u> Rown	RE		
REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHICD
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•*SUBJECT,	, ON FIRST REG	ON FIRST REG STRATION UNDER THE AND TITLES ACT,	AND TITLES ACT, TO			
*	SUBSECTION 4	SUBSECTION 4 (1) OF THE LAND TITLES ACT,	ES ACT, EXCEPT PARIO	EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		
ų.	AND ESCHEATS	OR FORFEITURE TO	TH. CROWN.			70
8	THE RIGHTS OF	" ANY PERSON WHO WOU D.	D, BUT FOR THE LAND	BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
:	IT THROUGH L	, NGTH OF ADVERSE POS (	ESSION, PRESCRIPTI W	IT THROUGH LANGTH OF ADVERSE POS ESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY		i42 (
н 5	CONVENTION.					je 5
* 9	ANY LEASE TO	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES	70(2) OF THE REGIT	RY ACT APPLIES		Paç
**DATE OF	CONVERSION TO	LAND TITLES: 2005/1 /24 **	++ b2/			
168706	1966/02/11	AGREEMENT	\$1 I	FORSYTH, GARNET FORSYTH, LUCY	DUFF, MURRAY DUFF, MADGE	C
	CO RECTIONS: '. ADISD ON 2007/. SW EP. 'RARTY:	CORECTIONS: 'HARTY' CHANGED FROM 'FORSYTH, GARNET ADDED ON 2007/(3/08 BY MARY JEAN - DATABASE SWEEP. SWEEP. 'PARTY: OUFF, MADGE' ADDED (N 2007/03/08 BY	ORSYTH, GARNET (E.U. NATABASE SWEEP. 'P.R 1 2007/03/08 BY MALY	TH, GARMET" OM 2007/03/08 BY MARY JERN - DAI ROM 'DUSE, MURRAY (ETUX)' TO 'DUFE, MURRAY' ASE SMEEP.	ABASE SWEEP. 'PARTY: FORSYTH, LUCY' on 2007/03/08 by Mary Jean – database	
CK42173	2010/D1/08 RE WARKS: PLANN	2010/D1/08 TRANSFER RE WARKS: PLANNING ACT STATEMENTS	\$20,000	SCHILBE, MAE	CHATHAM-KENT HYDRO INC.	n
CK71270	2012/05/11	APL CH NAME OWNER	0	CHATHAM-KENT HYDRO INC.	ENTECRUS POWERLINES INC.	C
24R10053	2015/08/25	PLAN REFERENCE				c

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Ontario ServiceOntario	_	PARCEL REGISTER (ABBREVIATED) FOR PROPERTY 33 IED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO	IDENTIFIER PAGE 1 OF 1 PREPARED FOR EMPatrick ON 2017/05/31 AT 16:03:43 PRESERVATIONS IN CROWN GRANT *	
PROPERTY_DESCRIPTION: LT 23, PL 290 ; STRATHROY	1THROY			
<u>PROPERTY REMARKS:</u> <u>FERTATE/QUALIFTER:</u> FER SIMPLE LT CONVERSION QUALIFIED	RECENTLY: FIRST CONVE	RECENTLY: FIRST CONVERSION FROM BOOK	<u>pin <u>creation</u> date; 1995/12/18</u>	
OMNERS' NAMES ENTEGRUS POWERLINES INC.	CAPACITY BENO	SH&RE		
REG. NUM. DATE INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CHERT/
**EFFECTIVE 2000/07/29 THE NOTATION OF THE BLOCK IMPLEMENTATION DATE" OF 1995/12/18 ON THIS PIN**	LOCK IMPLEMENTATI	W DATE" OF 1995/12/18 ON THIS PIN**		
**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1995/12/18**	NF 1995/12/18**			
** PRINTOUT INCLUDES AL. DOCUMENT TYPES (DE .E	(DE ETED INSTRUMENTS NOT INCLUDED)	T INCLUDED; **		
**SUBJECT, ON FIRST REG STRATION UNDER THE AND TITLES ACT,	ND TITLES ACT, TO			70
** SUBSECTION 4 (1) OF THE LAND TITLE	S ACT, EXCEPT PAN	SUBSECTION 4 (1) OF THE LAND TIT ES ACT, EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *		of 6
** AND ESCHEATS OR FORFEITURE TO THE CROWN	CROWN.			43 (
** THE RIGHTS OF ANY PERSON WHO WOULD	, BUT FOR THE LAN	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		ge 5
** IT THROUGH L NGTH OF ADVERSE POS E	SSION, PRESCRIPTI	IT THROUGH LANGTH OF ADVERSE POSIESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY		Pag
** CONVENTION.				
** ANY LEASE TO WHICH THE SUBSECTION	70(2) OF THE REGI	THE REGITRY ACT APPLIES		
-*DATE OF CONVERSION TO LAND TITLES: 1995/1 /18 **	** 8 L			
MM45905 1968/08/16 TRANSFER	000*8\$		THE PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY	C
ER89798 20D0/12/28 TRANSFER	\$P	THE CORPORATION OF THE TOWN OF STRATHROY THE MUNICIPAL CORPORATION OF THE TOWN OF STRATHROY THE PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY	MIDDLESEX POWER DISTRIBUTION CORPORATION	n
THAT ALL THAT ALL ALL ALL ALL ALL ALL ALL ALL ALL A		MIDDLESEX POWER DISTRIBUTION CORPORATION	ENTEGRUS POWERLINES INC	n

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Y	Ontario	ServiceOntario	* 9 22 5	D IN ACCORDANCE WITH THE LAND TITLES ACT - SUBJECT TO	PAGE 1 OF 1 PREPARED FOR IMPAILICK ON 2017/05/31 AT 16:03:56 RESERVATIONS IN CROWN GRANT *	
PROPERTY DESCRIPTION:	CRIPTION:	PART OF LOT 22, RCP	RCP 412, DESIGNATED AS PART 2	ON 33R-14311; STRATHROY		
PROPERTY REMARKS: <u>ESTAT5/OUALIFJER:</u> FEE SIMPLE LT CONVERSION QUALIFIED	ARKS: FJER: N QUALIFIED		RECENTLY: DIVISION FR	RECENTLY: DIVISION FROM 09610-0206	PIN CREATION DATE: 2001/02/16	
OWNERS' NAMES ENTEGRUS POWERLINES INC	S ERLINES INC.		<u>CAPACI</u> TY S BENO	SHARE		
NEG. NOM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/
** PRINTOUT	INCLUDES AI	** PRINTOU? INCLUDES AL. DOCUMENT TYPES (DE ETED	TED INSTRUMENTS NOT	T INCLUDED) **		1
**SUBJECT,	DN FIRST REC	ON FIRST REG STRATION UNDER THE A	AND TITLES ACT, TO			-
4 *	SUBSECTION 4	SUBSECTION 4 (1) OF THE LAND TIT ES ACT,	EXCEPT	PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		-
4	AND ESCHEATS	AND ESCHEATS OR FORFEITURE TO THE CROWN	CROWN,			
*	THE RIGHTS C	OF ANY PERSON WHO WOU D,	, BUT FOR THE LAND	TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		
t	IT THROUGH I	IT THROUGH LINGTH OF ADVERSE FOS ESSION, PRESCRIPTIN,	SSION, PRESCRIPTI	N, MISDESCRIPTION OR BOUNDARIES SETTLED BY		
* *	CONVENTION.					
**	ANY LEASE TO	TO WHICH THE SUBSECTIO	70(2) OF THE REGI	TRY ACT APPLIES		
**DATE OF C	CONVERSION TO	2 LAND TITLES: 1995/1./18	941 GD # #			
B1W269	1956/12/14	BYLAW		THE CORPORATION OF THE TOWN OF STRATHROY		Q
RE.	ARKS: RE: P.	RE ARKS: RE: PART LOT CONTROL (SHOULD READ "A BY-LAW	D READ "A BY-LAW 1	TO DESIGNATE AN AREA OF SUBDIVISION CONTROL")		
33R14311	2000/10/02	PLAN REFERENCE				n
ER89798	2000/12/28	TRANSFER	\$2	THE CORPORATION OF THE TOWN OF STRATHROY THE MUNICIPAL CORPORATION OF THE TOWN OF STRATHROY THE PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY	MIDDLESEX FOWER DISTRIBUTION CORPORATION	Q
ER823136	2012/05/11	APL CH NAME OWNER		MIDDLESEX POWER DISTRIBUTION CORPORATION	ENTEGRUS POWERLINES INC.	n
ER835883	2013/07/10	NOTICE OF LEASE	\$5	RES CANADA ENERGY STORAGE INC. Res Canada Energy Storage Ly	ENTEGRUS POWERLINES INC.	o
ER932486	2014/06/04	NOTICE		ENTEGRUS POWERLINES INC.	THE CORPORATION OF THE MUNICIPALITY OF STRATHROY-CARADOC RES CAMADA ENERGY STORAGE LP	C

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Ontario ServiceOntario	rviceOntario	PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDE REGISTRY OFFICE \$33 • CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RE	IDENTIFIER PAGE 1 OF 1 PREPARED FOR EMPatrick ON Z017/05/31 AT 16:03:29 RESERVATIONS IN CROWN GRANT *
PROPER <u>TY DE</u> SCRIP <u>TION</u> : FART C SUBJEC	PART OF LOT 22, CONCESSION 4 SER, DESIGNATED SUBJECT TO EASEMENT AS IN ST18223; STRATHROY	DESIGNATED AS PARTS 3, 5, 4 6 ON 33R-14244; TOGETHER WITH RIGH ; STRATHROY	F-WAY OVER PARTS 1 & 2, 33R-14244 AS IN ER89798;
<u>property remarks</u> : <u>estate/qualifier:</u>	RECENTLY:	ТХ:	FIN CREATION DATE:
<u>ESTATE/QUALIFIER:</u> FEE SIMPLE LT CONVERSION QUALIFIED	RECEN DIVISI	RECENTLY: DIVISION EROM 08596-0067	PIN CREATION DATE: 2001/02/19
OWNERS' NAMES ENTEGRUS POWERLINES INC.	<u>CAPACITY</u> BENO	<u>TY</u> şhàrş	
REG. NOM- INTE INSTR	INSTRUMENT TYPE AMOUNT	PARTIES FROM	PARITES TO
** PRINTOUT INCLUDES AL DOCUMENT TYPES (DE ETED INSTRUMENTS N'T INCLUDED)	NT TYPES (DE ETED INSTRUM	NTS NOT INCLUDED) **	
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** SUBSECTION 4 (1) OF	THE LAND TIT. ES ACT, EXCEN	SUBSECTION 4 (1) OF THE LAND TIT 25 ACT, EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES	
** AND ESCHEATS OR FORE	OR FORFEITURE TO THE CROWN,		
** THE RIGHTS OF ANY PERSON WHO WOULD,	RSON WHO WOULD, BUT FOR TH	BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF	
** IT THROUGH L NGTH OF	ADVERSE POS ESSION, PRES	IT THROUGH L NGTH OF ADVERSE POS ESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY	
* * CONVENTION.			
** ANY LEASE TO WHICH I	WHICH THE SUBSECTION 70(2) OF THE	70(2) OF THE REGITRY ACT APPLIES	
**DATE OF CONVERSION TO LAND TI	LAND TITLES: 1995/1 /27 **		
ER60342 2000/05/24 NOTICE	NOTICE OF LEASE	52 THE CORPORATION OF THE TOWN OF STRATHROY THE MUNICIPAL CORPORATION OF THE TOWN OF STRATHROY	STRATHROY AND AREA SENIORS' CENTRE COUNCIL
33814244 2000/08/08 PLAN RI	PLAN REFERENCE		
2889798 2000/12/28 THANSFER	ż	52 THE CORPORATION OF THE TOWN OF STRATHROY THE NUMICIFAL CORPORATION OF THE TOWN OF STRATHROY THE PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY	MIDDLESEX FOWER DISTRIBUTION CORFORATION

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NOTE ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY NOTE ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: PROPERTY REMARKS: ESTATE/QUALIFIER: FEE SIMPLE LIT CONVERSION QUALIFIED OWNERS', NAMES ENTEGRUS POWERLINES INC.	ServiceO	ILAND REGISTRY OFFICE #33 * CERTIFIE T/W MM35482 ; STRATHROY RECENTLY: FIRST CONVERSION CAPACITY SHARE BENO	DEST- DEST-0017 (1) DEST-0017 (1)	R PROPERTY IDENTIFIER
INSTRU	INSTRUMENT TYPE		PARTIES FROM	PARTIES
	E)	BLOCK IMPLEMENTATION	DATE" OF 1995/11/27 ON	
** WAS REPLACED WITH THE "	**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1995/11/27**	1995/111/27**		
25 AL	INCLUDES AL DOCUMENT TYPES (DELETED INSTRUMENTS NOT	ED INSTRUMENTS N	INCLUDEDJ **	
RST REG S	ON FIRST REG STRATION UNDER THE AN	AND TITLES ACT, TO		
CCTION 4 1	SUBSECTION 4 (1) OF THE LAND TIT ES ACT,	ACT, EXCEPT PAR	EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES	
ESCHEATS O	AND ESCHEATS OR FORFEITURE TO THE CROWN.	ROWN.		
RIGHTS OF	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT,	BUT FOR THE LAN	TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF	
HROUGH LIN	IT THROUGH LINGTH OF ADVERSE POSIESSION, PRESCRIPTION,	SION, PRESCRIPTI	, MISDESCRIPTION OR BOUNDARIES SETTLED BY	
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ANY LEASE TO W	TO WHICH THE SUBSECTION 70(2)	ç,	THE REGISTRY ACT APPLIES.	
RSION TO L	CONVERSION TO LAND TITLES: 1995/1 /27 **	7 **		
1956/12/14 1	BYLAN		THE CORPORATION OF THE TOWN OF	
RE WARKS; RE: PA TO	PART LOT CONTROL (SHOULD READ	"A BY-LAW	D DESIGNATE AN AREA OF SUBDIVISION CONTROL")	
MW35482 1964/03/06 T RE MARKS: SKETCH /	TRANSFER ATTACHED	51		PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY
ER89798 2000/12/28 1	TRANSFER	40 N	THE CORPORATION OF THE TOWN OF STRATHROY THE MUNICIPAL CORPORATION OF THE TOWN OF STRATHROY THE BUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY PUBLIC UTILITIES COMMISSION OF THE TOWN OF STRATHROY	MIDDLESEX POWER DISTRIBUTION CORPORATION
	APL CH NAME OWNER		MIDDLESEX FOWER DISTRIBUTION CORPORATION	ENTEGROS POWERLINES INC

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7		PARCEL REGISTER (ABEREVIATED) FOR PROPERTY IDENTIFIER		
Contario ServiceOntario	eOntario REGISTRY	D9634-D265 (LT)	PREPARED FOR EMPartick ON 2017/05/31 AT 16:04:16	
		D IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT	TO RESERVATIONS IN CROWN GRANT *	
PROPERTY DESCRIPTION: PART OF LOT 2	24, COMPILED PLAN 562; DE	PART OF LOT 24, COMPILED PLAN 562; DESIGNATED AS PART 1 ON 33R-14312; MUNICIPALITY OF NORTH MIDDLESEX	2X	
PROPERTY REMARKS: E <u>STATE/</u> QUALLELER: PFF STMPTF	RECENTLY: DIVISION FR	RECENTLY: Division FROM 09634-0252	RIM CREATION_DATE: 2001/02/16	
TI CONVERSION CONFILIENC				
<u>OMNERS' NAMES</u> ENTEGRUS POMERLINES INC.	CAPACITY 5. BENO	SHARE	-	
REG. NUM. DATE INSTRUMENT TYPE	INPE AMOUNT	PARTIES FROM	PARTIES TO	CERT/
** PRINTOUT INCLUDES AL DOCUMENT TYPES (DE ETED INSTRUMENTS N'T INCLUDED)	ES (DE ETED INSTRUMENTS N	T INCLUDED;		
**SUBJECT, ON FIRST REG STRATION UNDER THE AND TITLES ACT,	R THE AND TITLES ACT, TO			
** SUBSECTION 4 (1) OF THE LAN	VD TIT ES ACT, EXCEPT PAR	SUBSECTION 4 (1) OF THE LAND TIT ES ACT, EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *		
** AND ESCHEATS OR FORFEITURE TO THE CROWN	TO THE CROWN.			70
** THE RIGHTS OF ANY PERSON WH	yo wou d, but for the law	OF ANY PERSON WHO WOU D, BUT FOR THE LAN. TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		of 6
** IT THROUGH L NGTH OF ADVERS	SE POS ESSION, PRESCRIPTI	IT THROUGH L NGTH OF ADVERSE POS ESSION, PRESCRIPTIN, MISDESCRIPTION OR BOUNDARIES SETTLED BY		47
++ CONVENTION.				je 5
** ANY LEASE TO WHICH THE SUBSECTION	SECTIO: 70(2) OF THE REGI TRY ACT APPLIES	TRY ACT APPLIES.		Paç
**DATE OF CONVERSION TO LAND TITLES: 1996/0 /25 **	** 52/ 0/9661			
33R11966 1995/02/07 PLAN REFERENCE	[7]			0
33R14312 2000/10/02 PLAN REFERENCE	ES.			C
ER89790 2000/12/28 TRANSFER	\$Z	CORPORATION OF THE TOWN OF PARKHILL THE CORPORATION OF THE TOWN OF PARKHILL	MIDDLESEX POWER DISTRIBUTION CORPORATION	n
ER823136 2012/05/11 APL CH NAME OWNER	WNER	MIDDLESEX POWER DISTRIBUTION CORPORATION	ENTEGRUS POWERLINES INC.	a

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY NOTE: ENSURE THAT YOUR FRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PARCEL	
REGISTER	
(ABBREVIATED)	
FOR	
PROPERTY	
IDENTIFIER	

Ontario ServiceOntario

PROPERTY DESCRIPTION:

LAND REGISTRY OFFICE #24

PREPARED FOR EMPatrick ON 2017/04/28 AT 16:15:04 PAGE 1 OF 1

PART OF PARK LOTS 4, 5, 6 4 7, GEOGRAPHIC TOWNSHIP OF RALEIGH, DESIGNATED AS PARTS 1, 2 4 3, 24R8383 ; CHATHAM-KENT OFFICE #24 00507-0810 (LT) \* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT \*

CK71270	CK21856	24R8383	CK9660	CK9113	644273	449922	2483472	**DATE OF	**	*	2	4	4	* *	**SUBJECT,	** PRINTOUS	REG. NUM.	OWNERS' NAMES ENTEGRUS POWE	<u>PROPERTY REMARKS:</u> <u>ESTATE/QUALIFIER:</u> FEE SIMPLE LT CONVERSION QUA
2012/05/11	2008/01/14	2008/01/08	2007/01/08	2006/12/18 TRANS PO REMARKS: LT57617, CK6644	2005/06/14	1987/09/15 BYLAW RE MARKS: BY-LAW 9217,	1985/07/12	CONVERSION TO	ANY LEASE TO	CONVENTION.	IT THROUGH	THE RIGHTS	AND ESCHEATS	SUBSECTION			DATE	OWNERS' NAMES ENTEGRUS POWERLINES INC.	<u>ESTATE/QUALIFIER:</u> FEE SIMPLE LT CONVERSION QUALIFIED
APL CH NAME OWNER	APL CONSOLIDATE	PLAN REFERENCE	TRANSFER	TRANS POWER SALE 617, CK6644	TRANSFER	RE: STREET	PLAN REFERENCE	0 LAND TITLES: 2005/1 /24 **	TO WHICH THE SUBSECTION		L'NGTH OF ADVERSE POS	O' ANY PERSON WHO WOU D,	OR FORFEITURE TO	SUBSECTION 4 (1) OF THE LAND TITLES ACT,	ON FIRST REG STRATION UNDER THE	INCLUDES AL, DOCUMENT TYPES (DE	INSTROMENT TYPE		
			ţ	\$350,000	\$1	LISHTING		124 **	70(2)		ESSION, PRESCRIPTI	D, BUT FOR THE LAND TITLES	THE CROWN.	ES ACT, EXCEPT PAR	AND TITLES ACT, TO	(DE ETED INSTRUMENTS NOT	AMOUNT	CAPACITY S	RECENTLY: CONSOLIDATI
CHATHAM-KENT HYDRO INC.	CRATHAM-KENT HYDRO INC.		THE FUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY OF CHATHAM-KENT	Worrad, lewis henry	THE FUBLIC UTILITIES COMMISSION FOR THE MUNICIPALITY OF CHATHAM-KENT	CITY OF CHATHAM			OF THE REGITRY ACT APPLIES		IT THROUGH LINGTH OF ADVERSE POSIESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY	D TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF		EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES		OF INCLUDED) **	PARTIES FROM	SHARE	RECENTIX: CONSOLIDATION FROM 00507-0266 00507-0808 00507-0809
ENTEGRUS POWERLINES INC.			CHATNAM-KENT HYDRO INC.	CHATHAM-KENT HYDRO INC	CHATHAM-KENT HYDRO INC.												PARTIES TO		PIN CREATION DATE: 2008/01/29
C	n	C	n	Ċ	C	n	O										CERT/		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY. NOTE: ENSURE THAT YOUR FRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

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7		LAND		オカワイのよ つかなようによう (つびのついかについので) マクス オスクロのクトレ	PACE 1 OF 1	
Ur Ontario	Ontario ServiceOntario	* 02	D IN ACCORDANCE WITH THE	LAND TITLES ACT * SUBJECT TY	PREPARED FOR EMPatrick ON 2017/05/31 AT 15:55:55 TO RESERVATIONS IN CROWN GRANT *	
PROPERTY DESCRIPTION:	PART OF PARK LOTS 3, DESIGNATED AS PART 5,	4 6 5, OLD 24R9049 AS	OLD SURVEY, DESIGNATED AS PARTS 1, 2, 3, 4, 49 AS IN CK52956; MUNICIPALITY CHATHAM-KENT	, 5 & 6,	24R9049 ; SUBUECT TO EASEMENT OVER PART OF PARK LOT 4, OLD SURVEY,	
PROPERTY REMARKS:	PLANNING ACT CONSENT IN DOCUMENT CK52956.	IN DOCUMENT CK529	56.			
<u>ESTATE/QUALIFIER:</u> FEE SIMPLE LT CONVERSION QUALIFIED		RECENTLY: DIVISION FROM 00507-0268	9 00507-0268		PIN CREATION DATE: 2011/01/24	
OWNERS' NAMES ENTEGRUS POWERLINES INC.		CAPACITY SH	SHÀRE			
REG. NOM. DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	s from	PARTIES TO	CERT/ CERD
** PRINTOUI INCLUCES AL	** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED)	ED INSTRUMENTS N	T INCLUDEDJ **			
**SUBJECT, ON FIRST REG	ON FIRST REG STRATION UNDER THE .AN	AND TITLES ACT, TO				
** SUBSECTION 4	(1) OF THE LAND TIT ES	ACT, EXCEPT PAR	SUBSECTION 4 (1) OF THE LAND TIT ES ACT, EXCEPT PAR GRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES	IAL SUCCESSION DUTIES *		0
AND ESCHEATS	AND ESCHEATS OR FORFEITURE TO TH' CROWN	ROWN.				670
THE RIGHTS C	ANY PERSON WHO WOU D,	BUT FOR THE LAND	O ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF	LAND OR ANY PART OF		9 of
IT THROUGH I	NGTH OF ADVERSE POS 'ES	SION, PRESCRIPTIO	IT THROUGH L NGTH OF ADVERSE POS ESSION, PRESCRIPTIN, MISDESCRIPTION OR BOUNDARIES SETTLED BY	SETTLED BY		54
CONVENTION.						age
** ANY LEASE TO	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGI TRY ACT APPLIES	0(2) OF THE REGI	TRY ACT APPLIES			P
**DATE OF C NVERSION TO	LAND TITLES: 2010/12/20 **	0 **				_
2483472 1985/07/12	PLAN REFERENCE					Q
24R9049 2010/12/07	PLAN REFERENCE					n
CK\$2956 2010/12/21	TRANSFER	\$295,000	CANADIAN NATIONAL RAILWAY COMPANY	XIV	CHATHAM-KENT HYDRO INC	n
CK52957 2010/12/21	APL ANNEX REST COV		CHATHAM-KENT HYDRO INC.			C
rk71076 2012/05/11					ENTERED TO THE THE THE	n.

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY. NOTE: SNSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

Transfer	
LRO # 24	

Properties	
PIN Description	00707 - 0023 LT InterestEstate Fee Simple PT LT 13-18 CON 9 HOWARD PT 1, 24R8566; FORMER RAILROAD; S/T R666984; CHATHAM-KENT
PIN Description Address	00706 - 0104 LT <i>Interest/Estate</i> Fee Simple PT LT 10-12 CON 9 HOWARD PT 2 24R8564; S/T R666984; CHATHAM-KENT RIDGETOWN
PIN Description Address	00708 - 0019 LT <i>Interest/Estate</i> Fee Simple PT LT 3-6 CON 8 HOWARD PT 1, 24R8562; S/T R666984; CHATHAM-KENT RIDGETOWN
PIN Description Address	00691 - 0045 LT <i>InterestEstate</i> Fee Simple PT LT 11 TOWNLINE RANGE HOWARD PT 1, 24R8563; CHATHAM-KENT RIDGETOWN
PIN Description Address	00691 - 0044 LT <i>Interest/Estate</i> Fee Simple PT LT 10 TOWNLINE RANGE HOWARD PT 3, 4 & 5, 24R8563; CHATHAM-KENT RIDGETOWN
PIN Description Address	00691 - 0024 LT <i>Interest/Estate</i> Fee Simple PT LT 10 TOWNLINE RANGE HOWARD PT 6, 24R8563; CHATHAM-KENT RIDGETOWN
PIN Description Address	00898 - 0003 LT Interest/Estate Fee Simple PART LOT 19 & 20, CONCESSION 1, EAST COMMUNICATION ROAD (HARWICH) DESIGNATED AS PARTS 1, 2 & 3, 24R9173; MUNICIPALITY CHATHAM-KENT CHATHAM
PPD Description Address	00908 - 0002 LT <i>Interest/Estate</i> Fee Simple PART LOT 18, CONCESSION 2 EAST COMMUNICATION ROAD (HARWICH) DESIGNATED AS PARTS 1, 2, 3 & 4, 24R9174; MUNICIPALITY CHATHAM-KENT CHATHAM
PIN Description Address	00910 - 0055 LT <i>Interest/Estate</i> Fee Simple PART OF LOTS 19 & 20, CONCESSION 9, LAKE ERIE SURVEY (HARWICH) DESIGNATED AS PART 1, 24R9164 AND PART OF LOTS 20, 21 & 22, CONCESSION 9, LAKE ERIE SURVEY (HARWICH) DESIGNATED AS PART 1, 24R9166; MUNICIPALITY CHATHAM-KENT CHATHAM
PIN Description Address	00905 - 0014 LT Interest/Estate Fee Simple PART LOT 11, TOWNLINE RANGE (HARWICH) DESIGNATED AS PARTS 1 & 2, 24R9165; MUNICIPALITY CHATHAM-KENT CHATHAM
PIN Description Address	00661 - 0026 LT Interest/Estate Fee Simple PT LT 15-18 CON NORTH MIDDLE ROAD ORFORD PT 1, 24R8810; CHATHAM-KENT HIGHGATE
PIN Description Address	00662 - 0220 LT <i>Interest/Estate</i> Fee Simple PT LT 12 CON 4 ORFORD PT 2, 24R8811; CHATHAM-KENT HIGHGATE
PIN Description Address	00663 - 0162 LT <i>Interest/Estate</i> Fee Simple PART OF LOTS 13, 14, 15, 16, 17 & 18, CONCESSION 4, GEOGRAPHIC TOWNSHIP OF ORFORD, DESIGNATED AS PART 1, 24R8769 EXCEPT PART 1, 24R9163; MUNICIPALITY CHATHAM-KENT HIGHGATE

LRO#24 Tr	Transfer Receipted as CK73593 on 2012 07	12 at 11:55	
The applicant(s) hereby appli	s) hereby applies to the Land Registrar.	dd Page 2 of	13
Properties			_
PIN Description	00662 - 0461 LT <i>interest/Estate</i> Fee Simple PART OF LOTS 7, 8, 9, 10, 11 & 12 CONCESSION 5, GEOGRAPHIC TOWNSHIP OF ORFORD, DESIGNATED AS PART 3, 24R9177, PART 1, 24R8811, PART 1, 24R8812 AND PART 1, 24R8813; MUNICIPALITY CHATHAM-KENT		
Address			
PIN Description	00661 - 0246 LT <i>Interest/Estate</i> Fee Simple PART OF LOTS 3, 4, 5 & 6, CONCESSION 5, GEOGRAPHIC TOWNSHIP OF ORFORD, DESIGNATED AS PART 1, 24R8772 EXCEPT PART 1, 24R9176; MUNICIPALITY CHATHAM-KENT		
Address	HIGHGATE		
PIN Description Address	00702 - 0153 LT <i>interest/Estate</i> Fee Simple PART OF LOT 10, CONCESSION 9, GEOGRAPHIC TOWNSHIP OF HOWARD, DESIGNATED AS PARTS 1 & 2, 24R9162; MUNICIPALITY CHATHAM-KENT RIDGETOWN		
NIA	00909 - 0071 LT Interest/Estate Fee Simple		
Description	PART OF LOTS 13, 14, 15, 16, 17 & 18, CONCESSION 9, LAKE ERIE SURVEY, GEOGRAPHIC TOWNSHIP OF HARWICH, PART OF LOT 13, CONCESSION 10, LAKE ERIE SURVEY, GEOGRAPHIC TOWNSHIP OF HARWICH AND PART OF THE ROAD ALLOWANCE BETWEEN CONCESSION 9 & 10, LAKE ERIE SURVEY, GEOGRAPHIC TOWNSHIP OF HARWICH, DESIGNATED AS PARTS 1 & 2, 24R9168 AND PART 1, 24R9169; MUNICIPALITY CHATHAM-KENT		
Address	снатнам		
Consideration	tion		-
Consideration ed	\$ 354,340.00		
Bansferor(s)	(s)		-
The transferoi	The transferor(s) hereby transfers the land to the transferee(s).		1
o Name Address for Service	THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT ervice 315 King Street W., Box 640 Chatham, Ontario		
) drifting Smith	N7M 5K8 L. Judy Smith. Clerk: have the authority to bind the comonation.		
This document	This document is not authorized under Power of Attorney by this party.		
Transferee(s)	e(s) Capacity	Share	-
Name Address for Service	ENTEGRUS TRANSMISSION INC. 320 Queen Street Box 70 Chatham, Ontario N7M 5K2		1
Statements	5		
The land is bei corporation, or	The land is being acquired or disposed of by the Crown in Right of Ontario or the Crown in Right of Canada, including any Crown corporation, or any agency, board or commission of the Crown; or a municipal corporation.	iy Crown	
STATEMENT ( transfer does n	STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.	elief, this	

Transfer	
SO # 11	
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	Iransier Receipted as CI83759 on 2012 07 12 at 11:30
The applicant(s	The applicant(s) hereby applies to the Land Registrar.
Properties	
PIN Description Address	35102 - 0107 LT Interest/Estate Fee Simple PT LT A, B, C, D CON 7 ALDBOROUGH PT 1, 11R9139, PT 1, 11R9140, PT 1, 11R9141; WEST ELGIN ELGIN
NId	35105 - 0383 LT Interest/Estate Fee Simple
Description	PT LT 1 CON 7 ALDBOROUGH; PT LTS 2-6 CON 8 ALDBOROUGH; PT RDAL BTN CON 7 & CON 8 ALDBOROUGH PTS 1, 2, & 3, 11R9135, PTS 1 & 2, 11R9136, PT 1, 11R9137, PT 1, 11R9138; WEST ELGIN
Address	ELGIN
PIN Description	35118 - 0521 LT Interest/Estate Fee Simple PART OF LOTS 19, 20 & 21 CON 8 ALDBOROUGH PTS 1, 2, 3 & 4, 11R9150, PT 1,
Address	ELGIN
PIN	35118 - 0522 LT Interest/Estate Fee Simple
Descríption	PART OF LOTS 21-24 CON 9 ALDBOROUGH PT 2, 11R9151, PTS 3 & 4, 11R9151, PT 1, 11R9152; S/T E444920; WEST ELGIN
Address	ELGIN
NId	35110 - 0665 LT Interest/Estate Fee Simple
Description	PART OF LOTS 7 TO 12, CONCESSION 8, ALDBOROUGH DESIGNATED AS PART 1, 11R9142, PART 1, 11R9143, PART 1, 11R9144, PART 1, 11R9145; SAVE & EXCEPT PARTS 1 & 2, 11R9331; MUNICIPALITY OF WEST ELGIN
Address	ELGIN
NId	35113 - 0785 LT Interest/Estate Fee Simple
Description Bade 552 Bade 552	PART OF LOTS 13 TO 18, CONCESSION 8, ALDBOROUGH DESIGNATED AS PART 1, 11R9146, PART 1, 11R9147, PART 1, 11R9148, PARTS 1 & 2, 11R 9149; SAVE & EXCEPT PARTS 1, 3, 4, 6, 7, & 9, 11R9329; S/T AL2556; MUNICIPALITY OF WEST ELGIN ELGIN
670	
Consideration	tion
Consideration	\$ 246,236.00
Transferor(s)	(s)
The transferor	The transferor(s) hereby transfers the land to the transferee(s).

THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT 315 King Street W., Box 640 Chatham, Ontario N7M 5K8 Address for Service Name

Transferee(s) Ca		. *
	Capacity	Share
Name ENTEGRUS TRANSMISSION INC. Address for Service 320 Queen Street, Box 70 Chatham, Ontario N7M 5K2		

The land is being acquired or disposed of by the Crown in Kight of Untano or the Crown in corporation, or any agency, board or commission of the Crown; or a municipal corporation.

STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.

The applicant(s) hereby applies to the Land Registrar.

yyyy mm dd Page 1 of 2

	S	
PIN	00897 - 0006 LT Interest/Estate Fee Simple	✓ Split
Description	PART OF THE ROAD ALLOWANCE BETWEEN CONCESSIONS 1 & 2, WES COMMUNICATION ROAD , GEOGRAPHIC TOWNSHIP OF HARWICH, MUNIC OF CHATHAM-KENT BEING DESIGNATED AS PART 1, REFERENCE PLAN	CIPALITY
Address	CHATHAM	
Considera	ation	
Consideration	n \$2.00	
Transfero	or(s)	
The transfero	or(s) hereby transfers the land to the transferee(s).	
Name	THE CORPORATION OF THE MUNICIPALITY OF CHATHAM-KENT	
	Service 315 King Street W. Box 640	

This document is not authorized under Power of Attorney by this party.

Transferee(s)		Capacity	Share
Name	ENTEGRUS TRANSMISSION INC.		
Address for Service	320 Queen Street Box 70 Chatham, Ontario N7M 5K2		
STATEMENT OF THE	TRANSFEROR (S): The transferor(s) verifies th ravene the Planning Act.	at to the best of the transferor's knowle	dge and belief, this

 
 Signed By

 James Douglas Pincombe Wickett
 870 Park Ave W. Box 548 Chatham N7M 5K6
 acting for Transferor(s)
 Signed
 2012 09 21

 Tel
 5193520190

 Fax
 5193520565

I am the solicitor for the transferor(s) and the transferee(s) and this transfer is being completed in accordance with my professional standards.

I have the authority to sign and register the document on behalf of all parties to the document.

Page 553 of 670 870 Park Ave W. Box 548

acting for Signed

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at 16:47 Receipted as CT85954 on 2012 09 13

Page 1 of 3 yyyy mm dd

The applicant(s) hereby applies to the Land Registrar. LRO # 11 Transfer

Shi mandah aru	a word approve to the carry regional	
Properties		
PIN	35156 - 0404 LT Interest/Estate Fee Simple	
Address		
NIA	35156 - 0176 LT Interest/Estate Fee Simple	
Description	PT LT 31-35 CON SENBTR SOUTHWOLD AS IN SW4516, SW4534, SW5070, SW4452, SW4453, SW4454, SW4455, SW4761, SW4488, SW4487, SW4456 EXCEPT E102967; SOUTHWOLD	
Address	SOUTHWOLD	
NId	35157 - 0171 LT Interest/Estate Fee Simple	
Description	PT LT 26-29 CON SENBTR SOUTHWOLD; PT W1/2 LT 30 CON SENBTR SOUTHWOLD; PT E1/2 LT 30 CON SENBTR SOUTHWOLD AS IN SW4483, SW4484, SW4485, SW4512, SW4514, SW4515, SW4593; SOUTHWOLD	
Address	SOUTHWOLD	
PIN	35147 - 0367 LT Interest/Estate Fee Simple	
Description	PT LT 21-25 CON SENBTR SOUTHWOLD AS IN SW4482, SW4507, SW4508, SW4509, SW4510, SW4511, SW4526, SW4527, SW4528, SW4530, SW4578, SW4627 & SW4757; SOUTHWOLD	
Address	SOUTHWOLD	
PIN	35147 - 0360 LT Interest/Estate Fee Simple	
Description	PT LT 19-20 CON SENBTR SOUTHWOLD AS IN SW4443, SW4444, SW4456, SW4506, SW4533 & SW4592; SOUTHWOLD	
Address		
NId	35147 - 0245 LT Interest/Estate Fee Simple	
Description Adage 55 Adage 55 Adage 55 Adage 55	PT LT 16-19 CON NWNBTR SOUTHWOLD AS IN SW6009, SW6008, SW6010, SW4760, SW4634, SW4472, SW4505, SW4442, SW4441 BTN COUNTY RD 20 & TALBOT RD; SOUTHWOLD SOUTHWOLD	
f 6 <b>2</b>	35141 - 0247 LT Interest/Estate Fee Simple	
Description	DN NWNBTR SOUTHWOLD AS II 48, SW4436, SW4437, SW4438,	
Address	SOUTHWOLD	
Nid	35141 - 0244 LT Interest/Estate Fee Simple	
Description	PT LT 6-10 CON NWNBTR SOUTHWOLD AS IN SW4432, SW4948, SW4469, SW4468, SW4433, SW4478, SW4470, SW4434, SW4939, SW4471, SW4435; S/T INTEREST IN SW4948, SW4939; SOUTHWOLD	
Address	SOUTHWOLD	
PIN Description	35141 - 0241 LT Interest/Estate Fee Simple PT LT 4-5 CON NWNBTR SOUTHWOLD AS IN SW4431, SW4447 & SW4446;	
Address	SOUTHWOLD	
PIN Description	35141 - 0237 LT <i>interest/Estate</i> Fee Simple PT LT 3 E/S TOWNLINE, 4 E/S TOWNLINE, 15 CON 5 OR GORE SOUTHWOLD AS IN	
Address	SOUTHWOLD	4
NId	35135 - 0107 LT Interest/Estate Fee Simple	4
Description	PT LT 19-24 CON 5 S OF CON A DUNWICH AS IN DN2246, DN2247, DN2228, DN2293, DN2294, DN2248, DN2249, DN2250, DN2251, DN2252, DN2254, DN2254; PT SE1/2 LT A CON 5 S OF CON A DUNWICH AS IN DN2253, DN2255; PT LT B, C CON 5 S OF CON A DUNWICH AS IN DN2256; DUTTON/DUNWICH S OF CON A DUNWICH AS IN DN2256; DUTTON/DUNWICH	
Address	DUTTON	
PIN Description	35130 - 0537 LT <i>interest/Estate</i> Fee Simple PT LT 13-15 CON 5 S OF CON A DUNWICH; PT NW1/2 LT 16 CON 5 S OF CON A D11NWICH: PT LT 17-18 CON 5 S OF CON A DUNWICH AS IN DN2272, DN2271,	
Address	DN2245, DN2244, DN2220, DN2219, DN2218, DN2327; DUTTON/DUNWICH DUTTON	

LRO # 11 T	Transfer Receipted as CT85954 on	n 2012 09 13	at 16:47
The applicant(	The applicant(s) hereby applies to the Land Registrar	yyyy mm dd	Page 2 of 3
Properties			
PIN Description Address	35130 - 0535 LT Interest/Estate Fee Simple PT LT 13 CON A DUNWICH AS IN DN2228 N OF RDAL BTN CON 5 S OF CON A & CON A AKA CONCESSION ST DUNWICH; DUTTON/DUNWICH DUTTON		
PIN Description Address	35126 - 0458 LT <i>interest/Estate</i> Fee Simple PT LT 6-8 CON A DUNWICH; PT S1/2 LT 9 CON A DUNWICH; PT SE1/2 LT 10-11 CON A DUNWICH; PT LT 12 CON A DUNWICH AS IN DN111337, DN2720, DN2695, DN2517, DN2379, DN2361, DN2243, DN2242, DN2217; S/T DN14610; BTN MAIN ST & COYNE RD; DUTTON/DUNWICH DUTTON		
PIN Description Address	35126 - 0272 LT Interest/Estate Fee Simple LT 3-4 BLK B PL 92 DUTTON; DUTTON/DUNWICH DUTTON		
PIN Description Address	35126 - 0494 LT <i>Interest/Estate</i> Fee Simple PT LT 12 CON A DUNWICH AS IN DN4336; DUTTON/DUNWICH DUTTON		
PIN Description Address	35121 - 0168 LT <i>Interest/Estate</i> Fee Simple PT NW1/2 LT 1 CON A DUNWICH; PT LT 2-6 CON A DUNWICH AS IN DN2228, DN2720, DN3089; DUTTON/DUNWICH DUTTON		
Consideration	tion		
Consideration education	\$ 1,500,000.00		
Tomsferor(s)	(s)		
Tige transfer	The transferor(s) hereby transfers the land to the transferee(s).		
Name Address for Service	THE CANADA SOUTHERN RAILWAY COMPANY ervice c/o 1 Administration Road 1st Floor Concord, Ontario L4K 1B9	1.0	
I, Jeff A. Liepelt the corporation.	I, Jeff A. Liepelt, Vice President and I, Sean Finn, Executive VP, Corporate Services and Chief Legal Officer, have the authority to bind the corporation.	have the authority	to bind
	is not administed ander Fower of Amorney by this party.		
Transferee(s)	t(s) Capacity	Share	9
Name Address for Service	ENTEGRUS TRANSMISSION INC. 320 Queen Street Box 70 Chatham, Ontario N7M 5K2		
Statements	.59		
Schedule: I, acquired for t transmission STATEMENT transfer choos	Schedule: 1, James D. Wickett, solicitor for Entegrus Transmission Inc. state that the land or any use of or right therein is being acquired for the purpose of an electricity distribution line, electricity transmission line, hydrocarbon distribution line or hydrocarbon transmission line within the meaning of Part VI of the Ontario Energy Board Act, 1998. STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this transfer does not contravene the Planning Act.	tht therein is being I line or hydrocarb edge and belief, th	no vic
STATEMEN' STATEMEN' and I have m information si	STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act and based on the Ontario solicitor in good standing.	) Act to the transfe based on the vene that Act. I ar	sror(s) n an

LRO # 11	Transfer		Receipted	Receipted as CT85954 on	2012 09 13	at 16:47
The applic	The applicant(s) hereby applies to t	es to the Land Registrar.			yyy mm dd	Page 3 of 3
STATEM relevant knowledg am an Or	ENT OF THE SOLICITO and I am satisfied that the fe and belief this transfer itario solicitor in good sta	R FOR THE TRANSFE e title records reveal no does not contravene th inding.	STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and I am an Ontario solicitor in good standing.	to this land and t ing Act, and to <b>th</b> f the solicitor for t	o abutting lanc le best of my the transferor(	l where s) and l
Signed	d By					
Joseph	Joseph Charles Debono		77 King Street West, Suite 400 Toronto M5K 0A1	acting for Transferor(s)	Signed	2012 09 13
Tel	4168634511					
Fax	4168634592					
l am the	I am the solicitor for the transfero	or(s) and I am not one a	insferor(s) and I am not one and the same as the solicitor for the transferee(s).	ansferee(s).		
I have th	I have the authority to sign and re	egister the document o	and register the document on behalf of the Transferor(s).			
James I	James Douglas Pincombe Wickett	st	870 Park Ave W. Box 548 Chatham	acting for Transferee(s)	Signed	2012 09 13
Tel Fax	5193520190 5193520565		N/M 5K6			
I am the	solicitor for the transfere	ee(s) and I am not one	I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).	ransferor(s),		
l have t	I have the authority to sign and re	egister the document o	and register the document on behalf of the $\overline{r}$ ransferee(s).			
Submi	Submitted By					
SEME NAME Pa	JAMES WICKETT PROFESSION	SSIONAL CORPORATION	870 Park Ave W. Box 548 Chatham N7M 5K6			2012 09 13
g∉≣55∯ of	5193520190 5193520565					
Fes/1	es/Taxes/Payment					
Statutory	Statutory Registration Fee	\$60.00				
Provincie	Provincial Land Transfer Tax	\$20,975.00				
Total Paid	ą	\$21,035.00				
File Number	umber					
Transfen	Transferor Client File Number	238609-741	4			

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In the	In the matter of the conveyance of:	35156 - 0404	PT LT 38 CON NTR SOUTHWOLD AS IN SW4517; SOUTHWOLD
		35156 - 0176	PT LT 31-35 CON SENBTR SOUTHWOLD AS IN SW4516, SW4534, SW5070, SW4452, SW4453, SW4454, SW4455, SW4761, SW4488, SW4487, SW4456 EXCEPT E102967; SOUTHWOLD
		35157 - 0171	PT LT 26-29 CON SENBTR SOUTHWOLD; PT W1/2 LT 30 CON SENBTR SOUTHWOLD; PT E1/2 LT 30 CON SENBTR SOUTHWOLD AS IN SW4483, SW4484, SW4485, SW4512, SW4514, SW4515, SW4593; SOUTHWOLD
		35147 - 0367	PT LT 21-25 CON SENBTR SOUTHWOLD AS IN SW4482, SW4507, SW4508, SW4509, SW4510, SW4511, SW4526, SW4527, SW4528, SW4530, SW4578, SW4627 & SW4757; SOUTHWOLD
		35147 - 0360	PT LT 19-20 CON SENBTR SOUTHWOLD AS IN SW4443, SW4444, SW4445, SW4506, SW4533 & SW4592; SOUTHWOLD
		35147 - 0245	PT LT 16-19 CON NWNBTR SOUTHWOLD AS IN SW6009, SW6008, SW6010, SW4760, SW4634, SW4472, SW4505, SW4442, SW4441 BTN COUNTY RD 20 & TALBOT RD; SOUTHWOLD
		35141 - 0247	PT LT 11-15 CON NWNBTR SOUTHWOLD AS IN SW13237, SW4756, SW4569, SW4532, SW4448, SW4436, SW4437, SW4438, SW4439, SW4440, SW4479; SOUTHWOLD
		35141 - 0244	PT LT 6-10 CON NWNBTR SOUTHWOLD AS IN SW4432, SW4948, SW4469, SW4468, SW4433, SW4478, SW4470, SW4434, SW4939, SW4471, SW4435; S/T INTEREST IN SW4948, SW4939; SOUTHWOLD
		35141 - 0241	PT LT 4-5 CON NWNBTR SOUTHWOLD AS IN SW4431, SW4447 & SW4446; SOUTHWOLD
		35141 - 0237	PT LT 3 E/S TOWNLINE, 4 E/S TOWNLINE, 15 CON 5 OR GORE SOUTHWOLD AS IN SW9023, SW4467, SW4660, SW4759, SW8702, SW4492, SW8701; SOUTHWOLD
		35135 - 0107	PT LT 19-24 CON 5 S OF CON A DUNWICH AS IN DN2246, DN2247, DN2328, DN2293, DN2294, DN2248, DN2249, DN2250, DN2251, DN2252, DN2255, DN2255, DN2255, DN2255, PT SE1/2 LT A CON 5 S OF CON A DUNWICH AS IN DN2255, DUTTON/DUNWICH AS IN DN2256, DN2325; DUTTON/DUNWICH
Page	Dogo	35130 - 0537	PT LT 13-15 CON 5 S OF CON A DUNWICH; PT NW1/2 LT 16 CON 5 S OF CON A DUNWICH; PT LT 17-18 CON 5 S OF CON A DUNWICH AS IN DN2272, DN2271, DN2245, DN2244, DN2220, DN2219, DN2218, DN2327; DUTTON/DUNWICH
557 of 6	557 of (	35130 - 0535	PT LT 13 CON A DUNWICH AS IN DN2228 N OF RDAL BTN CON 5 S OF CON A & CON A AKA CONCESSION ST DUNWICH; DUTTON/DUNWICH
570 	270	35126 - 0458	PT LT 6-8 CON A DUNWICH; PT S1/2 LT 9 CON A DUNWICH; PT SE1/2 LT 10-11 CON A DUNWICH; PT LT 12 CON A DUNWICH AS IN DN11337, DN2720, DN2695, DN2517, DN2379, DN2361, DN2243, DN2242, DN2217; S/T DN14610; BTN MAIN ST & COYNE RD; DUTTON/DUNWICH
		35126 - 0272	LT 3-4 BLK B PL 92 DUTTON; DUTTON/DUNWICH
		35126 - 0494	PT LT 12 CON A DUNWICH AS IN DN4336; DUTTON/DUNWICH
		35121 - 0168	PT NW1/2 LT 1 CON A DUNWICH; PT LT 2-6 CON A DUNWICH AS IN DN2228, DN2720, DN3089; DUTTON/DUNWICH
BY: TÖ	THE CANADA SOUTHERN RAILWAY ENTEGRUS TRANSMISSION INC.		COMPANY %(all PINS)
+	TOMO MATESIC		
	l am	whom the land c	trust for whom the land conveyed in the abcve-described conveyance is being conveyed;
	(b) A trustee named in the above-described conveyance to v (c) A transferee named in the above-described conveyance;	ne above-descri n the above-des	(b) A trustee named in the above-described conveyance to whom the land is being conveyed; (c) A transferee named in the above-described conveyance;
		t or solicitor acti	ng in this transaction for described in paragraph(s) (_) above.
	(e) The President, Vice-I TRANSMISSION INC. d (f) A transferee describe deposed to.	President, Mane escribed in para d in paragraph ( d escribed in p	(e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authonzed to act for ENTEGRUS TRANSMISSION INC. described in paragraph(s) (c) above. (f) A transferee described in paragraph () and am making these statements on my own benaif and on behalf of who is my spouse described in paragraph () and as such, I have personal knowledge of the facts herein deposed to.
-# \$ N	I have read and considered the d herein: does not contain a single family r	efinition of "sing esidence or con	sred the definition of "single family residence" set out in subsection 1(1) of the Act. The land being conveyed e family residence or contains more than two single family residences.

LAND TRANSFER TAX STATEMENTS

3. The regulation control contro control control control control control control contro	LAND TRANSFER TAX STATE	X STATEMENTS							1
1 sub react in cash or card in cash of	÷	transaction is alloc	ated as fo	Itows:					L
0. Second stands (purplic) and stands (purplic) (	(a) Monies paid or to be pa	aid in cash		:				1,500,000	8.8
among in accimange (defined holion)         an of the and(s)         a monto mathemano and mantemano		id (show principal and Back to Vendor	l interest to	be credited	l against pi	Irchase price)			3 6
alia of the land(s). Alia of the land(s). Consultament manufactures of anopoint solution the interfactor the industry fragment or anopoint solution the interfactor the industry fragment or anopoint solution the interfactor the industry fragment or anopoint solution the interfactor th	(c) Property transferred in (	exchange (detail belo	( MK					, 0	3 8
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contransaction nuclear and any and any any and any	(e) Liens, legacies, annuiti	es and maintenance	charges to	w hich trans	sfer is subje	ರ		0	00.
1. ChyrrteLS - lans of tangible perional propertion       1. ClawrteLS - lans of tangible perional propertion       1. market         mext       Tansfer       Assessment       2. Classified         PN       35156       -0176       Adness       SourtHVOLD       Assessment       2. Classified         PN       35147       -0361       Adness       SourtHVOLD       Assessment       2. Classified       2. Class	<ul> <li>(T) Uther valuable consider</li> <li>(g) Value of land, building,</li> </ul>	auon subject to land fixtures and goodwill	transier tax subject to	(uetait peik land transfe	ow) er tax (total	of (a) to (f))		u 1,500,000	8 8
Non-         C188064         Date:         201209013           Reservent         Transfer         Assessment         Assessment         -           Rotal         Transfer         CUTH/NOLD         C188064         Date:         201209013           PIN<35165<-0404	(h) VALUE OF ALL CHATT	ELS - items of tangit	le persona	t property				00	8
ment         Transfer         Assessment           Transfer         Transfer         Assessment           PN<35156	(i) Other considerations for (j) Total consideration	r transaction hot inclu	ded in (g) c		4			0 1,500,000	00.00
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CUTINOL         SOUTINOLD         NOTINOLD         NOTINOLD         NOTINOLD           PIN 3515 - 017         Address         SULTI-NOLD         Address         SULTI-NOLD         Address           PIN 3517 - 017         Address         SULTI-NOLD         Address         SULTI-NOLD         Address           PIN 3517 - 0361         Address         SULTI-NOLD         Address         Address         Address           PIN 35147 - 0361         Address         SULTI-NOLD         Address         Address         Address           PIN 35147 - 0361         Address         SULTI-NOLD         Address         Address           PIN 35141 - 0247         Address         SULTI-NOLD         Address         Address           PIN 35141 - 0247         Address         SULTI-NOLD         Address           PIN 35141 - 0247         Address         DUTTON         Address           PIN 35150 - 0458         Address	B, Property(s):	35156 -	Address			(2) =	,		
PIN         35156         Address         SouthMoLD         Reasion           PIN         35157         0171         Address         SouthMOLD         Reasion           PIN         35147         0375         Address         SouthMOLD         Reasion           PIN         35147         0361         Address         SouthMOLD         Reasion           PIN         35147         0361         Address         SouthMOLD         Reasion           PIN         35147         0361         SouthMOLD         Reasion         Reasion           PIN         35147         0246         Address         SouthMOLD         Reasion           PIN         35141         0241         Address         SouthMOLD         Reasion           PIN         35141         Address         DUTON         Reasion </td <td></td> <td></td> <td></td> <td>SOUTHWO</td> <td>or D</td> <td></td> <td></td> <td></td> <td></td>				SOUTHWO	or D				
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PIN         35147         -0245         Address SOUTHMOLD         Assessment Roll No           PIN         35141         -0247         Address         Assessment SOUTHMOLD         Assessment Roll No           PIN         35141         -0241         Address         Assessment Roll No         Assessment Roll No           PIN         35141         -0241         Address         Assessment Roll No         Assessment Roll No           PIN         35141         -0241         Address         SOUTHWOLD         Rassessment Roll No           PIN         35141         -0241         Address         SOUTHWOLD         Roll No           PIN         35135         -0107         Address         Assessment Roll No         Assessment Roll No           PIN         35130         -0557         Address         DUTTON         Roll No           PIN         35135         -046         Roll Roll No         Roll No           PIN         35136         -0452         Address         Roll No           PIN         35130         -0557         Address         Roll No           PIN         35130         -0557         Address         Roll No           PIN         35126         -0452         Address			Address	SOUTHWO	OLD	Assessment Roil No			
PIN         35141 - 0.247         Address SUTHWOLD         Assessment Roli No           PIN         35141 - 0.24         Address SUTHWOLD         Assessment Roli No           PIN         35130 - 0.55         Address DUTTON         Assessment Roli No           PIN         35126 - 0.494         Address DUTON		35147		SOUTHWG	סרם	Assessment Roll No			
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PIN         35126         -0272         Address         Assessment           PIN         35126         -0494         Address         Assessment           PIN         35126         -0494         Address         Assessment           PIN         35121         -0168         Address         Assessment           Nrice:         320         Aueen Street         Assessment         Assessment           Box 70         Chatham, Ontario         Montario         Scoli No         Scoli No           VirM 5K2         Stat         Scoli No         Sw4517         Pin           PIN         35156         -0176         Registration No         Sw4593           PIN         35147         -0367         Registration No         Sw4593           PIN         35147         -0367         Registration No         Sw44593           PIN         35147         -0247         Registration No         Sw44593           PIN         35141		35126		DUTTON		Assessment Rol! No			
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<ul> <li>35157 - 0171 Registration No.</li> <li>35147 - 0367 Registration No.</li> <li>35147 - 0360 Registration No.</li> <li>35141 - 0245 Registration No.</li> <li>35141 - 0244 Registration No.</li> <li>35141 - 0241 Registration No.</li> <li>35141 - 0237 Registration No.</li> </ul>		35156 35156			SW4517 SW5070				
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	(i) Last Conveyance(s):       PIN       35135       -0107       Registration No.       DN2328         PIN       35130       -0535       Registration No.       DN2328         PIN       35130       -0535       Registration No.       DN2328         PIN       35126       -0458       Registration No.       DN11337         PIN       35126       -0458       Registration No.       DN11337         PIN       35126       -0494       Registration No.       DN4336         PIN       35126       -0494       Registration No.       DN4336         PIN       35121       -0168       Registration No.       DN3089         (ii) Legal Description for Property Conveyed : Same as in last conveyance? Yes [V] No [Now [Now [V] Not known [S70 Park Ave W. Box 548       Not known [S70 Park Ave W. Box 548         Tax Statements Prepared By:       James Dcuglas Pincombe Wickett       S70 Park Ave W. Box 548       Not known [S70 Park Ave W. Box 548		
	DN2328 DN2327 DN1337 DN11337 DN13369 DN3089 eyance? t		
	<ul> <li>135 - 0107 Registration No.</li> <li>130 - 0537 Registration No.</li> <li>13130 - 0535 Registration No.</li> <li>15126 - 0458 Registration No.</li> <li>15126 - 0272 Registration No.</li> <li>15126 - 0494 Registration No.</li> <li>15129 - 0168 Registration No.</li> <li>15121 - 0168 Registration No.</li> <li>15121 - 0168 Registration No.</li> <li>15120 - 0494 Registration No.</li> <li>15121 - 0168 Registration No.</li> <li>15121 - 0168 Registration No.</li> <li>15121 - 0168 Registration No.</li> <li>15120 - 0494 Registration No.</li> <li>15120 - 0494 Registration No.</li> <li>15121 - 0168 Registration No.</li> </ul>		
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	35135 - 0107 35130 - 0537 35130 - 0535 35126 - 0458 35126 - 0494 35121 - 0168 by Conveyed : James Dcug 870 Park Ave Chatham N7		
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LAND'TRANSFÊR TAX STATEMENTS	D. (i) Last Convey (ii) Legal Descri E. Tax Statements		
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LAN		Page 559 of 670	

Transfere(s)       Capacity       Share         Name       ENTEGRUS TRANSMISSION INC.       Capacity       Share         Mare       ENTEGRUS TRANSMISSION INC.       320 Queen Street       Saro       Saro       Saro       Saro       Share       Share<

Transfer
24
LRO #
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315 King St. W.     acting for Chatham N7M 5K8     acting for Transferor(s)     Signed       and register the document on behalf of the Transferor(s).     acting for Transferoe(s)     Signed       Wickett     870 Park Ave W. Box 548     acting for Transferoe(s)     Signed       wickett     870 Park Ave W. Box 548     acting for Transferoe(s)     Signed       and register the document on behalf of the Transferoe(s)     Signed     Signed       SSIONAL. CORPORATION     870 Park Ave W. Box 548     Statham N7M 5K6	ylor     315 King St. W.     acting for Transferor(s)     Signed       0-1988     0-1988     Transferor(s)     Signed       0-1988     0-1988     acting for     Signed       6-3237     8-3237     acting for     Signed       0-1988     0-1988     acting for     Signed       6-3287     8-3237     acting for     Signed       0-1988     8-3237     acting for     Signed       0-1986     N7M 5K6     acting for     Signed       0190     0190     Transferee(s).     Signed       0190     0190     transferee(s).     Signed       0190     0190     transferee(s).     Transferee(s).       1010     N7M 5K6     Ave W. Box 548     Acting for       0190     FPROFESSIONAL CORPORATION     870 Park Ave W. Box 548     Ave M. Box 548	Sign	Signed By				
and register the document on behalf of the Transferor(s). Wickett 870 Park Ave W. Box 548 acting for Signed Chatham N7M 5K6 Transferee(s) and register the document on behalf of the Transferee(s).	0-1998 0-1998 6-3237 fit or sign and register the document on behalf of the Transferor(s). Princombe Wickett 870 Park Ave W. Box 548 acting for Signed 0190 0190 0565 17 transferee(s). 17 transferee(s). 17 transferee(s). 17 transferee(s). 17 transferee(s). 17 transferee(s). 18 to sign and register the document on behalf of the Transferee(s). 18 to sign and register the document on behalf of the Transferee(s). 19 to sign and register the document on behalf of the Transferee(s). 19 to sign and register the document on behalf of the Transferee(s).	David	Vincent Taylor	315 King St. W. Chatham	acting for Transferor(s)	Signed	2013 07 26
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Wickett     870 Park Ave W. Box 548     acting for Chatham     signed       and register the document on behalf of the Transferee(s).     Transferee(s).     signed       SSIONAL CORPORATION     870 Park Ave W. Box 548     chatham       N7M 5K6     Chatham     stor 548	rincombe Wickett 870 Park Ave W. Box 548 acting for Signed Chatham U.7M 5K6 Chatham U.7M 5K6 Transferce(s) Transferce(s) transferce(s) ty to sign and register the document on behalf of the Transferce(s).	have	the authority to sign and register the document o	on behalf of the Transferor(s).			
and register the document on behalf of the Transferee(s). SSIONAL CORPORATION 870 Park Ave W. Box 548 Chatham N7M 5K6	0190 0565 Ity to sign and register the document on behalf of the Transferee(s). It PROFESSIONAL CORPORATION 870 Park Ave W. Box 548 Chatham N7M 5K6	Jame	bouglas Pincombe Wickett	870 Park Ave W. Box 548 Chatham אזא קאפ	acting for Transferee(s)	Signed	2013 07 31
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and register the document on behalf of the Transferee(s). SSIONAL CORPORATION 870 Park Ave W. Box 548 Chatham N7M 5KG	Ity to sign and register the document on behalf of the Transferee(s). r PROFESSIONAL CORPORATION 870 Park Ave W. Box 548 Chatham N7M 5K6	,ax	5193520565				
SSIONAL CORPORATION 870 Park Ave W. Box 548 Chatham N7M 5KG	r PROFESSIONAL CORPORATION 870 Park Ave W. Box 548 Chatham N7M 5K6	have	the authority to sign and register the document o	on behalf of the Transferee(s).			
SSIONAL CORPORATION 870 Park Ave W. Box 548 Chatham N7M 5K6	870 Park Ave W. Box 548 Chatham N7M 5K6	ndu	litted By				
	5103520100	AME	S WICKETT PROFESSIONAL CORPORATION	870 Park Ave W. Box 548 Chatham N7M 5K6			2013 07 31
	J	ax e	5193520190 5193520565				
Faes/Taves/Davment	Faes/Tavas/Paumant	Toos/	Tavec/Paument				

\$1,293.01

Statutory Registration Fee Bead Provincial Land Transfer Tax 199 Jotal Paid

\$1,353.01

\$60.00

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n the m	In the matter of the conveyance of:						
		1041	PT RDAL I HOWARD LINE; CHA	BTN CON 8 AN BEING A FOR VTHAM-KENT	D CON 9 F CED RD TI	łoward PT 2 24 Hrough; aka P	PT RDAL BTN CON 8 AND CON 9 HOWARD PT 2 24R8435; PT LT 9 CON 9 HOWARD BEING A FORCED RD THROUGH; AKA PALMER ST; AKA MITTON LINE; CHATHAM-KENT
		00709 - 0046	PT RDAL I 24R8435;	BTN CON 8 AN CHATHAM-KE	ID CON 9 H	HOWARD CLOSE	PT RDAL BTN CON 8 AND CON 9 HOWARD CLOSED BY HO1288; PT 3 & 8 24R8435; CHATHAM-KENT
		00709 - 0069	PT RDAL   13 & 14 24 537578; C	BTN CON 8 AN 1R8435; S/T IN HATHAM-KEN	ID CON 9 H TEREST O T	HOWARD AS CLC F ADJOINING OV	PT RDAL BTN CON 8 AND CON 9 HOWARD AS CLOSED BY HO1288; PT 5, 6, 13 & 14 24R8435; S/T INTEREST OF ADJOINING OWNERS, IF ANY, UNDER 537578; CHATHAM-KENT
		00709 - 0043	PT LT 9 C	ON 9 HOWARI	0 PT 4 24R	PT LT 9 CON 9 HOWARD PT 4 24R8435; CHATHAM-KENT	KENT
		00709 - 0071	PT LT 9 C	ON 9 HOWARI	) PT 7 24R	PT LT 9 CON 9 HOWARD PT 7 24R8435; CHATHAM-KENT	KENT
		00709 - 0067	PT LT 7-9	CON 8 HOWA	RD PT 1, 9	, 10, 11 & 12 24R	PT LT 7-9 CON 8 HOWARD PT 1, 9, 10, 11 & 12 24R8435; CHATHAM-KENT
BY:	THE CORPORATION OF 1	ION OF THE MUNICIPALITY OF CHATHAM-KENT	LITY OF CF	HATHAM-KENT			
ö	ENTEGRUS TRANSMISSION INC.	ON INC.					%(all PfNs)
1. TON	TOMO MATESIC						
	lam						
	(a) A person in trust for whom the land conveyed in the above-described conveyance is being	whom the land c he above descri	conveyed in hed convey	the above-des	cribed cont	trust for whom the land conveyed in the above-described conveyance is being conveyed; med in the above-described conveyance to whom the land is being conveyed.	onveyed;
	(c) A transferee named in the above-described convevance:	in the above des	scribed con	vevance:			
	$\Box$ (d) The authorized agent or solicitor acting in this transaction for	t or solicitor acti	ng in this tr	ansaction for	descrit	described in paragraph(s) (_) above.	i) 🔵 above.
	(e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for ENTEGRUS TRANSMISSION INC. described in parametrics (c) above	President, Mana Jescribed in para	iger, Secret	tary, Director, o	r Treasurei	r authorized to act	for ENTEGRUS
	(f) A transferee described in paragraph () and am making these statements on my own behalf and on behalf of who is my spouse described in paragraph () and as such, I have personal knowledge of the facts herein deposed to.	e described in p	aragraph (_	y accuration making these s ) and as such,	latements ( I have pers	on my own behalf sonal knowledge o	and on behalf of if the facts herein
3 The	total consideration for this	s transaction is	alfocated	ae followe:			
	(a) Monies paid or to be paid in cash	aid in cash					156,801.36
	(b) Mortgages (l) assume	() assumed (show principal and interest to be credited against purchase price)	al and inter	est to be credit	ed against	purchase price)	
ae 5	(ii) Given Back to vendor (c) Property transferred in exchance (detait helow)	ii) Given Back to Vendor sferred in exchange (deta	it helow)				
562 o	(d) Fair market value of the land(s)	e land(s)					
of 670	(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	ies and mainten	ance charg	es to which trai	isfer is sub	ject	
1	(f) Other valuable consideration subject to land transfer tax (detail below)	consideration subject to land transfer fax (detail below) building fictures and accetuill subject to fact transfer for the (f)	land transf admill subio	er tax (detail be	(IOW) for the feats	l af (a) to (₿)	
		FLS - items of t	angible per	sonal property	ובו ומע (והומ		0.00
	(i) Other considerations for transaction not included in (g) or (h) above	r transaction not	t included ir	n (g) or (h) abov	e		
	(j) Total consideration						156,801.36
ROPEI	PROPERTY Information Record A. Nature of Instrument:	Transfer					
		LRO 24	Registration No.	n No. CK86457	57	Date: 2013/07/31	-
	B. Property(s):	- 60200 NIA	- 0041 Address	ress RIDGETOWN	NM	Assessment Roll No	0000000 - 0000000
		PIN 00709 - 0046	0046 Address	ress RIDGETOWN	NMO	Assessment Roli No	0000000 - 0000000
		- 60200 NId	- 0069 Address	ress RIDGETOWN	NMO	Assessment Roll No	3621000 - 00313900
		PiN 00709 - 0043	0043 Address	ress RIDGETOWN	NM	Assessment Roll No	0000000 - 0000000
		PIN 00709 - 0071	0071 Address	ress RIDGETOWN	NWO	Assessment Roll No	0000000 - 0000000
		PIN 00709 - 0067	0067 Address		NMO	Assessment Roll No	0000000 - 0000000
	C. Address for Service:	320 Queen Street Box 70 Chatham, Ontario	treet larío				•
	D. (i) Last Conveyance(s):	PIN 00709 - 0041		Registration No.	662450		
		60700 80700		Registration No. Registration No.	662450 662450		
		60200 60700		Registration No. Registration No.	662451 662451		
				Desistantian Na			

LRO#12 T	Transfer	Receipted as CE607658	<b>7658</b> on 2014 04 25	at 14:21
The applicant(s) hereby	applie	s to the Land Registrar.	yyyy mm dd	Page 1 of 7
Properties				
PIN Description	75076 - 0063 LT PT LT 19-20 CON A REFERENCE PLAI CE481532; LAKES ATTACHED AND F PART 2, REFEREN	75076 - 0063 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LT 19-20 CON 4 TILBURY, DESIGNATED AS PART 1, PART 2 AND PART 3, REFERENCE PLAN 12R25521; LAKESHORE; S/T EASEMENT IN GROSS AS IN CE481532; LAKESHORE; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED AND RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED OVER PART 2, REFERENCE PLAN 12R 25521.	Add Easement	leut
Address	TILBURY			
Consideration	tion			
Consideration	\$ 2.00			
Transferor(s)	r(s)			
The transfer	ur(s) hereby transfers	The transferor(s) hereby transfers the land to the transferee(s).		
Name Address for	THE CANADA SC Service c/o 1 Administrati First Floor Concord, Ontario L4K 1B9	CANADA SOUTHERN RAILWAY COMPANY Administration Road Broor bord, Ontario		
I, Adolph Gε	neiro, President and	I, Adolph Gameiro, President and I, John Orr, Vice-President, have the authority to bind the corporation.	tion.	
This docum	nt is not authorized .	This document is not authorized under Power of Attorney by this party.		
or transferee(s)	e(s)	Capacity	Share	are
oddress for	ENTEGRUS TRAN Service 320 Queen Street Chatham, Ontario N7M 5K2	tUS TRANSMISSION INC. en Street , Ontario		
Statements	ţs			
The Corporation Schedule: See (	of the Town Schedules	of Lakeshore has consented to the severance herein. See Schedules		
STATEMENT OF transfer does not	THE TRAN contravene	SFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this the Planning Act.	's knowledge and belief,	this
STATEMEN and I have rr information s Ontario solic	OF THE SOLICITOF ade inquiries of the trappled by the transfe or in good standing.	STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) and I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act and Lased on the Ontario solicitor in good standing.	Planning Act to the trans t Act and based on the iot contravene that Act. I	feror(s) am an
STATEMENT ( relevant and l knowledge and am an Ontario	OF THE SOLICITOR FOR am satisfied that the title r id belief this transfer does i solicitor in good standing.	STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and am an Ontario solicitor in good standing.	land and to abutting lanc t, and to the best of my colicitor for the transferor	l where (s) and l
Signed By				
Joseph Ch	Joseph Charles Deborro	77 King Street West, Suite 400 acti Toronto M5K 0A1	acting for Signed Transferor(s)	2014 04 23
Tel 4 Fax 4	416-863-4511 416-863-4592			
I am the so	icitor for the transfero	I am the solicitor for the transferor(s) and I am not one and the same as the solicitor for the transferee(s)	ree(s)	
I have the	uthority to sign and re	I have the authority to sign and register the document on behalf of the Transferor(s)		

Transfer	
ŧ 12	
LRO #	

- # OĽ		Receipted as Crowroso on 2014 04 20	SI 14'71
The appl	The applicant(s) hereby applies to the Land Registrar.	yyyy mm dd	Page 2 of 7
Signe	Signed By		
James	James Douglas Pincombe Wickett	101 Keil Dr. S., Unit 2, P.O. Box 520 acting for Signed Chatham N7M 5K6	2014 04 25
Tel	519-352-4529		
Fax	519-352-4524		
l am th	he solicitor for the transferee(s) and I am not one	I am the solicitor for the transferee(s) and I am not one and the same as the solicitor for the transferor(s).	
l have	I have the authority to sign and register the document on behalf of the Transferee(s).	on behalf of the Transferee(s).	

stonal corporation 101 Keil Dr. S., Unit 2, P.O. Box 520 Chatham 860.00 \$0.00 \$0.00 \$60.00 \$60.00				
\$60.0 \$60.0	JAMES WICKETT PROFESSIONA	L CORPORATION	101 Keil Dr. S., Unit 2, P.O. Box 520 Chatham N7M 5K6	2014 04 25
\$60.0				
\$60.0				
\$60.0 \$60.0	Fees/Taxes/Payment			
\$60.0	Statutory Registration Fee	\$60.00		
\$60.0	Provincial Land Transfer Tax	\$0.00		
	Total Paid	\$60.00		
	File Number			
	burransferor Client File Number	238609-69	33	

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LAND TRANSFER TAX STATEMENTS	
063	PT LT 19-20 CON 4 TILBURY, DESIGNATED AS PART 1, PART 2 AND PART 3, REFERENCE PLAN 12R25521; LAKESHORE; S/T EASEMENT IN GROSS AS IN CE481532; LAKESHORE; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED AND RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED OVER PART 2, REFERENCE PLAN 12R 25521.
BY: THE CANADA SOUTHERN RAILWAY COMPANY TO: ENTEGRUS TRANSMISSION INC.	%(all PINs)
1. TOMO MATESIC	
i am [1] (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;	described conveyance is being conveyed;
(1) (b) A trustee named in the above-described conveyance to whom the land is being conveyed.	iom the land is being conveyed.
<ul> <li>(d) The authorized agent or solicitor acting in this transaction for</li> <li>(e) The President, Vice-President, Manager, Secretary, Director, or <sup>1</sup></li> </ul>	this transaction for described in paragraph(s) (_) above. Secretary, Director, or Treasurer authorized to act for ENTEGRUS
described in paragrapπ(s) (c) above. oed in paragraph ( ) and am making these ise described in paragraph ( ) and as such	se statements on my own behalf and on behalf of uch, I have personal knowledge of the facts herein
3. The total consideration for this transaction is allocated as follows: (a) Monies paid or to be paid in cash	1.00
(b) Mortgages (i) assumed (show principal and interest to be credited against purchase price)	edited against purchase price)
(ii) Given Back to Vendor	
(c) Property transferred in excinange (uetail perow) (d) Fair market value of the land(s)	0.00
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	
(f) Other valuable consideration subject to land transfer tax (detail below) (o) Value of land, building, fixtures and goodwill subject to land transfer tax (total of (a) to (f))	ail below) 0.00 transfer tax (total of (a) to (f)) 1.00
<ul> <li>(i) Other considerations for transaction not included in (g) or (h) above</li> <li>(j) Total consideration</li> </ul>	above 0.00 1.00
Explanation for no	
S s) other: Prior consideration paid upon the registration of easement being instrument #CE481532	ent being instrument #CE481532
5. The land is not subject to an encumbrance	
A. Nature of Instrument: Transfer	CERNTRE8 Date: 2014/04/05
75076 - 0063 Address	Ass Boll
C. Address for Service: 320 Queen Street Chatham, Ontario	
N7M 5K2	
D. (i) Last Conveyance(s): PIN 75076 - 0063 Registration No. CE481532 (ii) Legal Description for Property Conveyed : Same as in last conveyance? Yes	No. CE481532 t convevance2 Yes
	]

# **Certificate of Consent**

### Form 2

### Planning Act Certificate of Official

Corporation of the Town of Lakeshore in the County of Essex was given on the 15<sup>th</sup> day of May, 2013, for the Under subsection 53(42) of the Planning Act, I certify that Committee of Adjustment, of the creation of a easement/ right-of-way. the consent of the

and 20, Concession 4, Tilbury, designated as Part 2 on Reference Plan 12R-25521, in the Town of Lakeshore, Legal Description: Part of PIN 75076-0063 – Part Lot 19 County of Essex and Province of Ontario. Reference Plan 12R-25521, in

Consent Application No. B/11/2013



Secretary-Treasurer The Corporation of the Town of Lakeshore Dated at the Corporation of the Town of Lakeshore this 29th day of January, 2014. I. James D. Wickett, solicitor for Entegrus Transmission Inc. state that the land or any use of or right therein is being acquired for the purpose of an electricity distribution line, electricity transmission line, hydrocarbon distribution line or hydrocarbon transmission line with the meaning of Part VI of the *Ontario Energy Board Act, 1998*.

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### Schedule "A"

transferor (the "Railway") to Entegrus Transmission Inc. as transferee (the "Transferee") Forming part of a Transfer from The Canadian Southern Railway Company as

### 1. Reservation

to the Transferee, as it is described in this Transfer (the "Property") the railway tracks, lines, lights, signals, communications equipment, cross over switches, switches and other rail related improvements and appurtenances, not including the gravel rail bed (the "Rail Fixtures") located on the Property, is expressly reserved by the Railway, so as to remain the sole property of the The Transferee acknowledges and agrees that notwithstanding this conveyance of the property Railway.

# 2. Track Removal Easement

(a) The Railway, as transferor, reserves for itself, its successors and assigns, agents, employees, contractors, tenants and licencees (collectively, the **'Rail Beneficiaries**"), an solely for the purposes set out in this section 2, exclusive, free, uninterrupted and unobstructed right, easement and right of way (the **'Track Removal Easement'**) in, under, over, across, along and upon the Property transferred to the Transferee in accordance with this Transfer (the **'Rail** Burdened Lands") to:

- retain upon the Rail Burdened Lands the Rail Fixtures;
- remove the Rail Fixtures from the Rail Burdened Lands, following the registration of this Transfer; and
- enter upon the Rail Burdened Lands with all appropriate equipment, machinery and vehicles and at all times and from time to time without restriction and for all purposes necessary for or incidental to the exercise and enjoyment of the rights reserved under this Track Removal Easement. €

described in the attached Schedule A-1 (the "Benefited Lands") and shall be for the benefit of the Rail Beneficiaries from time to time of the Benefited Lands and others claiming under them. The burden of the Track Removal Easement shall bind the Transferee and its successors and assigns and others claiming through it and shall be annexed to and run with every part of the The benefit of this Track Removal Easement is appurtenant to and shall remain with the lands Rail Burdened Lands. (b) Notwithstanding any rule of law or equity, the Rail Fixtures, providing the same are removed from the Rail Burdened Lands by the Railway pursuant to the provisions of the Track Removal Easement, shall at all times remain the exclusive property of the Railway, notwithstanding the registration of this Transfer and the affixation of such Rail Fixtures to the Rail Burdened Lands. and/or other documents as the Raitway may reasonably request in order to permit the Raitway to more assurances effectively exercise the rights of the Railway under this Track Removal Easement. The Transferee covenants to execute and deliver such consents, 0

(d) This Track Removal Easement shall automatically expire and be at an end one (1) year after the registration of this Transfer (the "Explication Date"), provided that the Expiration Date shall be extended with respect to such portions of the Rail Burdened Lands in respect of which the Rail Fixtures have not been removed within such period of one year, for such extended period as the Railway is diligently proceeding to remove such Rail Fixtures, but in no event shall the Expiration Date the Expiration Date period as the Railway is diligently proceeding to remove such Rail Fixtures, but in no event shall the Expiration Date be extended beyond five (5) years from the registration of this Transfer.

(e) The Railway shall execute and deliver to the Transferee such documents as the Transferee may reasonably request at no cost to the Railway, in order to surrender the Track Removal Easement and remove same from title to the Rail Burdened Lands following the expiration of this Track Removal Easement in accordance with section 1(d) of Schedule "A" to this Transfer.

## Fibre Optic Easement

(a) The Railway, as transferor, reserves for itself, its successors and assigns, agents, employees, contractors, and existing and future tenants and licensees (collectively, the 'Fibre Optic Beneficiarles'), an exclusive, free, uninterrupted and unobstructed right and easement in

the nature of a right-of-way in perpetuity (the **'Fibre Optic Easement**") in, over, across, along and upon that part of the Property being described as part of Lot 19 and part of Lot 20 Concession 4, Tilbury, Town of Lakeshore being designated as Part 2, Reference Plan 12R-25521 (PIN 75076-0063(LT)) (the **'Fibre Optic Right-of-Way Corridor**") for the purposes of fibre optic cable and other utility facilities ancillary to the use of the fibre optic cable. Revenues derived from the use of the Fibre Optic Right of Way Corridor shall accrue solely to the Pailway.

- The Railway and Transferee further covenant and agree as follows: ê
- uodn giving the Transferee seventy-two (72) hours prior written notice, or concurrently in the case of an emergency, enter upon the Property from time to time and at any time, in order to construct, install, operate, maintain, inspect, repair, replace, demolish, remove and renew (in whole or in part), the existing fibre optic cable and ancillary equipment within the Fibre Optic Easement; obligation to), (but shall be under no Optic Beneficiaries may Fibre the Ξ
- access, ingress, egress and passage, over, across, along and upon the Property (the "Fibre Optic Burdened Lands") to gain access to the Fibre Optic Right-of-Way Corridor for the purposes of exercising the easement rights contained in this Fibre Optic Easement; Optic Beneficiaries shall enjoy free, uninterrupted and unobstructed the Fibre  $\mathbf{\Xi}$
- The Transferee may not, under any circumstances, permit or undertake any installation, excavation, construction, development or encroachment, upon, over, and/or under the Fibre Optic Right-of-Way Corridor without the written approval of the Railway which shall not be unreasonably withheld, delayed on conditioned; E
- The Transferee may not, under any circumstances, without the written approval of the Railway, which shall not be unreasonably withheld, delayed or conditioned, permit or undertake any excavation or grading within the Flbre Optic Right-of-Way Corridor, although the Transferee shall keep the Flbre Optic Right-of-Way Corridor, the number of the Transferee shall keep the Flbre Optic Right-of-Way Corridor free from any debris and otherwise in propertion. condition; S
- complaints or claims arising from the use and enjoyment of the Fibre Optic Right-of-Way Corridor unless caused by the negligence or wilful act or omission of the Fibre Optic Beneficiaries; and ε
- The Transferee covenants and agrees to execute (at the request of the Fibre Optic Beneficiaries) any agreements, transfers, covenants, assurance and/or other documents as the Fibre Optic Beneficiaries may require in order to use fully and effectively, grant and reserve the Fibre Optic Right-of-Way Corridor and to secure the obligations and covenants of the Transferee. Ē

The benefit of this Fibre Optic Easement is appurtenant to and shall remain with the lands described in the attached Schedule A-1 (the "Fibre Optic Benefited Lands") and shall be for the benefit of the Fibre Optic Benefited Lands Lands Lands Lands Lands are benefited to time to time to time of the Fibre Optic Benefited Lands and others claiming under them. The burden of the Fibre Optic Easement shall bind the Transferee and its successors and assigns and others claiming through it and shall be annexed to and run with every part of the Fibre Optic Burdened Lands.

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Schedule A-1

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### The Benefitted Lands

### Firstly:

# PIN 03230-0228 (LT) City of Vaughan, Regional Municipality of York

Part of Lot 1 Concession 4 Vaughan as in VA47244 and Parts 10, 11, 16 and 17 on Reference Plan 64R-7758; Part of Lot 2 Concession 4 Vaughan as in Expropriation Plan VA41541, VA43130, VA45893, VA45891 and VA61739, Except Part 1 on Reference Plan 65R-17939 and Except Parts 1 and 2 on Reference Plan 65R-22498 and Except part of Part 7 on Reference Plan 65R-23031; Part of Lot 3 Concession 4 Vaughan as in VA45892 Except Part 3 and part of Part 7 on Reference Plan 65R-22498 and Except part of Part 7 on Reference Plan 65R-23031; Part of Lot 3 Concession 4 Vaughan as in VA45892 Except Part 3 and part of Part 7 on Reference Plan 65R-23031; Part of Lot 4 Concession 4 Vaughan as in VA41738; Part of Lot 5 Concession 4 Vaughan and Part of the Road Allowance Between Lots 5 and 6 Concession 4 Vaughan closed by By-Law VA56393 as in VA61212 (Parts 4 and 5) VA41738 and VA41773, Except VA50838 (Parcels 1 and 2), Part 1 on Reference Plan 64R-791, Parts 1, 2 and 3 on Reference Plans 65R-978, 65R-20670, 65R-19558 and 65R-20200, VA61270 (Firstly and Secondly), VA64867, Parts 1 to 9 on Reference Plan 64R-7835, Parts 2 and 3 on Reference Plans 65R-21264, Save and Except Part of Lot 5 Concession 4 Vaughan designated as Part 1 on Reference Plan 64R-7835, Parts 2 and 3 on Reference Plans 65R-20691 and 65R-21264, Save and Except Part of Lot 5 Concession 4

### Secondly:

# PIN 03276-0756 (LT) City of Vaughan, Regional Municipality of York

Part of Lot 15 Concession 4 Vaughan as in Expropriation Plan VA43110, VA52025, Part 1 on Reference Plan 65R-8133, Save and Except Parts 2 and 3 on Reference Plan 65R-27933; Part of Lot 14, Concession 4 Vaughan as in Expropriation Plan VA43110, VA52025, Part 1 on VA42664 and VA51761, Part 1 on Reference Plan 64R-2133, Except Parts 1, 2 and 3 on Reference Plan 65R-2734, Except Parts 1 to 12 on Reference Plan 65R-21744, Except Parts 1, on Reference Plan 65R-2263, jying within the limits of said Lot 14 Concession 4 Vaughan Except Parts 1, 2 and 3 on Reference Plan 65R-2734, Except Parts 1 to 12 on Reference Plan 65R-21744, Except Part 1 on Reference Plan 65R-2253; jying within the limits of said Lot 14 Concession 4 Vaughan as in Except Parts 3, 4 and 5 on Reference 65R-22253; Part of Lot 13 Concession 4 Vaughan as in 65R-11574, Expropriation Plan VA51342, VA41875, Except Parts 1, 2 and 5 within the limits of Lot 13 Concession 4 Vaughan and Except Part 1 on Reference Plan 65R-20649, jying within the limits of Lot 13 Concession 4 Vaughan and Except Part 1 on Reference Plan 65R-20649, jying within the limits of Lot 13 Concession 4 Vaughan and Except Part 1 on Reference Plan 65R-2064, part 0 Aughan an in Expropriation Plan VA41542, VA41875, Except VA57230, Part 1 on Reference Plan 65R-8064, Part 1 on Reference Plan 65R-8233, Part 1 on Reference Plan 65R-8064, Part 1 on Reference Plan 65R-8353, Part 1 on Reference Plan 65R-8351, Part 1 on Reference Plan 65R-13567, dosed by By-Law R61477 and VA4552, VA41875, Except VA5730, Parts 1 on Reference Plan 65R-13567, dosed by By-Law R61477 and VA4553, act 100 Reference Plan 65R-83064, Part 0 Lot 10 Concession 4 Vaughan as in VA47611 and Part 3 on Reference Plan 65R-13562, Part 1 on Reference Plan 65R-13316, and 2 on Reference Plan 65R-13562, Part 1 on Reference Plan 65R-13316, and 2 on Reference Plan 65R-13562, Part 1 on Reference Plan 65R-13316, Part 1 on Reference Plan 65R-Plan 65R-18341, Except Part 1 on Reference Plan 65R-20716; Part of Lot 7 Concession 4 Vaughan as in Expropriation Plan VA41542, VA69917, VA70180, Except VA57230, VA54230, VA66348, R599544, R316750, Parts 1, 2, 3 and 4 on Reference Plan 64R-6730, Part 1 on Reference Plan 64R-7724 and Except Part 1 on Reference Plan 65R-20716; Part of Lot 6 Concession 4 Vaughan as in Expropriation Plan VA41542, Part 2 on Reference Plan 64R-6730, Part 1 on VA62759, VA61270, Part 1 on Reference Plan 64R-6730, Part 1 on Reference Plan 64R-1741, Parts 1, 2, 3 and 4 on Reference Plan 64R-2758, VA62759, VA61270, Part 1 on Reference Plan 64R-1741, Parts 1, 2, 3 and 4 on Reference Plan 64R-2758.

Properties	SS	
PIN Description Address	00793 - 0047 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LT 57, PL 794, PT LTS 20 & 21, CON. 4, TILBURY WEST, DESIGNATED AS PARTS 1, 2 AND 3, REFERENCE PLAN 24R9774; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. TILBURY	✓ Add Easement
PIN Description Address	00794 - 0049 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LT 57, PL 794 DESIGNATED AS PARTS 4, 5 AND 6 PL 24R9774; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED . TILBURY	Add Easement
PIN Description Address	00803 - 0133 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LTS 17 & 18, CON 4, TILBURY EAST, DESIGNATED AS PTS 1, 2 AND 3, REFERENCE PLAN 2469775, SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. TILBURY	✓ Add Easement
PIN Description bad	00809 - 0161 LT <i>interest/Estate</i> Fee Simple with New Easement PT LTS 16 AND 17, CON 5, PT LT 25, NORTH MIDDLE RD AND PART OF THE ROAD ALLOWANCE IN REAR OF NORTH MIDDLE ROAD (CLOSED BY INSTR. NO. TE6928), TILBURY EAST, DESIGNATED AS PTS 1, 2 AND 3, PL 24R-9783 , AND PT LTS 13 AND 14, CON 5, PT LT 24, NORTH MIDDLE RD AND PART OF ROAD ALLOWANCE IN REAR OF NORTH MIDDLE RD AND PART OF ROAD ALLOWANCE IN REAR OF NORTH MIDDLE RD AND PART OF ROAD ALLOWANCE IN DESIGNATED AS PTS 1, 2 AND 3, PL 24R-9781; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. TILBURY	✓ Add Easement
Address be 2210 of 6200 be 2210 of 6200	00809 - 0162 LT <i>InterestEstate</i> Fee Simple with New Easement PT LT 12, CON 5, TILBURY EAST, DESIGNATED AS PTS 1, 2 AND 3, REFERENCE PLAN24R-9776; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. TILBURY	<ul> <li>✓ Add Easement</li> </ul>
PIN Description Address	00809 - 0163 LT InterestEstate Fee Simple with New Easement PT LTS 11 & 12, CON 6, TILBURY EAST, DESIGNATED AS PTS 4, 5 AND 6, REFERENCE PLAN 24R-9776; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. TILBURY	V Add Easement
PIN Description Address	00813 - 0051 LT Interes/Estate Fee Simple with New Easement PT LTS 7, 8, 9 & 10, CON 6, PT LT 7, CON 7, PT ROAD ALLOWANCE BETWEEN BTN CONS 6 & 7, TILBURY EAST, DESIGNATED AS PARTS 1-12, INCLUSIVE, REFERENCE PLAN 24R-9769; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. TILBURY	Add Easement
PIN Description	00814 - 0053 LT <i>InterestEstate</i> Fee Simple with New Easement PT LT 3, 4, 5 & 6, CON 7, TIt.BURY EAST, DESIGNATED AS PTS 1-3, INCLUSIVE, REFERENCE PLAN 24R-9772, PTS 1-3, REFERENCE PLAN 24R-9767 AND PTS 1 AND 2, REFERENCE PLAN 24R-9773; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED	V Add Easement
Address PIN Description	TILBURY 00818 - 0087 LT Interest/Estate Fee Simple with New Easement PT LTS 1, 2 & 3, CON 8, PT OF THE RD ALLOWANCE BTN CONS 7 & 8, TILBURY EAST, DESIGNATED AS PTS 3, 4, 5, 6, 7 AND 8, REFERENCE PLAN 24R-9773; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED:	Add Easement

Receipted as CK94203 on 2014 04 25 at 14:18

LRO # 24 Transfer

LKU # 24 The applicant	LKU # 24 Transfer The applicant(s) hereby applies to the Land Registrar.	yyyy mm dd Page 2 of
Properties	S	
PIN Description Address	00875 - 0036 LT <i>interest/Estate</i> Fee Simple with New Easement PT LTS 1, 2 AND 3, CON 7, PT LT 1, CON 6 AND PT OF ROAD ALLOWANCE BETWEEN CONS 6 AND 7 (CLOSED BY RA 18225) RALEIGH, DESIGNATED AS PTS 1, 2 AND 3, REFERENCE PLAN 24R-9778; AND PT LTS 3, 4, AND 5, CON 7, RALEIGH, DESIGNATED AS PTS 1, 2, 5, 6 AND 7, REFERENCE PLAN 24R-9499; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. 7)LBURY	<ul> <li>✓ Add Easement</li> </ul>
PIN Description Address	00875 - 0067 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LTS 5 & 6, CON A (RALEIGH) DESIGNATED AS PTS 1 AND 2, PL 24R9496; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED . TILBURY	✓ Add Easement
PIN Description Address	00876 - 0035 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LTS 7 & 8, CON A, RALEIGH DESIGNATED AS PARTS 1 AND 2 PL 24R9497; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED . TILBURY	<ul> <li>✓ Add Easement</li> </ul>
PIN Description Address	00872 - 0015 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LTS 8 & 9, CON 8, RALEIGH, DESIGNATED AS PTS 1 AND 2, PL 24R-9498 ; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED . TILBURY	✓ Add Easement
Nide Scription Nide Scription Page 572 of 670	00872 - 0180 LT <i>InterestEstate</i> Fee Simple with New Easement LT 5 & PT LTS 3 & 4, PL 177, PT LTS 10, 11 & 12, CON 8, RALEIGH DESIGNATED AS PTS 1, 2, 3 AND 4, PL 24R-9505; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. TILBURY	✓ Add Easement
PIN Description Address	00873 - 0009 LT InterestEstate Fee Simple with New Easement PT LT 13, CON 8, RALEIGH, DESIGNATED AS PTS 3 AND 4, PLAN 24R-9502; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; SUBJECT TO THE RIGHTS OF ADJOINING PARCELS, IF ANY, UNDER 123913. TILBURY	<ul> <li>✓ Add Easement</li> </ul>
PIN Description Address	00873 - 0068 LT <i>interestEstate</i> Fee Simple with New Easement PT LTS 13, 14, 15, 18 & 17, CON 9, RALEIGH DESIGNATED AS PTS 7, 8, 11 AND 12, PL 24R-9502; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED TILBURY	<ul> <li>✓ Add Easement</li> </ul>
PIN Description Address	00869 - 0048 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LTS 17 AND 18, CON 10, RALEIGH; DESIGNATED AS PTS 1 AND 2, PL 24R-9504; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED . TILBURY	✓ Add Easement
PIN Description Address	00870 - 0014 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LTS 19, 20, 21 AND 22, CON 10, RALEIGH, DESIGNATED AS PTS 1 AND 2, PL 24R-9503; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT, RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED . TIL RURY	✓ Add Easement
100/500	11EBUR 1	

PIN     00870 - 0144     LT       Description     PT LOTS 22, 23, 2       Description     PT LOTS 22, 23, 2       Address     TLBURY       Address     TLBURY       PIN     00901 - 0007     LT       Description     PT LT 22, CON 4, V       VESCRIPTION     PT LT 22, CON 4, V       Address     TLBURY       Address     TLBURY       PIN     00901 - 0019       Address     TLBURY       PIN     00901 - 0019       Address     TLBURY       PIN     00901 - 0019       PIN     00902 - 0057       PIN     00902 - 0057       PIN     00902 - 0056       PIN     00902 - 0056       PIN     00902 - 0056       PIN     00902 - 0036       PIN     PIN       PIN     00902 - 0036       PIN     00902 - 0036       PIN     PART LOTS 100			
	LT <i>interest/Estate</i> , 24 & 25, CON. 11, RALEIGH, DI JECT TO EASEMENT IN GROSS T, RESERVING A TRACK REMO FIBRE OPTIC EASEMENT AS AT	00870 - 0144 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LOTS 22, 23, 24 & 25, CON. 11, RALEIGH, DESIGNATED AS PTS 1 AND 2, PL 24R-9509; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT, RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED . TILBURY	Add Easement
	LT Interest/Estate 1 4, WEST COMMUNICATION RO/ NICATION ROAD (HARWICH) AN US 3 & 4, WEST COMMUNICATIC 38 DESIGNATED AS PTS 1 AND GROSS AS IN CK60795; MUNICI TRACK REMOVAL EASEMENT A	00901 - 0007 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LT 22, CON 4, WEST COMMUNICATION ROAD (HARWICH) AND PT LT 22, CON 3, WEST COMMUNICATION ROAD (HARWICH) AND PT LT 22, CON 3, BETWEEN CONS 3 & 4, WEST COMMUNICATION ROAD (HARWICH), CLOSED BY BYLAW HA19958 DESIGNATED AS PTS 1 AND 2, PL 24R-9501; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE	<ul> <li>✓ Add Easement</li> </ul>
	NI AS ALLACHED .		
	LT Interest/Estate 1 3, WEST COMMUNICATION RO/ 3-9508; SUBJECT TO EASEMEN CHATHAM-KENT; RESERVING / SERVING A FIBRE OPTIC EASE	00901 - 0019 LT Interest/Estate Fee Simple with New Easement PT LT 21, CON 3, WEST COMMUNICATION ROAD (HARWICH) DESIGNATED AS PTS 1 AND 2, PL 24R-9508; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .	✓ Add Easement
	T Interest/Estate F 20, CON 1, WEST COMMUNIC PTS 1 AND 2, PL 24R-9514; SI MUNICIPALITY CHATHAM-KEN (TTACHED.	00902 - 0067 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LOTS 19 AND 20, CON 1, WEST COMMUNICATION ROAD, HARWICH, DESIGNATED AS PTS 1 AND 2, PL 24R-9514; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED. TILBURY	✓ Add Easement
cription	T interest/Estate F CON 2, WEST COMMUNICATIO D 2, PLAN 24R-9500 AND PART SEMENT IN GROSS AS IN CK6 SEMENT IN GROSS AS IN CK6 SEMENT IN GROSS AS IN CK6 BRE OPTIC EASEMENT AS AT BRE OPTIC EASEMENT AS AT	00902 - 0036 LT <i>Interest/Estate</i> Fee Simple with New Easement PT LTS 20 & 21, CON 2, WEST COMMUNICATION ROAD (HARWICH) DESIGNATED AS PARTS 1 AND 2, PLAN 24R-9500 AND PART 2, REFERENCE PLAN 24R 3465; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY OF CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED. TILBURY	✓ Add Easement
REFRENCE PLAN MUNICIPALITY CI ATTACHED; RESI Address TILBURY	T Interest/Estate F NICESSION 2, WEST COMMUN ALLOWANCE BETWEEN COM SY BY-LAW 440757, DESIGNAT V 24R 3465 ; SUBJECT TO EAS HATHAM-KENT; RESERVING A ERVING A FIBER OPTIC EASE	00902 - 0035 LT InterestEstate Fee Simple with New Easement PART LOT 21, CONCESSION 2, WEST COMMUNICATION ROAD (HARWICH), AND PART OF THE RD ALLOWANCE BETWEEN CONS 1 & 2, WEST COMMUNICATION ROAD CLOSED BY BY-LAW 440757, DESIGNATED AS PARTS 4, 5, 8, 7, 8 AND 9, REFRENCE PLAN 24R 3465 ; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBER OPTIC EASEMENT AS ATTACHED. TILBURY	<ul> <li>✓ Add Easement</li> </ul>
Consideration			
Consideration \$ 1.00			
Transferor(s)			
The transferor(s) hereby transfers the land to the transferee(s)	s the land to the transferee(s)		
Name THE CAN Address for Service c/o 1 Adm First Floor Concord, L4K 1B9	THE CANADA SOUTHERN RAILWAY COMPANY c/o 1 Administration Road First Floor Concord, Ontario L4K 1B9	OMPANY	

at 14:18

Receipted as CK94203 on 2014 04 25

LRO # 24 Transfer

I, Adolph Gameiro, President and I, John Orr, Vice-President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Transferor(s)			
A line in the line in			
The transferor(s) here	The transferor(s) hereby transfers the land to the transferee(s).		
Name	CANADIAN NATIONAL RAILWAY COMPANY		
Address for Service	1 Administration Road First Floor Concord, Ontario L4K 1B9		
I, Andris Baders, Mana	I, Andris Baders, Manager, Business Development & Real Estate, have the authority to bind the corporation,	d the corporation,	
This document is not a	This document is not authorized under Power of Attorney by this party.		
Transferee(s)	Ŏ	Capacity SI	Share
Name Address for Service	ENTEGRUS TRANSMISSION INC. 320 Queen Street Box 70 Chatham, Ontario N7M 5K2		
Statements			
The Corporation of the Mu	of the Municipality of Chatham-Kent has consented to the severance herein. Schedules	n. See Schedules	
& TATEMENT OF THE transfer does not contri-	ឆ្លិ STATEMENT OF THE TRANSFEROR (S): The transferor(s) verifies that to the best of the transferor's knowledge and belief, this Hransfer does not contravene the Planning Act.	ransferor's knowledge and belie	f, this
TATEMENT OF THE SOLICITO STATEMENT OF THE SOLICITO and I have made inquiries of the t information supplied by the transf Ontario solicitor in good standing.	STATEMENT OF THE SOLICITOR FOR THE TRANSFEROR (S): I have explained the effect of the Planning Act to the transferor(s) Stand I have made inquiries of the transferor(s) to determine that this transfer does not contravene that Act and based on the information supplied by the transferor(s), to the best of my knowledge and belief, this transfer does not contravene that Act. I am an Ontario solicitor in good standing.	ct of the Planning Act to the tran wene that Act and based on the er does not contravene that Act.	sferor(s) ł am an
STATEMENT OF THE relevant and I am satis knowledge and belief th am an Ontario solicitor	STATEMENT OF THE SOLICITOR FOR THE TRANSFEREE (S): I have investigated the title to this land and to abutting land where relevant and I am satisfied that the title records reveal no contravention as set out in the Planning Act, and to the best of my knowledge and belief this transfer does not contravene the Planning Act. I act independently of the solicitor for the transferor(s) and am an Ontario solicitor in good standing.	le to this land and to abutting la anning Act, and to the best of m y of the solicitor for the transferc	nd where r(s) and I
Signed By			
Joseph Charles Debono	77 King Street West, Suite 400 Toronto M5K 0A1	acting for Signed Transferor(s)	2014 04 23
Tel 416-863-4511 Eau 446-002 4500			
Lax +10-003-43	r ax 410-000-4032. I am the colicitor for the transferor(s) and I am not one and the came as the colicitor for the transferea(s)	a trancfaraa(e)	
1 have the authority to sign a	o sign and register the document on behalf of the Transferor(s).		
James Douglas Pincombe Wickett	ombe Wickett 101 Keil Dr. S., Unit 2, P.O. Box 520 acting for Chatham Transferee(s) N7M 5K6	520 acting for Signed Transferee(s)	2014 04 25
Tel 519-352-4529	529		
Fax 519-352-4524	\$24		
l am tha solicitor for t	l am the colinitar for the transference) and I am not one and the come as the colinitar for the transfervie)	a kurantaranta)	

### Page 5 of 13 2014 04 25 yyyy mm dd 101 Keil Dr. S., Unit 2, P.O. Box 520 Chatham N7M 5K6 JAMES WICKETT PROFESSIONAL CORPORATION The applicant(s) hereby applies to the Land Registrar. 519-352-4529 519-352-4524 Submitted By Tef Fax

### Fees/Taxes/Payment

Statutory Registration Fee	\$60.00	
Provincial Land Transfer Tax	\$0.00	
Total Paid	\$60.00	
File Number		

Transferor Client File Number 238609-693

1.

LAND TRANSFER TAX STAT	STATEMENTS	
Ič		PT LT 57, PL 794, PT LTS 20 & 21, CON. 4, TILBURY WEST, DESIGNATED AS PARTS 1, 2 AND 3, REFERENCE PLAN 24R9774; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
	00794 - 0049	PT LT 57, PL 794 DESIGNATED AS PARTS 4, 5 AND 6 PL 24R9774; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00803 - 0133	PT LTS 17 & 18, CON 4, TILBURY EAST, DESIGNATED AS PTS 1, 2 AND 3, REFERENCE PLAN 24R9775; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
	00809 - 0161	PT LTS 16 AND 17, CON 5, PT LT 25, NORTH MIDDLE RD AND PART OF THE ROAD ALLOWANCE IN REAR OF NORTH MIDDLE ROAD (CLOSED BY INSTR. NO. TE6928), TILBURY EAST, DESIGNATED AS PTS 1, 2 AND 3, PL 24R-9783 , AND PT LTS 13 AND 14, CON 5, PT LT 24, NORTH MIDDLE RD AND PART OF ROAD ALLOWANCE IN REAR OF NORTH MIDDLE ROAD (CLOSED BY INSTR. NO. TE6928), TILBURY EAST, DESIGNATED AS PTS 1, 2 AND 3, PL 24R-9781; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
	00809 - 0162	PT LT 12, CON 5, TILBURY EAST, DESIGNATED AS PTS 1, 2 AND 3, REFERENCE PLAN24R-9776; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
	00809 - 0163	PT LTS 11 & 12, CON 6, TILBURY EAST, DESIGNATED AS PTS 4, 5 AND 6, REFERENCE PLAN 24R-9776; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
Page 576 of	00813 - 0051	PT LTS 7, 8, 9 & 10, CON 6, PT LT 7, CON 7, PT ROAD ALLOWANCE BETWEEN BTN CONS 6 & 7, TILBURY EAST, DESIGNATED AS PARTS 1-12, INCLUSIVE, REFERENCE PLAN 24R-9769; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
670	00814 - 0053	PT LT 3, 4, 5 & 6, CON 7, TILBURY EAST, DESIGNATED AS PTS 1-3, INCLUSIVE, REFERENCE PLAN 24R-9772, PTS 1-3, REFERENCE PLAN 24R-9767 AND PTS 1 AND 2, REFERENCE PLAN 24R-9773; SUBJECT TO 24R-9773; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED; RESERVING A
	00818 - 0087	PT LTS 1, 2 & 3, CON 8, PT OF THE RD ALLOWANCE BTN CONS 7 & 8, TILBURY EAST, DESIGNATED AS PTS 3, 4, 5, 6, 7 AND 8, REFERENCE PLAN 24R-9773; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
	00875 - 0036	PT LTS 1, 2 AND 3, CON 7, PT LT 1, CON 6 AND PT OF ROAD ALLOWANCE BETWEEN CONS 6 AND 7 (CLOSED BY RA 18225) RALEIGH, DESIGNATED AS PTS 1, 2 AND 3, REFERENCE PLAN 24R-9778 ; AND PT LTS 3, 4, AND 5, CON 7, RALEIGH, DESIGNATED AS PTS 1, 2, 6, 6 AND 7, REFERENCE PLAN 24R-9499; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00875 - 0067	PT LTS 5 & 6, CON A (RALEIGH) DESIGNATED AS PTS 1 AND 2, PL 24R9496; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00876 - 0035	PT LTS 7 & 8, CON A, RALEIGH DESIGNATED AS PARTS 1 AND 2 PL 24R9497; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00872 - 0015	PT LTS 8 & 9, CON 8, RALEIGH, DESIGNATED AS PTS 1 AND 2, PL 24R-9498 ; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00872 - 0180	LT 5 & PT LTS 3 & 4, PL 177, PT LTS 10, 11 & 12, CON 8, RALEIGH DESIGNATED AS PTS 1, 2, 3 AND 4, PL 24R-9505; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.

CING 1	TPANSEED TAY STATEMENTS	
		PT LT 13, CON 8, RALEIGH, DESIGNATED AS PTS 3 AND 4, PLAN 24R-9502; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS
		ATTACHED; SUBJECT TO THE RIGHTS OF ADJOINING PARCELS, IF ANY, UNDER 123913.
	00873 - 0068	PT LTS 13, 14, 15, 16 & 17, CON 9, RALEIGH DESIGNATED AS PTS 7, 8, 11 AND 12, PL 24R-9502; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00869 - 0048	PT LTS 17 AND 18, CON 10, RALEIGH; DESIGNATED AS PTS 1 AND 2, PL 24R-9504; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00870 - 0014	PT LTS 19, 20, 21 AND 22, CON 10, RALEIGH, DESIGNATED AS PTS 1 AND 2, PL 24R-9503; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT, RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00870 - 0144	PT LOTS 22, 23, 24 & 25, CON. 11, RALEIGH, DESIGNATED AS PTS 1 AND 2, PL 24R-9509; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT, RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED .
	00901 - 0007	PT LT 22, CON 4, WEST COMMUNICATION ROAD (HARWICH) AND PT LT 22, CON 3, WEST COMMUNICATION ROAD (HARWICH) AND PART OF ROAD ALLOWANCE BETWEEN CONS 3 & 4, WEST COMMUNICATION ROAD (HARWICH), CLOSED BY BYLAW HA19958 DESIGNATED AS PTS 1 AND 2, PL 24R-9501; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
Page 57	00901 - 0019	PT LT 21, CON 3, WEST COMMUNICATION ROAD (HARWICH) DESIGNATED AS PTS 1 AND 2, PL 24R-9508; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
77 of 670	00902 - 0067	PT LOTS 19 AND 20, CON 1, WEST COMMUNICATION ROAD, HARWICH, DESIGNATED AS PTS 1 AND 2, PL 24R-9514; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED.
	00902 - 0036	PT LTS 20 & 21, CON 2, WEST COMMUNICATION ROAD (HARWICH) DESIGNATED AS PARTS 1 AND 2, PLAN 24R-9500 AND PART 2, REFERENCE PLAN 24R 3465; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY OF CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBRE OPTIC EASEMENT AS ATTACHED.
	00902 - 0035	PART LOT 21, CONCESSION 2, WEST COMMUNICATION ROAD (HARWICH), AND PART OF THE RD ALLOWANCE BETWEEN CONS 1 & 2, WEST COMMUNICATION ROAD CLOSED BY BY-LAW 440757, DESIGNATED AS PARTS 4, 5, 6, 7, 8 AND 9, REFRENCE PLAN 24R 3465 ; SUBJECT TO EASEMENT IN GROSS AS IN CK60795; MUNICIPALITY CHATHAM-KENT; RESERVING A TRACK REMOVAL EASEMENT AS ATTACHED; RESERVING A FIBER OPTIC EASEMENT AS ATTACHED.
BY: TO:	THE CANADA SOUTHERN RAILWAY COMP CANADIAN NATIONAL RAILWAY COMPANY ENTEGRUS TRANSMISSION INC.	COMPANY APANY %(all PINS)
1. TO	TOMO MATESIC I am (a) A person in trust for whom the land conveyed in the (b) A trustee named in the above-described conveyance	rust for whom the land conveyed in the above-described conveyance is being conveyed; ned in the above-described conveyance to whom the land is being conveyed;
	<ul> <li>(c) A transferee named in the above-described conveyance;</li> <li>(d) The authorized agent or solicitor acting in this transaction for</li> <li>(e) The President, Vice-President, Manager, Secretary, Director, TRANSMISSION INC. described in paragraph(s) (c) above.</li> <li>(f) A transferee described in paragraph () and am making these described in paragraph () and as such demonstered in paragraph () and as such demons</li></ul>	<ul> <li>(c) A transferee named in the above-described conveyance;</li> <li>(d) The authorized agent or solicitor acting in this transaction for described in paragraph(s) (_) above.</li> <li>(e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for ENTEGRUS TRANSMISSION INC. described in paragraph(s) (c) above.</li> <li>(f) A transferee described in paragraph () and am making these statements on my own behalf and on behalf ofwho is my spouse described in paragraph (_) and as such, I have personal knowledge of the facts hereindenced to act the facts hereindenced to it paragraph (_) and as such, I have personal knowledge of the facts hereindenced to act the facts hereindenced to it paragraph (_) and as such, I have personal knowledge of the facts hereindenced to act the facts hereindenced to it paragraph (_) and as such, I have personal knowledge of the facts hereindenced todenced todence</li></ul>

 $\mathbf{y}_{i, j}$ 

LAND	LAND TRANSFER TAX STAT	STATEMENTS	ITS						11
3. The t		s trans:	for this transaction is allocated as follows:	allocat	ed as fol	lows:			
	0	aid In C	ash	- -	- 4				00.1
	(b) Mortgages (l) assume (ii) Given	ea (sno Back to	assumed (snow principa Given Back to Vendor	ll and l	nerest to	<ul> <li>(i) assumed (show principal and interest to be credited against purchase price)</li> <li>(ii) Given Back to Vendor</li> </ul>	urcnase price)		0.00
	(c) Property transferred in exchange (detail below)	exchar	ige (detail	below	_				0.00
	(d) Fair market value of the land(s)	e land(	s)						0.00
	(e) Liens, legacies, annuit	ies and	maintene	nce cr	arges to 1	annuities and maintenance charges to which transfer is subject	ect		0.00
	(i) Other valuable consideration subject to land transfer tax (detail below) (g) Value of land building fixtures and goodwill subject to land transfer tax (total of (a) to (f))	fixture	ubject to s and doo	land tra dwill si	inster tax	(detail below) and transfer tax (total	of (a) to (f))		0.00
		LELS -	CHATTELS - items of tangible personal property	angible	personal	property			0.00
		ir trans;	action not	include	o (g) ui bá	rr (h) above			0.00
4	Explanation for nominal considerations:	nsidera	tions:						
	s) other: Prior consideration paid upon the registration of easement being instrument #CK60795	n paid I	upon the r	egistra	tion of ea	sement being instrum	ent #CK60795		
5. The la	The land is not subject to an encumbrance	umbrar	8						
PROPER	PROPERTY Information Record	:	.						1
	A. Nature of Instrument:	Transfer LRO 24	sfer 24	Registr	Registration No.	CK94203	Date: 2014/04/25		
	B. Property(s):	Nid	PIN 00793 - 0047	047		TILBURY	Assessment Roll No	,	
		Nid	00794 - 0049		Address	TILBURY	Assessment Roll No	,	
		NId	00803 - 0133		Address	LILBURY	Assessment Roll No		
		NIA	00809 - 0161		Address	TILBURY	Assessment Roll No		
Page		Nid	00809 - 0162		Address	TILBURY	Assessment Roll No	÷	
e 578 of		NId	00809 - 0163		Address	TILBURY	Assessment Roll No		
670		NId	00813 - 0051		Address	TILBURY	Assessment Roll No		
		Ntd	00814 - 0053		Address	тігвику	Assessment Roll No		
		NIA	00818 - 0087		Address	TILBURY	Assessment Roll No		
		NId	00875 - 0036		Address .	TILBURY	Assessment Roll No		
		PIN	00875 - 0067		Address .	TILBURY	Assessment Roll No		
		NIA	00876 - 0035		Address	TILBURY	Assessment Roll No		
		Nid	00872 - 0015		Address .	TILBURY	Assessment Roll No		
		PIN	00872 - 0	- 0180	Address .	TILBURY	Assessment Roll No		
		NIA	00873 - 0	6000 -	Address -	TILBURY	Assessment Roll No		
		NIG	00873 - 0068		Address	TILBURY	Assessment Roll No		
		NId	00869 - 0048		Address -	TILBURY	Assessment Roll No		
		NId	00870 - 0014		Address .	TILBURY	Assessment Roll No		
		NII	00870 - 0144		Address	TILBURY	Assessment Roll No	a	
		PIN	PIN 00901 - 0007		Address	TILBURY	Assessment Roll No		

B. Fropenty(s).       FIN       00001 - 0013       Address TILBURY       Assessment Roll No         P.N       00902 - 0051       Address TILBURY       Assessment Roll No       Assessment Roll No         P.N       00902 - 0053       Address Adress TILBURY       Assessment Roll No       Assessment Roll No         P.N       00902 - 0053       Address Adress TILBURY       Assessment Roll No       Assessment Roll No         D. () Last Conveyance(s)       P.N       00733 - 0047       Registration No.       CK0755         P.N       00733 - 0047       Registration No.       CK07755       PRIN       Or755         P.N       00733 - 0047       Registration No.       CK07755       PRIN       Or755         P.N       00803 - 0151       Registration No.       CK07755       PRIN       Or755         P.N       00803 - 0151       Registration No.       CK07755       PRIN       Or755         P.N       00801 - 0015       Registration No.       CK607755       PRIN       Or755       PRIN       PRIN       PRIN         P.N       00814 - 0055       Registration No.       CK607755       PRIN							
PIN         00902         -0061         Address TILBURY         Assessment TILBURY           FIN         00902         -0036         Address TILBURY         Assessment TILBURY           Fon         00032         -0037         Address         Assessment TILBURY           Fon         00032<-0036	B. Property(s)	NId	00901			Assessment Roll No	•
PIN         00002         00032         ddress         Assessment           FIN         00002         0003         Address         Assessment           FIN         00002         0003         Address         Assessment           for Service:         320         Queen Street         Address         Assessment           for Service:         320         Queen Street         Address         Assessment           for Service:         320         Queen Street         Address         Assessment           Bax700         2004         Registration No.         CK00795         Address           PIN         00794         0013         Registration No.         CK00795           PIN         00794         Registration No.         CK00795         Address           PIN         00794         Registration No.         CK00795         Address           PIN         00080         0161         Registration No.         CK00795         Address           PIN         00080         0161         Registration No.         CK00795         Address           PIN         00080         0161         Registration No.         CK00795         Address           PIN         000809         0181		NIA	00902 - 0067	-		Assessment Roll No	
PIN         0.0902 - 0.035         Address TLBURY         Assessment TLBURY           for Service:         320         Queen Street Box 70         Address         Address           Sonveyance(s):         70         0.0793 - 0.047         Registration No.         CK60795           PIN         0.0793 - 0.047         Registration No.         CK60795         Address           PIN         0.0794 - 0.043         Registration No.         CK60795         Address           PIN         0.0803 - 0.161         Registration No.         CK60795         Address           PIN         0.0803 - 0.161         Registration No.         CK60795         Address           PIN         0.0803 - 0.161         Registration No.         CK60795         Address           PIN         0.0803 - 0.013         Registration No.         CK60795         Address           PIN         0.0801 - 0.013         Registration No.         CK60795         PIN         Address           PIN         0.0813 - 0.051         Registration No.         CK60795         PIN         PIN<		NIN	00902 - 0036			Assessment Roll No	
for Service:       320 Queen Streat         Box 70       Chathan, Ontario         Chathan, Ontario       Sex 70         Dimetran, Contario       Chathan, Ontario         Dimetran       Conset       Registration No.         PIN       00793 - 0047       Registration No.         PIN       00809 - 0161       Registration No.       CK60795         PIN       00809 - 0163       Registration No.       CK60795         PIN       00809 - 0163       Registration No.       CK60795         PIN       00809 - 0163       Registration No.       CK60795         PIN       00813 - 0051       Registration No.       CK60795         PIN       00813 - 0051       Registration No.       CK60795         PIN       00814 - 0053       Registration No.       CK60795         PIN       00875 - 0036       Registration No.       CK60795         PIN       00875 - 0036       Registrati		PIN	00902 - 0035			Assessment Roll No	
PIN       00793       00473       Registration No.       CK60795         PIN       00794       0049       Registration No.       CK60795         PIN       00803       0113       Registration No.       CK60795         PIN       00809       0161       Registration No.       CK60795         PIN       00809       0161       Registration No.       CK60795         PIN       00809       0161       Registration No.       CK60795         PIN       00813       0051       Registration No.       CK60795         PIN       00813       0051       Registration No.       CK60795         PIN       00814       0053       Registration No.       CK60795         PIN       00814       0053       Registration No.       CK60795         PIN       00814       0053       Registration No.       CK60795         PIN       00815       0063       Registration No.       CK60795         PIN       00875       0063       Registration No.       CK60795         PIN       00875       0063       Registration No.       CK60795         PIN       00875       0063       Registration No.       CK60795         PIN	C. Address for Service:	320 Box N7M	Queen Street 70 tham, Ontario				
PIN       00794 - 0049       Registration No.       CK60795         PIN       00803 - 0163       Registration No.       CK60795         PIN       00809 - 0161       Registration No.       CK60795         PIN       00809 - 0162       Registration No.       CK60795         PIN       00809 - 0163       Registration No.       CK60795         PIN       00813 - 0051       Registration No.       CK60795         PIN       00813 - 0053       Registration No.       CK60795         PIN       00814 - 0053       Registration No.       CK60795         PIN       00814 - 0053       Registration No.       CK60795         PIN       00817 - 0053       Registration No.       CK60795         PIN       00875 - 0067       Registration No.       CK60795         PIN       00875 - 0013       Registration No.       CK60795         PIN       00877 - 0014       Registration No.       CK60795         PIN       00877 - 0015       Registration No.       CK60795         PIN       00877 - 0016       Registration No.       CK60795         PIN       00877 - 0016       Registration No.       CK60795         PIN       00877 - 0114       Registration No. <td< td=""><td>D. (i) Last Conveyance(s):</td><td>PIN</td><td>00793 - 0047</td><td>Registration No.</td><td>CK60795</td><td></td><td></td></td<>	D. (i) Last Conveyance(s):	PIN	00793 - 0047	Registration No.	CK60795		
FIN       00803 - 0143       Registration No.       CK80795         FIN       00809 - 0163       Registration No.       CK80795         FIN       00809 - 0163       Registration No.       CK80795         FIN       00809 - 0163       Registration No.       CK80795         FIN       00813 - 0051       Registration No.       CK80795         FIN       00814 - 0053       Registration No.       CK80795         FIN       00814 - 0053       Registration No.       CK80795         FIN       00818 - 0087       Registration No.       CK80795         FIN       00875 - 0035       Registration No.       CK80795         FIN       00876 - 0035       Registration No.       CK60795         FIN       00877 - 0015       Registration No.       CK60795         FIN       00877 - 0015       Registration No.       CK60795         FIN       00877 - 0105       Registration No.       CK60795         FIN       00877 - 0105       Registration No.       CK60795         FIN       00877 - 0105       Registration No.       CK60795         FIN       00877 - 0108       Registration No.       CK60795         FIN       00877 - 0108       Registration No. <td< td=""><td></td><td>PIN</td><td>00794 - 0049</td><td></td><td>CK60795</td><td></td><td></td></td<>		PIN	00794 - 0049		CK60795		
PIN       00809       -0161       Registration No.       CK60795         PIN       00809       -0162       Registration No.       CK60795         PIN       00809       -0163       Registration No.       CK60795         PIN       00813       -0051       Registration No.       CK60795         PIN       00813       -0053       Registration No.       CK60795         PIN       00814       -0053       Registration No.       CK60795         PIN       00875       -0036       Registration No.       CK60795         PIN       00875       -0035       Registration No.       CK60795         PIN       00875       -0035       Registration No.       CK60795         PIN       00875       -0035       Registration No.       CK60795         PIN       00872       -0135       Registration No.       CK60795         PIN       00872       -0143       Registration No.       CK60795		PIN	00803 - 0133		CK60795		
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PIN       00809       -0163       Registration No.       CK60795         PIN       00813       -0053       Registration No.       CK60795         PIN       00814       -0053       Registration No.       CK60795         PIN       00814       -0053       Registration No.       CK60795         PIN       00818       -0087       Registration No.       CK60795         PIN       00875       -0067       Registration No.       CK60795         PIN       00876       -0035       Registration No.       CK60795         PIN       00872       -0167       Registration No.       CK60795         PIN       00872       -0163       Registration No.       CK60795         PIN       00872       -0163       Registration No.       CK60795         PIN       00872       -0180       Registration No.       CK60795         PIN       00873       -0068       Registration No.       CK60795         PIN       00873       -0014       Registration No.       CK60795         PIN       00873       -0014       Registration No.       CK60795         PIN       00873       -0014       Registration No.       CK60795		Nid	00809 - 0162		CK60795		
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PIN       00814 - 0053       Registration No.       CK60795         PIN       00818 - 0087       Registration No.       CK60795         PIN       00875 - 0036       Registration No.       CK60795         PIN       00875 - 0036       Registration No.       CK60795         PIN       00875 - 0035       Registration No.       CK60795         PIN       00875 - 0015       Registration No.       CK60795         PIN       00872 - 0015       Registration No.       CK60795         PIN       00872 - 0160       Registration No.       CK60795         PIN       00872 - 0143       Registration No.       CK60795         PIN       00873 - 0008       Registration No.       CK60795         PIN       00873 - 0048       Registration No.       CK60795         PIN       00870 - 0144       Registration No.       CK60795         PIN       00901 - 0007       Registration No. <td< td=""><td></td><td>PIN</td><td></td><td>Registration No.</td><td>CK60795</td><td></td><td></td></td<>		PIN		Registration No.	CK60795		
PIN       00818       -0087       Registration No.       CK60795         PIN       00875       -0036       Registration No.       CK60795         PIN       00875       -0036       Registration No.       CK60795         PIN       00876       -0035       Registration No.       CK60795         PIN       00872       -0015       Registration No.       CK60795         PIN       00872       -0115       Registration No.       CK60795         PIN       00872       -0116       Registration No.       CK60795         PIN       00873       -0008       Registration No.       CK60795         PIN       00873       -0014       Registration No.       CK60795         PIN       00870       -0144       Registration No.       CK60795         PIN       00901       -0014       Registration No.       CK60795      P		NId	00814 - 0053	_	CK60795		
PIN       00875 - 0036       Registration No.       CK60795         PIN       00875 - 0067       Registration No.       CK60795         PIN       00872 - 0015       Registration No.       CK60795         PIN       00872 - 0015       Registration No.       CK60795         PIN       00872 - 0016       Registration No.       CK60795         PIN       00873 - 0009       Registration No.       CK60795         PIN       00873 - 0068       Registration No.       CK60795         PIN       00873 - 0068       Registration No.       CK60795         PIN       008773 - 0048       Registration No.       CK60795         PIN       00870 - 0014       Registration No.       CK60795         PIN       00870 - 0144       Registration No.       CK60795         PIN       00870 - 0144       Registration No.       CK60795         PIN       00870 - 0144       Registration No.       CK60795         PIN       00901 - 0007       Registration No.       CK60795         PIN       00901 - 0007       Registration No.       CK60795         PIN       00902 - 0005       Registration No.       CK60795         PIN       00902 - 0036       Registration No. <td< td=""><td></td><td>PIN</td><td>00818 - 0087</td><td></td><td>CK60795</td><td></td><td></td></td<>		PIN	00818 - 0087		CK60795		
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Description for Property Conveyed : Same as in last conveyance? Yes 🗍 No 🗸		PiN	00902 - 0035	Registration No.	CK60795		
		Prope	rty Conveyed :	Same as in last con	veyance? Ye	No No	Not known

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James Douglas Pincombe W 101 Keil Dr. S., Unit 2, P.O. Box 520 Chatham N7M 5K6 <u>.</u>

## DESCRIPTION OF PROPERTY:

Consent is given for the creation of an easement in favour of the Transferor over the lands set out on Schedule "A" attached hereto

TRANSFERORS:

THE CANADA SOUTHERN RAILWAY COMPANY CANADIAN NATIONAL RAILWAY COMPANY

TRANSFEREES:

ENTEGRUS TRANSMISSION INC.

Under Subsection 53(42) of the Planning Act, I certify that the consent of the Committee of Adjustment of the Municipality of Chetham-Kent was given on the <u>1</u> day of which this instrum File No. 8-30/13

19 18 19

> to B-51/13 Assistant Socretary-Tressurer Dated this Lo day of Marcel 2014

Under Subsection 53(K2) of the Planning Act, I carthy that the consent of the Committee of Adjustment of the Municipality of Chatham-Kont was given on the 19 day of the transaction to which this instrume

File No. B-100/13\_Assistant Secretary-Treasurer

Detad this G day of March 2014.

### Schedule "A"

Forming part of a Transfer from The Canadian Southern Railway Company and Canadian National Railway Company as transferors (collectively, the "Railway") to Entegrus Transmission Inc. as transferee (the "Transferee")

### 1. Reservation

The Transferee acknowledges and agrees that notwithstanding this conveyance of the property to the Transferee, as it is described in this Transfer (the "Property") the railway tracks, lines, lights, signals, communications equipment, cross over switches, switches and other rail related improvements and appurtenances, not including the gravel rail bed (the "Rail Fixtures") located on the Property, is expressly reserved by the Railway, so as to remain the sole property of the Railway.

# 2. Track Removal Easement

(a) The Railway, as transferor, reserves for itself, its successors and assigns, agents, employees, contractors, tenants and licencees (collectively, the "Rail Beneficiaries"), an solely for the purposes set out in this section 2, exclusive, free, uninterrupted and unobstructed right, easement and night of way (the "Track Removal Easement") in, under, over, across, along and upon the Property transferred to the Transferee in accordance with this Transfer (the "Rail Burdened Lands") to:

- (i) retain upon the Rail Burdened Lands the Rail Fixtures;
- remove the Rail Fixtures from the Rail Burdened Lands, following the registration of this Transfer; and
- enter upon the Rail Burdened Lands with all appropriate equipment, machinery and vehicles and at all times and from time to time without restriction and for all purposes necessary for or incidental to the exercise and enjoyment of the rights reserved under this Track Removal Easement. €

The benefit of this Track Removal Easement is appurtenant to and shall remain with the lands described in the attached Schedule A-1 (the "Benefited Lands") and shall be for the benefit of the Rail Beneficiaries from time to time of the Benefited Lands") and shall be for the benefit of the Beneficiaries from time to time of the Benefited Lands and others claiming under them. The burden of the Track Removal Easement shall bind the Transferee and its successors and assigns and others claiming through it and shall be annexed to and run with every part of the Rail Burdened Lands.

(b) Notwithstanding any rule of law or equity, the Rail Fixtures, providing the same are removed from the Rail Burdened Lands by the Railway pursuant to the provisions of the Track Removal Easement, shall at all times remain the exclusive property of the Railway, notwithstanding the registration of this Transfer and the affixation of such Rail Fixtures to the Rail Burdened Lands.

(c) The Transferee covenants to execute and deliver such consents, assurances and/or other documents as the Railway may reasonably request in order to permit the Railway to more effectively exercise the rights of the Railway under this Track Removal Easement.

(d) This Track Removal Easement shall automatically expire and be at an end one (1) year after the registration of this Transfer (the "Explration Date"), provided that the Expiration Date shall be extended with respect to such portions of the Rail Burdened Lands in respect of which the Rail Fixtures have not been removed within such period of one year, for such extended period as the Railway is diligently proceeding to remove such Rail Fixtures, but in no event shall the Expiration Date be extended beyond five (5) years from the registration of this Transfer.

as un Track (e) The Railway shall execute and deliver to the Transferee such documents as the Transferee may reasonably request at no cost to the Railway, in order to surrender the Track Removal Easement and remove same from title to the Rail Burdened Lands following the expiration of this Track Removal Easement in accordance with section 1(d) of Schedule "A" to this Transfer.

## 3. Fibre Optic Easement

(a) The Railway, as transferor, reserves for Itself, its successors and assigns, agents, employees, contractors, and existing and future tenants and licensees (collectively, the "Fibre Optic Beneficlaries"), an exclusive, free, uninterrupted and unobstructed right and easement in the nature of a right-of-way in perpetuity (the "Fibre Optic Easement") in, over, across, along and upon that part of the Property described on Schedule A-2 attached hereto (the "Fibre Optic Right-of-Way Corridor") for the purposes of fibre optic cable and other utility facilities ancillary to the use of the fibre optic cable. Hevenues derived from the use of the Fibre Optic Right of Way Corridor shall accrue solely to the Railway.

- The Railway and Transferee further covenant and agree as follows: Ð
- the Fibre Optic Beneficiaries may (but shall be under no obligation to), upon giving the Transferee seventy-two (72) hours prior written notice, or concurrently in the case of an emergency, enter upon the Property from time to time and at any time, in order to construct, install, operate, maintain, inspect, repair, replace, demolish, remove and renew (in whole or in part), the existing fibre optic cable and and and and and and inflary equipment within the Fibre Optic Easement;  $\odot$
- the Fibre Optic Beneficiaries shall enjoy free, uninterrupted and unobstructed access, ingress, egress and passage, over, across, along and upon the Property (the "Fibre Optic Burdened Lands") to gain access to the Fibre Optic Right-of-Way Corridor for the purposes of exercising the easement rights contained in this Fibre Optic Easement ۲
- The Transferee may not, under any circumstances, permit or undertake any installation, excavation, construction, development or encroachment, upon, over, and/or under the Fibre Optic Right-of-Way Corridor without the written approval of the Railway which shall not be unreasonably withheld, delayed on conditioned;
- The Transferee may not, under any circumstances, without the written approval of the Railway, which shall not be unreasonably withheld, delayed or conditioned, permit or undertake any excavation or grading within the Fibre Optic Right-of-Way Corridor or plant or permit the planting of any trees or shrubs within the Fibre Optic Right-of-Way Corridor, although the Transferee shall keep the Fibre Optic Right-of-Way Corridor free from any debris and otherwise in proper condition; 3
- The Fibre Optic Beneficiaries shall not be liable for or responsible for any complaints or claims arising from the use and enjoyment of the Fibre Optic Right-of-Way Corridor unless caused by the negligence or withul act or omission of the Fibre Optic Beneficiaries; and S
- The Transferee covenants and agrees to execute (at the request of the Fibre Optic Beneficiaries) any agreements, transfers, covenants, assurance and/or other documents as the Fibre Optic Beneficiaries may require in order to use fully and effectively, grant and reserve the Fibre Optic Right-of-Way Corridor and to secure the obligations and covenants of the Transferee. Ē

The benefit of this Fibre Optic Easement is appurtenant to and shall remain with the lands described in the attached Schedule A-1 (the "Fibre Optic Benefited Lands") and shall be for the benefit of the Fibre Optic Beneficaries from time to time of the Fibre Optic Benefited Lands and others claiming under them. The burden of the Fibre Optic Easement shall bind the Transferee and its successors and assigns and others claiming through it and shall be annexed to and run with every part of the Fibre Optic Burdened Lands.

### The Benefitted Lands

### Firstly:

# PIN 03230-0228 (LT) City of Vaughan, Regional Municipality of York

Part of Lot 1 Concession 4 Vaughan as in VA47244 and Parts 10, 11, 16 and 17 on Reference Plan 64R-7758; Part of Lot 2 Concession 4 Vaughan as in Expropriation Plan VA41541, VA43130, VA45893, VA45891 and VA61739, Except Part 1 on Reference Plan 65R-17939 and Except Parts 1 and 2 on Reference Plan 65R-22498 and Except part of Part 7 on Reference Plan 65R-23031; Part of Lot 3 Concession 4 Vaughan as in VA45892 Except Part 3 and part of Part 7 on Reference Plan 65R-23031; Part of Lot 4 Concession 4 Vaughan as In VA41738; Part of Lot 5 Concession 4 Vaughan and Part of the Road Allowance Between Lots 5 and 6 Concession 4 Vaughan closed by By-Law VA56393 as in VA61212 (Parts 4 and 5) VA41738 and VA41773, Except VA50838 (Parcels 1 and 2), Part 1 on Reference Plan 64R-791, Parts 1, 2 and 3 on Reference Plans 65R-978, 65R-20570, 65R-19558 and 65R-20200, VA61270 (Firstly and Secondly), VA64867, Parts 1 to 9 on Reference Plan 64R-791, Parts 1, 2 and a designated as Part 1 on Reference Plan 64R-793, Parts 1, 2 and a designated as Part 1 on Reference Plan 64R-4835, Parts 2 and 3 on Reference Plans 65R-20691 and 65R-21264, Save and Except Part of Lot 5 Concession 4 Vaughan designated as Part 1 on Reference Plan 65R-20591.

### Secondly:

# PIN 03276-0756 (LT) City of Vaughan, Regional Municipality of York

Part of Lot 15 Concession 4 Vaughan as in Expropriation Plan VA43110, VA41542, VA49555, Part 1 on Reference Plan 65R-8133, Save and Except Parts 2 and 3 on Reference Plan 65R-27933; Part of Lot 14, Concession 4 Vaughan as in Expropriation Plan WA4310, VA41542, VA49555, VA42694 and VA5161, Part 1 on Reference Plan 65R-27043, Except Parts 4 and 5 on Reference Plan.65R-20643, Jying within the limits of Lot 15 Concession 4 vaughan. Except Parts 1, 2 and 3 on Reference Plan 65R-21744, Except Parts 1 to 12 on Reference Plan 65R-27054, Except Part 1 on Reference Plan 65R-27253, Jying within the limits of Lot 13 Concession 4 vaughan sit Expropriation Plan VA41554, VA41563, VA41554, Except Parts 4 and 5 on Reference Plan 65R-2064, Jying within the limits of Lot 13 Concession 4 vaughan, Part 0 Lot 12 Concession 4 and 65R-2723, Jying within the limits of Lot 13 Concession 4 Vaughan and Expropriation Plan VA41554, VA41579, Except Parts 1 on Reference Plan 65R-2253, Jying within the limits of Lot 13 Concession 4 Vaughan and 65R-2054, Part 1 on Reference Plan 65R-7141, Part 1 on Reference Plan 65R-2064, JSing within the limits of Lot 13 Concession 4 Vaughan, Part 0 Lot 12 Concession 4 aughan as in Expropriation Plan VA41552, VA41579, Except Part 1 on Reference Plan 65R-1574, Except Plant 1 on Reference Plan 65R-2253, Jying within the limits of Lot 12 Concession 4 Vaughan as in Expropriation Plan VA41552, Part 3 on Reference Plan 65R-7311, Part 1 on Reference Plan 65R-2423; Part 1 on Reference Plan 65R-15567, closed Jy By-Law VA41552, Part 4 Join Reference Plan 65R-2523, Jying within the limits 0 Reference Plan 65R-15567, closed Jy By-Law VA41552, Part 4 Join Reference Plan 65R-15567, closed Jy By-Law VA41552, Rado DY 442059, AR31671, Part 1 on Reference Plan 65R-15567, closed Jy By-Law VA4552, Part 4 Join Reference Plan 65R-15557, Joing 47174, Except Regard, Rado A Reference Plan 65R-15567, closed Jy By-Law VA4552, Part 4 Join Reference Plan 65R-15557, Joing 471174, Law Reference Plan 65R-15557, closed Jy By-Law VA4552, Part Concession 4 Vaughan as in Expropriation Plan VA41542, Part 2 on Reference Plan 65R-20716; Part of Lot 6 VA62759, VA61270, Part 1 on Reference Plan 64R-1741, Parts 1, 2, 3 and 4 on Reference Plan 64R-6730, Part 1 on Reference Plan 65R-7724 and Part 1 on Reference Plan 65R-7724 and Part 1 on Reference Plan 65R-7724 and Part 1 on Reference Plan 65R-7724.

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# **Municipality of Chatham-Kent**

### PIN 00793-0047(LT)

West, Municipality of Chatham-Kent being designated as Part 2, Reference Plan 24R-Part of Lot 57, Plan 794 and Part of Lot 20 and part of Lot 21, Concession 4, Tilbury 9774.

### PIN 00794-0049(LT)

ഹ Part of Lot 57, Plan 794, Municipality of Chatham-Kent, being designated as Part Reference Plan 24R-9774.

### PIN 00803-0133(LT)

Part of Lot 17 and part of Lot 18, Concession 4, Tilbury East, Municipality of Chatham-Kent, being designated as Part 2, Reference Plan 24R-9775.

### PIN 00809-0161(LT)

Lot 24, North Middle Road and part of the Road Allowance in rear of North Middle Road Part of Lot 16 and part of Lot 17, Concession 5, Part of Lot 25, North Middle Road and Reference Plan 24R-9783 and part of Lot 13 and part of Lot 14, Concession 5, part of (closed by Instrument No. TE6928), Tilbury East, Municipality of Chatham-Kent being part of the Road Allowance in rear of North Middle Road (closed by Instrument No. TE6928), Tilbury East, Municipality of Chatham-Kent, being designated as Part 2, designated as Part 2, Reference Plan 24R-9781.

### PIN 00809-0162(LT)

Part of Lot 12, Concession 5, Tilbury East, Municipality of Chatham-Kent, being designated as Part 2, Reference Plan 24R-9776.

### PIN 00809-0163(LT)

Part of Lot 11 and part of Lot 12, Concession 6, Tilbury East, Municipality of Chatham-Kent, being designated as Part 5, Reference Pian 24R-9776.

### PIN 00813-0051(LT)

 $\infty$ Part Part of Lot 7, part of Lot 8, part of Lot 9 and part of Lot 10, Concession 6, part of Lot 7, Concession 7 and part of the Road Allowance between Concession 6 and Concession Part 5, 7, Tilbury East, Municipality of Chatham-Kent, being designated as Part 2, and Part 11, Reference Plan 24R-9769.

### PIN 00814-0053(LT)

Ъ Part of Lot 4, part of Lot 5 and part of Lot 6, Concession 7, Tilbury East, Municipality Chatham-Kent, being designated as Part 2, Reference Plan 24R-9772; part of Lot 3,

f C ere	hatham-Kent, being designated as Part 2,	9773.	
icession 7, Tilbury East, Municipality o erence Plan 24R-9767 and Part 2, Ref	y East, Municipalit	Reference Plan 24R-9767 and Part 2, Reference Plan 24R-9	

### PIN 00818-0087(LT)

Part of Lot 1, part of Lot 2 and part of Lot 3, Concession 8, and part of the Road Allowance between Concession 7 and Concession 8, Tilbury East, Municipality of Chatham-Kent, being designated as Part 4 and Part 7, Reference Plan 24R-9773.

### PIN 00875-0036(LT)

Part of Lot 1, part of Lot 2 and part of Lot 3, Concession 7, part of Lot 1, Concession 6 Reference Plan 24R-9778; and part of Lot 3, part of Lot 4, part of Lot 5, Concession 7, and part of the Road Allowance between Concession 6 and Concession 7, (closed by Raleigh, Municipality of Chatham-Kent, being designated as Part 1, Reference Plan RA18225) Raleigh, Municipality of Chatham-Kent, being designated as Part 2, 24R-9682

### PIN 00875-0067(LT)

Part of Lot 5 and part of Lot 6, Concession A, Raleigh, Municipality of Chatham-Kent being designated as Part 1, Reference Plan 24R-9683.

### PIN 00876-0035(LT)

Part of Lot 7 and part of Lot 8, Concession A, Raleigh, Municipality of Chatham-Kent being designated as Part 1, Reference Plan 24R-9681.

### PIN 00872-0015(LT)

Part of Lot 8 and part of Lot 9, Concession 8, Raleigh, Municipality of Chatham-Kent, being designated as Part 1, Reference Plan 24R-9675.

### PIN 00872-0180(LT)

Part of Lot 10, part of Lot 11 and part of Lot 12, Concession 8, Raleigh, Municipality of Chatham-Kent, being designated as Part 3, Reference Plan 24R-9505.

### PIN 00873-0068(LT)

Part of Lot 13, part of Lot 14, part of Lot 15, part of Lot 16 and part of Lot 17, Concession 9, Raleigh, Municipality of Chatham-Kent, being designated as Part 1, Part 2 and Part 3, Reference Plan 24R-9710.

### PIN 00869-0048(LT)

Part of Lot 17 and part of Lot 18, Concession 10, Raleigh, Municipality of Chatham-Kent, being designated as Part 1, Reference Plan 24R-9670.

### PIN 00870-0014(LT)

Part of Lot 19, part of Lot 20, part of Lot 21 and part of Lot 22, Concession 10, Raleigh, Municipality of Chatham-Kent, being designated as Part 1, Reference Plan 24R-9669.

### PIN 00870-0144(LT)

Part of Lot 22, part of Lot 23, part of Lot 24 and part of Lot 25, Concession 11, Raleigh, Municipality of Chatham-Kent, being designated as Part 1, Reference Plan 24R-9659.

### PIN 00901-0007(LT)

(closed by By-law HA19958), Municipality of Chatham-Kent being designated as Part 1, Concession 4, West of Communication Road, Harwich; and part of the Road Allowance Concession 3, West of Communication Road, Harwich; part of Lot 22, between Concession 3 and Concession 4, West of Communication Road, Harwich, Reference Plan 24R-9660. Part of Lot 22,

### PIN 00901-0019(LT)

Part of Lot 21, Concession 3, West of Communication Road, Harwich, Municipality of Chatham-Kent being designated as Part 1, Reference Plan 24R-9647

### PIN 00902-0036(LT)

Chatham-Kent, being designated as Part 1, Reference Plan 24R-9646 and Part 1 and Part 2 on Reference Plan 24R-9816. Part of Lot 21, Concession 2, West of Communication Road, Harwich, Municipality of

### PIN 00902-0035(LT)

Allowance between Concession 1 and Concession 2, West of Communication Road (Closed by By-law 440757), Harwich, Municipality of Chatham-Kent, being designated as Part 3, Reference Plan 24R-9816. Part of Lot 21, Concession 2, West of Communication Road and part of the Road

### **SCHEDULE 6.20**

### \* \* \*

### **Intellectual Property**

### 6.20.1

### **Trademarks:**

Trade-mark	Country	Application No.	Registration No.	Status	Owner
ENTEGRUS	Canada	1559158	TMA855,584	Active	Entegrus Inc.
3T's of Hydro Conservation	Canada	1267887	TMA694,364	Active (expires January 2023)	CK Energy (design mark)

### Trade Names:

### TRADE NAMES

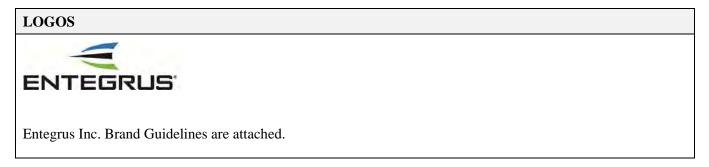
### "ENTEGRUS"

Registered to Entegrus Inc. and set to expire July 18, 2028. (*Copy of registration attached.*)

### **Corporate Names:**

- Entegrus Inc.
- Entegrus Powerlines Inc.
- Entegrus Transmission Inc.
- Entegrus Services Inc.
- Entegrus Renewable Energy Inc.

### Logos:



### **Domain Names:**

See file attached for a full list of Domain names.

### **IP Subnets:**

- From Bell: 209.226.15.65/27 and 209.226.15.97/27
- From Municipality/Cogeco (being retired) 72.38.231.3/28

### 6.20.2 Licence Agreement

Professional Services Agreement, between Entegrus Inc. and Televent USA, LLC dated May 20, 2015. Note: some customization specific to Entegrus.

6.20.3 Nil.



Office de la propriété Canadian intellectuelle Intellectua du Canada Office

Intellectual Property Office

Un organisme d'Industrie Canada An Agency of Industry Canada

Marques de commerce Certificat d'enregistrement

La présente atteste que la marque de commerce identifiée dans l'extrait ci-joint, tiré du registre des marques de commerce, a été enregistrée et que ledit extrait est une copie conforme de l'inscription de son enregistrement. Conformément aux dispositions de la *Loi sur les marques de commerce*, cette marque de commerce est renouvelable tous les quinze ans à compter de la date d'enregistrement.

Trade-marks

Certificate of Registration

This is to certify that the trade-mark, identified in the attached extract from the register of trade-marks, has been registered and that the said extract is a true copy of the record of its registration. In accordance with the provisions of the *Trade-marks Act*, this trade-mark is subject to renewal every 15 years from the registration date.

### **ENTEGRUS**

Numéro d'enregistrement ] Registration Number

TMA855,584

1559158

Numéro de dossier File Number



Registraire des marques de commerce Registrar of Trade-marks

Date d'enregistrement Registration Date 18 juil/Jul 2013



### APPL'N/DEM. NO 1 559 158 REGISTRATION/ENREGISTREMENT NO TMA855,584

### FILING DATE/DATE DE PRODUCTION: REGISTRATION DATE/DATE D'ENREGISTREMENT:

10 janv/Jan 2012 18 juil/Jul 2013

### **REGISTRANT/PROPRIÉTAIRE ORIGINAL:**

Entegrus Inc. 320 Queen Street/Chatham ONTARIO N7M 5K2

### **REP FOR SERVICE/REP POUR SIGNIFICATION:**

BOB BAKSI (MILLER, CANFIELD, PADDOCK AND STONE, LLP) 300-443 OUELLETTE AVENUE WINDSOR ONTARIO N9A 6R4

### TRADE-MARK/MARQUE DE COMMERCE:



### SERVICES:

(1) Supply, distribution, transmission, and delivery of electricity, energy evaluation, energy conservation and delivery programs.

(2) Operation of an electrical distribution system.

(3) Powerline installation and repair.

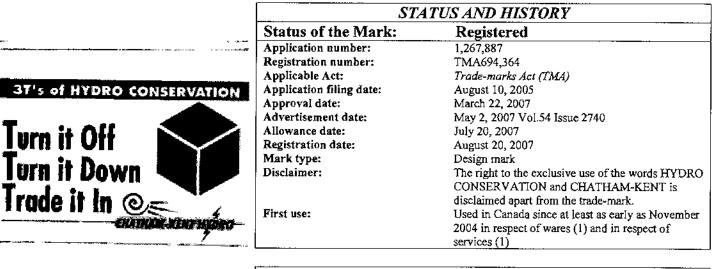
(4) General administrative, corporate, and management services, namely providing back office and general administrative support in the fields of treasury, finance, accounting, regulatory compliance, information technology, hardware and software procurement, maintenance and deployment of resources, customer care, billing, call centre operations, and collection services, for others dealing with or providing infrastructure for electricity supply, electricity transmission. electricity distribution, drinking water, waste water, energy, and renewable energy.

(5) Co-location data centre services, namely the rental of physical space and cabinets to public and private sector clients.

### CLAIMS/REVENDICATIONS:

Declaration of Use filed July 18, 2013 on services.

## **3 T'S OF HYDRO CONSERVATION & Design**



#### WARES AND/OR SERVICES

#### Wares:

(1) Printed publications, namely workbooks.

#### Services:

(1) Hydro electricity distribution and billing services; educational services namely, the provision of educational materials concerning electricity; internet services, namely the operation of a website providing information on electricity conservation and safety. International class(es):

- 16 Paper, cardboard and goods made from these materials
- 35 Advertising; business
- 39 Transport, packaging and storing
- 41 Education; entertainment

#### ASSOCIATED MARK(S)

Associated Mark(s)	Reg./App. No.	Status	Class(es)	
CHATHAM-KENT	TMA584,380	Registered	35; 39	
HYDRO DESIGN CHATHAM-KENT UTILITY SERVICES	TMA584,595	Registered	35; 39	
DESIGN CHATHAM-KENT ENERGY DESIGN	T <b>MA584,73</b> 1	Registered	35; 39	

#### OWNER, USER(S) AND REPRESENTATIVE(S)

Owner: Chatham-Kent Energy Inc. 320 QUEEN ST. P.O. BOX 70 CHATHAM ONTARIO N7M 5K2 **Representative for service:** GOWLING LAFLEUR HENDERSON LLP SUITE 2600, 160 ELGIN STREET OTTAWA ONTARIO KIP 1C3 613-233-1781 Reference: 06677209CA

#### INTERESTED PARTIES AND OPPONENTS

Old Owner:

Chatham-Kent Hydro Inc.

320 Queen St. P.O. Box 70 Chatham ONTARIO N7M 5K2

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	ADMINISTRATIVE DATA
Verbal Index	Entries:
3 T'S OF	HYDRO CONSERVATION
NUMER	AL-3
TURN I.	I OFF TURN IT DOWN TRADE IT IN
CHATH	AM-KENT HYDRO
Figurative In	dex Entries:
CUBE	
RECTAN	NGLE
SWIRL	
RAYS	
FLASH	
Vienna Code	S:
1.15.3	Lightning
1.15.9	Luminous sources, rays, shafts of light
1.15.23	Vortices, rotary movements, tornadoes
26.4.2	Rectangles
26.4.5	One quadrilateral
26.4.17	
26.4.18	Quadrilaterals containing one or more letters
26.15.9	Cubes
27.5.1	Letters presenting a special form of writing
27.5.11	Letters underlined, overlined, framed or barred by one or more strokes
27.5.17	Letters in heavy characters
27.5.24	Letters in light-coloured characters on a dark background
27.7.1	Numerals presenting a special form of writing
27.7.17	Numerals in heavy characters
27.7.24	Numerals in light-coloured characters on a dark background

ACTIONS			
Action	Date	Deadline	Comments
Filed	2005/08/10		
Created	2005/08/10		
Formalized	2005/08/10		
Search Recorded	2006/02/27		
Examiner's first report	2006/02/27	2006/06/27	
Correspondence created	2006/09/29	2007/01/29	
Correspondence created	2007/01/22	2007/05/22	
Change in Title	2007/02/06		Assignment / Voir Preuve au dossier/See evidence on File No. 1267887
Approved	2007/03/22		
Translation Requested	2007/04/10	2007/05/02	
Translation Received	2007/04/19		
Extracted for Advertisement	2007/04/19		Vol.54 Issue 2740 2007/05/02
Advertised	2007/05/02		Vol.54 Issue 2740
Allowed	2007/07/20		
Allowance Notice Sent	2007/07/20	2008/01/20	
Registered	2007/08/20		

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Suite 2600 160 Elgin Street Ottawa, Ontario Canada K1P 1C3 Telephone (613) 233-1781 Facsimile (613) 563-9869 www.gowlings.com

Jennifer Galeano Direct (613) 783-8823 jennifer.galeano@gowlings.com

July 26, 2007

James D. Wickett Raphael Partners P.O. Box 548, 870 Park Ave. West Chatham, Ontario N7M 5K6

COPY

Dear Mr. Wickett:

#### Re: Trade-mark: 3T'S OF HYDRO CONSERVATION & Design Serial No.: 1,267,887 Applicant: Chatham-Kent Energy Inc. Our File: 06677209CA

Further to my letter of May 8, 2007, I am pleased to advise that the above-referenced Canadian trade-mark application has been allowed. A copy of the Notice of Allowance is enclosed for your reference.

We have today paid the registration fee. A copy of my letter to the Trade-marks Office is also enclosed.

The Certificate of Registration will issue within the next two to three months. I will forward the Certificate to you upon receipt.

Yours very truly,

GOWLING LAFLEUR HENDERSON LLP

Jennifer Galeano

JG/sb Encls.

OTT\_LAW\ 1097027\1



OTTAWA

ONTARIO K1P 1C3

#### Office de la propriété intellectuelle du Canada

Un organisme d'Industrie Canada Canadian Inteliectual Property Office An Agency of

Industry Canada

50, rue Victoria Place du Portage i Gatineau (Québec) K1A 0C9

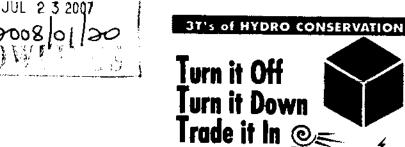
GOWLING LAFLEUR HENDERSON LLP SUITE 2600, 160 ELGIN STREET

50 Victoria Street Place du Portage I Gatineau, Quebec K1A 0C9

RECEIVED

Olary	entered

Date	
20 juil/Jul 2007	
Votre référence - Your reference	<b>T</b> +
06677209CA	56
Numéro de dossier - File number	
1267887	



Attention: Robert MacDonald

Propriétaire - Owner Chatham-Kent Energy Inc.

Marque de commerce - Trade-mark 3 T'S OF HYDRO CONSERVATION & Design

### AVIS D'ADMISSION

Avis est donné par la présente que ladite demande d'enregistrement de la marque de commerce a été admise.

De plus, veuillez noter que pour procéder à l'enregistrement, vous devez maintenant satisfaire aux exigences suivantes:

Des frais d'enregistrement de 200,00\$ doivent être versés le ou avant le 20 janvier 2008.

### NOTICE OF ALLOWANCE

You are hereby given notice that the subject application for registration of a trade-mark has been allowed.

Furthermore, please note that in order to proceed to registration, the following is now required:

A registration fee of \$200.00 must be filed on or before January 20, 2008.

Registraire des marques de commerce Registrar of Trade-marks

Contact: Section des déclarations et enregistrements/ Declaration/Registration Section 819-953-1154







Suite 2600 160 Elgin Street Ottawa, Ontario Canada K1P 1C3 Telephone (613) 233-1781 Facsimile (613) 563-9869 www.gowlings.com

Jennifer Galeano Direct (613) 783-8823 Direct Fax (613) 788-3429 jennifer.galeano@gowlings.com

July 26, 2007

The Registrar of Trade-marks Canadian Intellectual Property Office Gatineau, QC K1A 0C9

### **ATTENTION: Registration Section**



Dear Sir:

Re: Trade-mark Application Trade-mark: 3T's of HYDRO CONSERVATION & Design Applicant: Chatham-Kent Energy Inc. Appln. No.: 1,267,887 Our File: 06677209CA

Thank you for your Notice of Allowance with respect to the above-referenced trade-mark application. The registration fee of \$200.00 is included in today's payment.

We look forward to receiving the Certificate of Registration in due course.

Yours very truly,

GOWLING LAFLEUR HENDERSON LLP

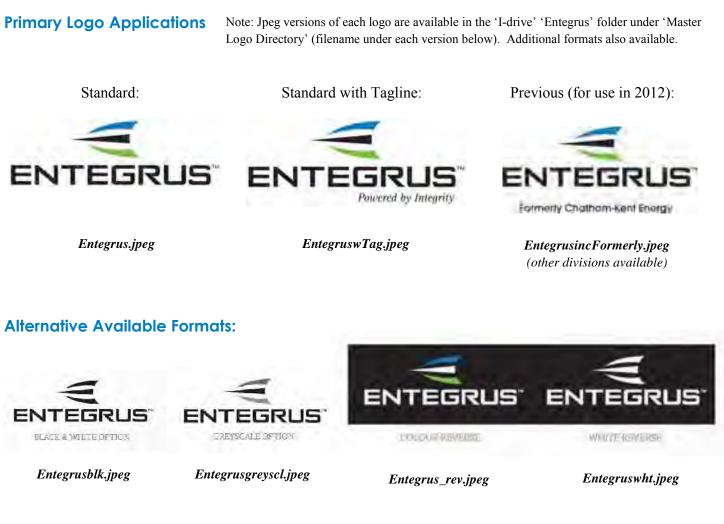
Jennifer Galeano

JG:sb

OTT\_LAW\ 1619535\}

## **Entegrus Inc. Brand Guidelines Summary**

Follow this summary of the Entegrus Inc. Corporate Standard Guidelines for standard applications of the identity. Full guidelines are available in I-drive Entegrus folder, under 'corporate standards.' For further information, see Sarah Regnier, Corporate Communications Specialist.



## Note: Alternative formats also available with tagline



## Minimum Protective Space:

No other graphic elements should be placed within the area designated by "X" which is equal to the width of the upper case "E" in the word ENTEGRUS."

## \*Divisional logos (Powerlines, Services & Transmission) also available – only to be used with permission. \*

#### Improper use of the logo:



#### Catalan

The Constraint of the Property of the State of the State



Contract: Prove produce produce of the public distance of the product of the public distance o



Minimum size The logo should never appear at a size when: the total width of the logo is less them 1



Norgenprikan, part situ di Feckoren disellerita ilegen al contrato ilegente di settati



White box The signature should never appear in a white box on a colour field or image area.



Graphics The logo should not appear within frames or borders.

## Corporate Typefaces:

Times New Roman ABCDEFGHIJK abcdefghijk Times New Roman Italic: ABCDEFGHIJK abcdefghijk

### **Headline Fonts**

Century Gothic ABCDEFGHIJK abcdefghijk **Century Gothic Bold ABCDEFGHIJK abcdefghijk** 

## **Colour Palette:**

Unce	CMrs.	10	- G.
PANTONE 285 C	C89, M43, Y0, KD	R0, G125, 8195	007DC3
WANTONE BREC	C57. M3 9102 K0	R122, G141, Dor	100145
PANTONE PROCESS BLACK C	CO, MO, YO, K100	R35, G31, B32	231F20
PANTONE 425 C	CQ, MQ, YQ, K27	R95, G96, 898	556062

DomainName	TLD	ExpirationDate	Status
ckenergy.com	.com	9/21/2017	Active
ckhydro.com	.com	9/25/2017	Active
entegrus.ca	.ca	10/19/2017	Active
entegrus.com	.com	7/25/2017	Active
ENTEGRUSDATACENTER.CA	.ca	8/22/2017	Active
ENTEGRUSDATACENTER.COM	.com	8/22/2017	Active
ENTEGRUSDATACENTRE.CA	.ca	8/22/2017	Active
ENTEGRUSDATACENTRE.COM	.com	8/22/2017	Active
entegruspowerlines.ca	.ca	2/7/2018	Active
entegruspowerlines.com	.com	2/6/2018	Active
entegruspowerlinesinc.ca	.ca	2/7/2018	Active
entegruspowerlinesinc.com	.com	2/6/2018	Active
entegrusservices.ca	.ca	2/7/2018	Active
entegrusservices.com	.com	2/6/2018	Active
entegrusservicesinc.ca	.ca	2/7/2018	Active
entegrusservicesinc.com	.com	2/6/2018	Active
entegrustransmission.ca	.ca	2/7/2018	Active
entegrustransmission.com	.com	2/6/2018	Active
entegrustransmissioninc.ca	.ca	2/7/2018	Active
entegrustransmissioninc.com	.com	2/6/2018	Active
poweringourpath.ca	.ca	1/16/2019	Active
poweringourpath.com	.com	1/16/2019	Active

#### SCHEDULE 6.22

#### \*\*\*

#### **Material Contracts**

#### 6.22.1

- Between The Corporation of the Municipality of Strathroy-Cardoc and Entegrus Powerlines Inc. dated June 5, 2017 for the lease of facilities in Strathroy.
- Between Chatham Kent Public Utilities Commission and Entegrus Powerlines Inc. expected to be dated before July 1, 2017 for the services related to the Water Billing performed.
- Between Infrastructure and Engineering Services Municipality of Chatham Kent and Entegrus Powerlines Inc. This renewal is expected to be signed before July 1, 2017 and is for street light maintenance.
- Between The Corporation of the Municipality of Chatham Kent and Entegrus Powerlines Inc. This contract is expected to be renewed before August 1, 2017 at or below past values. This contract is for various services provided by the Municipality.
- Between The Corporation of the Municipality of Chatham-Kent and Entegrus Entegrus Transmission Inc. dated May 1, 2017 and is for the sale of gravel to the Municipality.

6.22.2 Nil.

#### SCHEDULE 6.23

#### \* \* \*

#### **Compliance with Laws, Permits**

#### 6.23.2:

- Master Business Licence issued to Entegrus Inc. and subsidiaries.
- Electricity Distribution Licence issued to Entegrus Powerlines Inc. ED-2002-0563, expiring December 15, 2023 (see attached).
- Independent Electricity System Operator Market Participant Licence issued to Entegrus Powerlines Inc. on March 9, 2012. (see attached).
- Radio Licence issued by the Ministry of Industry, Innovation, Science and Economic Development to Chatham-Kent Energy and Chatham- Kent Hydro, O/A Entegrus, expiring March 31, 2018. (see attached).
- Between Department of Transport and Entegrus Powerlines Inc. Permit number 84470 for permission to erect, maintain and operate a 4160 volt overhead crossing over and across the Thames River from Fourth Street to Kent Street, in the City of Chatham, County of Kent and Province of Ontario.
- Between the Department of Transportation and Entegrus Powerlines Inc. Permit number 89547 for permission to lay, maintain and operate a submarine cable on the bed of the Thames River in the Public Harbour of Chatham, opposite Lot 2, Block C, Old Survey and Opposite Kent Street, Registered Plan No. 2, in the City of Chatham, County of Kent and Province of Ontario.
- Hazardous Waste Information Network Registration Number ON1852002 for Strathroy.
- Hazardous Waste Information Network Registration Number ON1074202 for Chatham.



## **Electricity Distribution Licence**

## ED-2002-0563

## **Entegrus Powerlines Inc.**

Valid Until

December 15, 2023

Original signed by

Brian Hewson Vice President, Consumer Protection and Industry Performance Ontario Energy Board

Date of Issuance: December 16, 2003 Date of Last Amendment: March 31, 2017

Ontario Energy Board P.O. Box 2319 2300 Yonge Street 27th. Floor Toronto, ON M4P 1E4 Commission de l'énergie de l'Ontario C.P. 2319 2300, rue Yonge 27e étage Toronto ON M4P 1E4

## LIST OF AMENDMENTS

Board File No.	Date of Amendment
EB-2010-0215	November 12, 2010
EB-2011-0328	January 20, 2012
EB-2012-0040	February 24, 2012
EB-2014-0324	December 18, 2014
EB-2016-0015	January 28, 2016
EB-2016-0337	February 16, 2017
EB-2017-0101	March 31, 2017

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#### 1 **Definitions**

In this Licence:

"Accounting Procedures Handbook" means the handbook, approved by the Board which specifies the accounting records, accounting principles and accounting separation standards to be followed by the Licensee;

"Act" means the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B;

"Affiliate Relationships Code for Electricity Distributors and Transmitters" means the code, approved by the Board which, among other things, establishes the standards and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies;

"**Conservation and Demand Management**" and "**CDM**" means distribution activities and programs to reduce electricity consumption and peak provincial electricity demand;

"Conservation and Demand Management Code for Electricity Distributors" means the code approved by the Board which, among other things, establishes the rules and obligations surrounding Board approved programs to help distributors meet their CDM Targets;

"distribution services" means services related to the distribution of electricity and the services the Board has required distributors to carry out, including the sales of electricity to consumers under section 29 of the Act, for which a charge or rate has been established in the Rate Order;

"**Distribution System Code**" means the code approved by the Board which, among other things, establishes the obligations of the distributor with respect to the services and terms of service to be offered to customers and retailers and provides minimum, technical operating standards of distribution systems;

"Electricity Act" means the Electricity Act, 1998, S.O. 1998, c. 15, Schedule A;

"IESO" means Independent Electricity System Operatior;

"Licensee" means Entegrus Powerlines Inc.

"Market Rules" means the rules made under section 32 of the Electricity Act;

"**Net Annual Peak Demand Energy Savings Target**" means the reduction in a distributor's peak electricity demand persisting at the end of the four-year period (i.e. December 31, 2014) that coincides with the provincial peak electricity demand that is associated with the implementation of CDM Programs;

"**Net Cumulative Energy Savings Target**" means the total amount of reduction in electricity consumption associated with the implementation of CDM Programs between 2011-2014;

"OPA" means the Ontario Power Authority;

1

"**Performance Standards**" means the performance targets for the distribution and connection activities of the Licensee as established by the Board in accordance with section 83 of the Act;

"**Provincial Brand**" means any mark or logo that the Province has used or is using, created or to be created by or on behalf of the Province, and which will be identified to the Board by the Ministry as a provincial mark or logo for its conservation programs;

"**Rate Order**" means an Order or Orders of the Board establishing rates the Licensee is permitted to charge;

"regulation" means a regulation made under the Act or the Electricity Act;

"**Retail Settlement Code**" means the code approved by the Board which, among other things, establishes a distributor's obligations and responsibilities associated with financial settlement among retailers and consumers and provides for tracking and facilitating consumer transfers among competitive retailers;

"service area" with respect to a distributor, means the area in which the distributor is authorized by its licence to distribute electricity;

"Standard Supply Service Code" means the code approved by the Board which, among other things, establishes the minimum conditions that a distributor must meet in carrying out its obligations to sell electricity under section 29 of the Electricity Act;

"wholesaler" means a person that purchases electricity or ancillary services in the IESO administered markets or directly from a generator or, a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person other than a consumer.

#### 2 Interpretation

2.1 In this Licence, words and phrases shall have the meaning ascribed to them in the Act or the Electricity Act. Words or phrases importing the singular shall include the plural and vice versa. Headings are for convenience only and shall not affect the interpretation of the Licence. Any reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. In the computation of time under this Licence, where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens and where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

#### 3 Authorization

- 3.1 The Licensee is authorized, under Part V of the Act and subject to the terms and conditions set out in this Licence:
  - a) to own and operate a distribution system in the service area described in Schedule 1 of this Licence;

- b) to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act in the manner specified in Schedule 2 of this Licence; and
- c) to act as a wholesaler for the purposes of fulfilling its obligations under the Retail Settlement Code or under section 29 of the Electricity Act.

#### 4 Obligation to Comply with Legislation, Regulations and Market Rules

- 4.1 The Licensee shall comply with all applicable provisions of the Act and the Electricity Act and regulations under these Acts, except where the Licensee has been exempted from such compliance by regulation.
- 4.2 The Licensee shall comply with all applicable Market Rules.

#### 5 Obligation to Comply with Codes

- 5.1 The Licensee shall at all times comply with the following Codes (collectively the "Codes") approved by the Board, except where the Licensee has been specifically exempted from such compliance by the Board. Any exemptions granted to the licensee are set out in Schedule 3 of this Licence. The following Codes apply to this Licence:
  - a) the Affiliate Relationships Code for Electricity Distributors and Transmitters;
  - b) the Distribution System Code;
  - c) the Retail Settlement Code; and
  - d) the Standard Supply Service Code.
- 5.2 The Licensee shall:
  - a) make a copy of the Codes available for inspection by members of the public at its head office and regional offices during normal business hours; and
  - b) provide a copy of the Codes to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

#### 6 Obligation to Provide Non-discriminatory Access

6.1 The Licensee shall, upon the request of a consumer, generator or retailer, provide such consumer, generator or retailer with access to the Licensee's distribution system and shall convey electricity on behalf of such consumer, generator or retailer in accordance with the terms of this Licence.

#### 7 Obligation to Connect

- 7.1 The Licensee shall connect a building to its distribution system if:
  - a) the building lies along any of the lines of the distributor's distribution system; and

- b) the owner, occupant or other person in charge of the building requests the connection in writing.
- 7.2 The Licensee shall make an offer to connect a building to its distribution system if:
  - a) the building is within the Licensee's service area as described in Schedule 1; and
  - b) the owner, occupant or other person in charge of the building requests the connection in writing.
- 7.3 The terms of such connection or offer to connect shall be fair and reasonable and made in accordance with the Distribution System Code, and the Licensee's Rate Order as approved by the Board.
- 7.4 The Licensee shall not refuse to connect or refuse to make an offer to connect unless it is permitted to do so by the Act or a regulation or any Codes to which the Licensee is obligated to comply with as a condition of this Licence.

#### 8 Obligation to Sell Electricity

8.1 The Licensee shall fulfill its obligation under section 29 of the Electricity Act to sell electricity in accordance with the requirements established in the Standard Supply Service Code, the Retail Settlement Code and the Licensee's Rate Order as approved by the Board.

#### 9 Obligation to Maintain System Integrity

9.1 The Licensee shall maintain its distribution system in accordance with the standards established in the Distribution System Code and Market Rules, and have regard to any other recognized industry operating or planning standards adopted by the Board.

#### 10 Market Power Mitigation Rebates

10.1 The Licensee shall comply with the pass through of Ontario Power Generation rebate conditions set out in Appendix A of this Licence.

#### 11 Distribution Rates

11.1 The Licensee shall not charge for connection to the distribution system, the distribution of electricity or the retailing of electricity to meet its obligation under section 29 of the Electricity Act except in accordance with a Rate Order of the Board.

#### 12 Separation of Business Activities

12.1 The Licensee shall keep financial records associated with distributing electricity separate from its financial records associated with transmitting electricity or other activities in accordance with the Accounting Procedures Handbook and as otherwise required by the Board.

#### 13 Expansion of Distribution System

- 13.1 The Licensee shall not construct, expand or reinforce an electricity distribution system or make an interconnection except in accordance with the Act and Regulations, the Distribution System Code and applicable provisions of the Market Rules.
- 13.2 In order to ensure and maintain system integrity or reliable and adequate capacity and supply of electricity, the Board may order the Licensee to expand or reinforce its distribution system in accordance with Market Rules and the Distribution System Code, or in such a manner as the Board may determine.

#### 14 Provision of Information to the Board

- 14.1 The Licensee shall maintain records of and provide, in the manner and form determined by the Board, such information as the Board may require from time to time.
- 14.2 Without limiting the generality of paragraph 14.1, the Licensee shall notify the Board of any material change in circumstances that adversely affects or is likely to adversely affect the business, operations or assets of the Licensee as soon as practicable, but in any event no more than twenty (20) days past the date upon which such change occurs.

#### 15 Restrictions on Provision of Information

- 15.1 The Licensee shall not use information regarding a consumer, retailer, wholesaler or generator obtained for one purpose for any other purpose without the written consent of the consumer, retailer, wholesaler or generator.
- 15.2 The Licensee shall not disclose information regarding a consumer, retailer, wholesaler or generator to any other party without the written consent of the consumer, retailer, wholesaler or generator, except where such information is required to be disclosed:
  - a) to comply with any legislative or regulatory requirements, including the conditions of this Licence;
  - b) for billing, settlement or market operations purposes;
  - c) for law enforcement purposes; or
  - d) to a debt collection agency for the processing of past due accounts of the consumer, retailer, wholesaler or generator.
- 15.3 The Licensee may disclose information regarding consumers, retailers, wholesalers or generators where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified.
- 15.4 The Licensee shall inform consumers, retailers, wholesalers and generators of the conditions under which their information may be released to a third party without their consent.
- 15.5 If the Licensee discloses information under this section, the Licensee shall ensure that the information provided will not be used for any other purpose except the purpose for which it was disclosed.

#### 16 Customer Complaint and Dispute Resolution

- 16.1 The Licensee shall:
  - a) have a process for resolving disputes with customers that deals with disputes in a fair, reasonable and timely manner;
  - b) publish information which will make its customers aware of and help them to use its dispute resolution process;
  - c) make a copy of the dispute resolution process available for inspection by members of the public at each of the Licensee's premises during normal business hours;
  - d) give or send free of charge a copy of the process to any person who reasonably requests it; and
  - e) subscribe to and refer unresolved complaints to an independent third party complaints resolution service provider selected by the Board. This condition will become effective on a date to be determined by the Board. The Board will provide reasonable notice to the Licensee of the date this condition becomes effective.

#### 17 Term of Licence

17.1 This Licence shall take effect on December 16, 2003 and expire on December 15, 2023. The term of this Licence may be extended by the Board.

#### **18 Fees and Assessments**

18.1 The Licensee shall pay all fees charged and amounts assessed by the Board.

#### **19** Communication

- 19.1 The Licensee shall designate a person that will act as a primary contact with the Board on matters related to this Licence. The Licensee shall notify the Board promptly should the contact details change.
- 19.2 All official communication relating to this Licence shall be in writing.
- 19.3 All written communication is to be regarded as having been given by the sender and received by the addressee:
  - a) when delivered in person to the addressee by hand, by registered mail or by courier;
  - b) ten (10) business days after the date of posting if the communication is sent by regular mail; and
  - c) when received by facsimile transmission by the addressee, according to the sender's transmission report.

#### 20 Copies of the Licence

- 20.1 The Licensee shall:
  - a) make a copy of this Licence available for inspection by members of the public at its head office and regional offices during normal business hours; and
  - b) provide a copy of this Licence to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.

#### 21 Conservation and Demand Management

#### 21.1 2011-2014 Conservation and Demand Management Framework

- 21.1.1 The Licensee shall achieve reductions in electricity consumption and reductions in peak provincial electricity demand through the delivery of CDM programs. The Licensee shall meet its 2014 Net Annual Peak Demand Savings Target of 12.120 MW, and its 2011-2014 Net Cumulative Energy Savings Target of 46.530 GWh (collectively the "CDM Targets"), over a fouryear period beginning January 1, 2011.
- 21.1.2 The Licensee shall meet its CDM Targets through:
  - a) the delivery of Board approved CDM Programs delivered in the Licensee's service area ("Board-Approved CDM Programs");
  - b) the delivery of CDM Programs that are made available by the OPA to distributors in the Licensee's service area under contract with the OPA ("OPA-Contracted Province-Wide CDM Programs"); or
  - c) a combination of a) and b).
- 21.1.3 The Licensee shall make its best efforts to deliver a mix of CDM Programs to all consumer types in the Licensee's service area.
- 21.1.4 The Licensee shall comply with the rules mandated by the Board's Conservation and Demand Management Code for Electricity Distributors.
- 21.1.5 The Licensee shall utilize the common Provincial brand, once available, with all Board-Approved CDM Programs, OPA-Contracted Province-Wide Programs, and in conjunction with or cobranded with the Licensee's own brand or marks.

#### 21.2 2015-2020 Conservation and Demand Management Framework

- 21.2.1 The Licensee shall, between January 1, 2015 and December 31, 2020, make CDM programs, available to customers in its licensed service area and shall, as far as is appropriate and reasonable having regard to the composition of its customer base, do so in relation to each customer segment in its service area ("CDM Requirement").
- 21.2.2 The CDM programs referred to in item 21.2.1 above shall be designed to achieve reductions in electricity consumption.

21.2.3 The Licensee shall meet its CDM Requirement by:

- a) making Province-Wide Distributor CDM Programs, funded by the Ontario Power Authority (the "OPA"), available to customers in its licensed service area;
- b) making Local Distributor CDM Programs, funded by the OPA, available to customers in its licensed service area; or
- c) a combination of a) and b).
- 21.2.4 The Licensee shall, as far as possible having regard to any confidentiality or privacy constraints, make the details and results of Local Distributor CDM Programs available to other licensed electricity distributors upon request.
- 21.2.5 The Licensee shall, as far as possible having regard to any confidentiality or privacy constraints, make the details and results of Local Distributor CDM Programs available to any other person upon request.
- 21.2.6 The Licensee shall report to the OPA the results of the CDM programs in accordance with the requirements of the licensee's "CDM-related" contract with the OPA.

#### 22 Pole Attachments

- 22.1 The Licensee shall provide access to its distribution poles to all Canadian carriers, as defined by the Telecommunications Act, and to all cable companies that operate in the Province of Ontario. For each attachment, with the exception of wireless attachments, the Licensee shall charge the rate approved by the Board and included in the Licensee's tariff.
- 22.2 The Licensee shall:
  - a) annually report the net revenue, and the calculations used to determine that net revenue, earned from allowing wireless attachments to its poles. Net revenues will be accumulated in a deferral account approved by the Board;
  - b) credit that net revenue against its revenue requirement subject to Board approval in rate proceedings; and
  - c) provide access for wireless attachments to its poles on commercial terms normally found in a competitive market.

#### 23 Winter 2016/17 Disconnection, Reconnection and Load Limiter Devices

- 23.1 Subject to paragraph 23.4, the Licensee shall not, during the period commencing February 24, 2017 and ending at 11:59 pm on April 30, 2017:
  - a) disconnect an occupied residential property solely on the grounds of non-payment;
  - b) issue a disconnection notice in respect of an occupied residential property solely on the grounds of non-payment; or

c) install a load limiter device in respect of an occupied residential property solely on the grounds of non-payment.

Nothing in this paragraph shall preclude the Licensee from (i) disconnecting an occupied residential property in accordance with all applicable regulatory requirements, including the required disconnection notice; or (ii) installing a load limiter device in respect of an occupied residential property, in each case if at the unsolicited request of the customer given in writing on or after February 24, 2017.

23.2 Subject to paragraph 23.4, if the Licensee had disconnected a residential property on or before February 23, 2017 solely on the grounds of non-payment, the Licensee shall reconnect that property, if an occupied residential property, as soon as possible. The Licensee shall waive any reconnection charge that might otherwise apply in respect of that reconnection.

Nothing in this paragraph shall require the Licensee to reconnect an occupied residential property if the customer gives unsolicited notice to the Licensee not to do so in writing on or after February 24, 2017.

23.3 Subject to paragraph 23.4, if the Licensee had installed a load limiter device in respect of an occupied residential property on or before February 23, 2017 either for non-payment or at the customer's request, the Licensee shall remove that device and restore full service to the property as soon as possible. The Licensee shall waive any charge that might otherwise apply in respect of such removal.

Nothing in this paragraph shall (i) require the Licensee to remove a load limiter device if the customer gives unsolicited notice to the Licensee not to do so in writing on or after February 24, 2017; or (ii) prevent the Licensee from installing or maintaining a load limiter device at the unsolicited request of customer given in writing on or after February 24, 2017.

- 23.4 Nothing in paragraphs 23.1 to 23.3 shall:
  - a) prevent the Licensee from taking such action in respect of an occupied residential property as may be required to comply with any applicable and generally acceptable safety requirements or standards; or
  - b) require the Licensee to act in a manner contrary to any applicable and generally accepted safety requirements or standards.
- 23.5 The Licensee shall waive any collection of account charge that could otherwise be charged in relation to an occupied residential property during the period referred to in paragraph 23.1.
- 23.6 The Licensee shall provide the Board with periodic reports on its progress in complying with paragraphs 23.2 and 23.3. The first such report shall be filed with the Board no later than March 3, 2017, and reports shall be provided every 7 calendar days thereafter until such time as no further action remains to be taken by the Licensee under those paragraphs.
- 23.7 For the purposes of paragraphs 23.1 to 23.4:

"load limiter device" means a device that will allow a customer to run a small number of electrical items in his or her premises at any given time, and if the customer exceeds the limit of the load limiter, then the device will interrupt the power until it is reset; and

"occupied residential property" means an account with the Licensee:

- a) that falls within the residential rate classification as specified in the Licensee's Rate Order; and
- b) that is:
  - i) inhabited; or
  - ii) in an uninhabited condition as a result of the property having been disconnected by the Licensee or of a load limiter device having been installed in respect of the property on or before February 23, 2017.
- 23.8 Paragraphs 23.1 to 23.5 apply despite any provision of the Distribution System Code to the contrary.

#### SCHEDULE 1 DEFINITION OF DISTRIBUTION SERVICE AREA

This Schedule specifies the area in which the Licensee is authorized to distribute and sell electricity in accordance with paragraph 8.1 of this Licence.

- 1. Town of Blenheim served by the former dissolved public utilities commissions as of December 31, 1997,
  - a. Excluding the customers located at the following addresses:
    - i. 3 Allison Line, Blenheim, Ontario N0P1A0
    - ii. 19327 Fargo Road, Blenheim, Ontario N0P1A0
    - iii. 19329 Fargo Road, Blenheim, Ontario N0P1A0
    - iv. 192 Marlborough Street, Blenheim, Ontario N0P1A0
- 2. Town of Bothwell served by the former dissolved public utilities commissions as of December 31, 1997,
  - a. Excluding the customers located at the following addresses:
    - i. 499 Elm Street, Bothwell, Ontario N0P1C0
    - ii. 329 Catherine Street, Bothwell, Ontario N0P1C0
- 3. City of Chatham served by the former dissolved public utilities commissions as of December 31, 1997,
  - a. Including the customers located at the following addresses:
    - i. Part Lots 16 & 17, Concession A, Geographic Township of Raleigh, designated as Part 1, Reference Plan 24R 7195, Municipality of Chatham-Kent, and Part Lot 17, Concession A, Geographic Township of Raleigh, designated as Part 2, Reference Plan 7195, Municipality of Chatham-Kent as per Board Order RP-2003-0044, dated September 16, 2003.
    - ii. 40 Frances Ave, Chatham, Ontario N7M0N7
    - iii. 48 Frances Ave, Chatham, Ontario N7M0N7
    - iv. 50 Frances Ave, Chatham, Ontario N7M0N7
    - v. 268 Indian Creek Road West, Chatham, Ontario N7M2E2
    - vi. 274 Indian Creek Road West, Chatham, Ontario N7M2E2
    - vii. 280 Indian Creek Road West, Chatham, Ontario N7M2E2
    - viii. 286 Indian Creek Road West, Chatham, Ontario N7M2E2
    - ix. 292 Indian Creek Road West, Chatham, Ontario N7M2E2
    - x. 356 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xi. 360 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xii. 368 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xiii. 374 Indian Creek Road West, Chatham, Ontario N7M2E2xiv. 378 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xv. 382 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xvi. 386 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xvii. 388 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xviii. 392 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xix. 396 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xx. 402 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xxi. 406 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xxii. 410 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xxiii. 416 Indian Creek Road West, Chatham, Ontario N7M2E2
    - xxiv. 420 Indian Creek Road West, Chatham, Ontario N7M2E2

xxv.	428 Indian Creek Road West, Chatham, Ontario N7M2E2
xxvi.	430 Indian Creek Road West, Chatham, Ontario N7M2E2
xxvii.	450 Indian Creek Road West, Chatham, Ontario N7M2E2
xxviii.	454 Indian Creek Road West, Chatham, Ontario N7M2E2
xxix.	458 Indian Creek Road West, Chatham, Ontario N7M2E2
XXX.	462 Indian Creek Road West, Chatham, Ontario N7M2E2
xxxi.	466 Indian Creek Road West, Chatham, Ontario N7M2E2
xxxii.	470 Indian Creek Road West, Chatham, Ontario N7M2E2
xxxiii.	476 Indian Creek Road West, Chatham, Ontario N7M2E2
xxxiv.	482 Indian Creek Road West, Chatham, Ontario N7M2E2
XXXV.	486 Indian Creek Road West, Chatham, Ontario N7M2E2
xxxvi.	9052 Park Ave East, Chatham, Ontario N7M5J4

- b. Excluding the customers located at the following addresses:
  - i. 125 Maple Leaf Drive, Chatham, Ontario N7M6H2
  - ii. 530 McNaughton Ave East, Chatham, Ontario N7L0E4
  - iii. 1120 Richmond Street, Chatham, Ontario N7M5T1
- 4. Town of Dresden served by the former dissolved public utilities commissions as of December 31, 1997,
  - a. Including the customers located at the following addresses:
    - i. 586 Walnut Street, Dresden, Ontario N0H2L0
- 5. Village of Erieau served by the former dissolved public utilities commissions as of December 31, 1997.
- 6. Police Village of Merlin served by the former dissolved public utilities commissions as of December 31, 1997.
- 7. Town of Ridgetown served by the former dissolved public utilities commissions as of December 31, 1997,
  - a. Excluding the customers located at the following addresses:
    - i. 12801 Gosnell Line, Ridgetown, Ontario N0P2C0
- 8. Village of Thamesville served by the former dissolved public utilities commissions as of December 31, 1997.
- 9. Town of Tilbury served by the former dissolved public utilities commissions as of December 31, 1997,
  - a. Including the customers located at the following addresses:
    - i. 53 Ella Street South, Tilbury, Ontario N0P2L0
    - ii. 55 Ella Street South, Tilbury, Ontario N0P2L0
    - iii. 3 Lee Ave, Tilbury, Ontario N0P2L0
  - b. Excluding the customers located at the following addresses:
    - i. 151 Queen Street South, Tilbury, Ontario N0P2L0
    - ii. 582 Roger Street, Tilbury, Ontario N0P2L0
- 10. Town of Wallaceburg served by the former dissolved public utilities commissions as of December 31, 1997,
  - a. Including the customers located at the following addresses:
    - i. 28801 Chenal Road, Wallaceburg, Ontario N8A4K9

- ii. 1913 Dufferin Ave, Wallaceburg, Ontario N8A4M3
- iii. 1915 Dufferin Ave, Wallaceburg, Ontario N8A4M3
- iv. 1916 Dufferin Ave, Wallaceburg, Ontario N8A4M3
- v. 1934 Dufferin Ave, Wallaceburg, Ontario N8A4M3
- vi. 1937 Dufferin Ave, Wallaceburg, Ontario N8A4M3
- vii. 208 Forhan Street, Wallaceburg, Ontario N8A4S3
- viii. 260 Forhan Street, Wallaceburg, Ontario N8A4S3
- ix. 8552 Labadie Road, Wallaceburg, Ontario N8A4K9
- b. Excluding the customers located at the following addresses:
  - i. 6590 Base Line, Wallaceburg, Ontario N8A4K9
  - ii. 6596 Base Line, Wallaceburg, Ontario N8A4K9
  - iii. 7054 Otter Line, Wallaceburg, Ontario N8A4K9
  - iv. 7190 Otter Line, Wallaceburg, Ontario N8A4K9
  - v. 7252 Otter Line, Wallaceburg, Ontario N8A4K9
  - vi. 7276 Otter Line, Wallaceburg, Ontario N8A4K9
  - vii. 7174 Otter Line, Wallaceburg, Ontario N8A4K9
- 11. Village of Wheatley served by the former dissolved public utilities commissions as of December 31, 1997,
  - a. Excluding the customers located at the following addresses:
    - i. 444 Erie Street North, Wheatley, Ontario N0P2P0
    - ii. 295 Erie Street South, Wheatley, Ontario N0P2P0
    - iii. 351 Erie Street South, Wheatley, Ontario N0P2P0
- 12. The former Town of Strathroy as of December 31, 2000,
  - a. Including the customers located at the following addresses:
    - i. 10 Carroll Street West, Strathroy, Ontario N7G3H5
    - ii. 2 Cedar Crescent, Strathroy, Ontario N7G2M2
    - iii. 6 Cedar Crescent, Strathroy, Ontario N7G2M2
    - iv. 8 Cedar Crescent, Strathroy, Ontario N7G2M2
    - v. 12 Cedar Crescent, Strathroy, Ontario N7G2M2
    - vi. 14 Cedar Crescent, Strathroy, Ontario N7G2M2
    - vii. 18 Cedar Crescent, Strathroy, Ontario N7G2M2
    - viii. 22 Cedar Crescent, Strathroy, Ontario N7G2M2
    - ix. 51 Pannell Lane, Strathroy, Ontario N7G2C5
    - x. 55 Pannell Lane, Strathroy, Ontario N7G2C5
    - xi. 61 Pannell Lane, Strathroy, Ontario N7G2C5
    - xii. 69 Pannell Lane, Strathroy, Ontario N7G2C5
    - xiii. 623 Saulsbury Street, Strathroy, Ontario N7G3R4
  - b. Excluding the customers located at the following addresses:
    - i. 437 Carroll Street East, Strathroy, Ontario N7G3H3
    - ii. 334 Pannell Lane, Strathroy, Ontario N7G2C8
    - iii. 338 Pannell Lane, Strathroy, Ontario N7G2C8
    - iv. 342 Pannell Lane, Strathroy, Ontario N7G2C8
- 13. The former Police Village of Mount Brydges as of December 31, 2000, a. Including the customers located at the following addresses:
  - i. 739 Thomas Street, Mount Brydges, Ontario N0L1W0
    - ii. 740 Thomas Street, Mount Brydges, Ontario N0L1W0
  - iii. 751 Thomas Street, Mount Brydges, Ontario N0L1W0

- b. Excluding the customers located at the following addresses:
  - i. 22828 Rougham Road, Mount Brydges, Ontario N0L1W0
- 14. The former Town of Parkhill as of December 31, 2000,
  - a. Including the customers located at the following addresses:
    - i. 97 Mill Street, Parkhill, Ontario K0C2J0
    - ii. 100 Mill Street, Parkhill, Ontario K0C2J0
    - iii. 101 Mill Street, Parkhill, Ontario K0C2J0
- 15. The Village of Dutton as of December 31, 1997, now within the Municipality of Dutton/Dunwich, a. Including the customers located at the following addresses:
  - i. 120 Main Street, Dutton, Ontario N0L1J0
  - ii. 297 Marsh Line, Dutton, Ontario N0L1J0
  - iii. 301 Mary Street, Dutton, Ontario N0L1J0
- 16. The Village of Newbury as of November 7, 1998.

#### SCHEDULE 2 PROVISION OF STANDARD SUPPLY SERVICE

This Schedule specifies the manner in which the Licensee is authorized to retail electricity for the purposes of fulfilling its obligation under section 29 of the Electricity Act.

The Licensee is authorized to retail electricity directly to consumers within its service area in accordance with paragraph 8.1 of this Licence, any applicable exemptions to this Licence, and at the rates set out in the Rate Orders.

#### SCHEDULE 3 LIST OF CODE EXEMPTIONS

This Schedule specifies any specific Code requirements from which the Licensee has been exempted.

1. The Licensee is exempt from the requirements of section 2.5.3 of the Standard Supply Service Code with respect to the price for small volume/residential consumers, subject to the Licensee offering an equal billing plan as described in its application for exemption from Fixed Reference Price, and meeting all other undertakings and material representations contained in the application and the materials filed in connection with it.

#### **APPENDIX A**

#### MARKET POWER MITIGATION REBATES

#### 1. Definitions and Interpretations

In this Licence

"embedded distributor" means a distributor who is not a market participant and to whom a host distributor distributes electricity;

"embedded generator" means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

"host distributor" means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IESO includes interim payments made by the IESO.

#### 2. Information Given to IESO

- a Prior to the payment of a rebate amount by the IESO to a distributor, the distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with information in respect of the volumes of electricity withdrawn by the distributor from the IESO-controlled grid during the rebate period and distributed by the distributor in the distributor's service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998.*
- b Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IESO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor's host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor's service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- c Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity

consumed in the service area of an embedded distributor, the host distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IESO may issue instructions or directions providing for any information to be given under this section. The IESO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IESO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IESO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

#### 3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IESO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

- a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented;
- b consumers who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

#### "ONTARIO POWER GENERATION INC. rebate"

Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or IESO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

Pending pass-through or return to the IESO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.

#### **ONTARIO POWER GENERATION INC. REBATES**

For the payments that relate to the period from May 1, 2006 to April 30, 2009, the rules set out below shall apply.

#### 1. Definitions and Interpretations

#### In this Licence

"embedded distributor" means a distributor who is not a market participant and to whom a host distributor distributes electricity;

"embedded generator" means a generator who is not a market participant and whose generation facility is connected to a distribution system of a distributor, but does not include a generator who consumes more electricity than it generates;

"host distributor" means a distributor who is a market participant and who distributes electricity to another distributor who is not a market participant.

In this Licence, a reference to the payment of a rebate amount by the IESO includes interim payments made by the IESO.

#### 2. Information Given to IESO

- a Prior to the payment of a rebate amount by the IESO to a distributor, the distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with information in respect of the volumes of electricity withdrawn by the distributor from the IESO-controlled grid during the rebate period and distributed by the distributor in the distributor's service area to:
  - i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented and the consumer is not receiving the prices established under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*; and
  - ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- b Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the embedded distributor shall provide the host distributor, in the form specified by the IESO and before the expiry of the period specified in the Retail Settlement Code, with the volumes of electricity distributed during the rebate period by the embedded distributor's host distributor to the embedded distributor net of any electricity distributed to the embedded distributor which is attributable to embedded generation and distributed by the embedded distributor in the embedded distributor's service area to:

- i consumers served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- ii consumers other than consumers referred to in clause (i) who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*.
- c Prior to the payment of a rebate amount by the IESO to a distributor which relates to electricity consumed in the service area of an embedded distributor, the host distributor shall provide the IESO, in the form specified by the IESO and before the expiry of the period specified by the IESO, with the information provided to the host distributor by the embedded distributor in accordance with section 2.

The IESO may issue instructions or directions providing for any information to be given under this section. The IESO shall rely on the information provided to it by distributors and there shall be no opportunity to correct any such information or provide any additional information and all amounts paid shall be final and binding and not subject to any adjustment.

For the purposes of attributing electricity distributed to an embedded distributor to embedded generation, the volume of electricity distributed by a host distributor to an embedded distributor shall be deemed to consist of electricity withdrawn from the IESO-controlled grid or supplied to the host distributor by an embedded generator in the same proportion as the total volume of electricity withdrawn from the IESO-controlled grid by the distributor in the rebate period bears to the total volume of electricity supplied to the distributor by embedded generators during the rebate period.

#### 3. Pass Through of Rebate

A distributor shall promptly pass through, with the next regular bill or settlement statement after the rebate amount is received, any rebate received from the IESO, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt, to:

- a retailers who serve one or more consumers in the distributor's service area where a service transaction request as defined in the Retail Settlement Code has been implemented and the consumer is not receiving the prices established under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998*;
- b consumers who are not receiving the fixed price under sections 79.4, 79.5 and 79.16 of the *Ontario Energy Board Act, 1998* and who are not served by a retailer where a service transaction request as defined in the Retail Settlement Code has been implemented; and
- c embedded distributors to whom the distributor distributes electricity.

The amounts paid out to the recipients listed above shall be based on energy consumed and calculated in accordance with the rules set out in the Retail Settlement Code. These payments may be made by way of set off at the option of the distributor.

If requested in writing by OPGI, the distributor shall ensure that all rebates are identified as coming from OPGI in the following form on or with each applicable bill or settlement statement:

#### "ONTARIO POWER GENERATION INC. rebate"

20

Any rebate amount which cannot be distributed as provided above or which is returned by a retailer to the distributor in accordance with its licence shall be promptly returned to the host distributor or IESO as applicable, together with interest at the Prime Rate, calculated and accrued daily, on such amount from the date of receipt.

Nothing shall preclude an agreement whereby a consumer assigns the benefit of a rebate payment to a retailer or another party.

Pending pass-through or return to the IESO of any rebate received, the distributor shall hold the funds received in trust for the beneficiaries thereof in a segregated account.

## PUBLIC





# Participation Amending Agreement

Between

ENTEGRUS POWERLINES INC.

As Applicant

and

## INDEPENDENT ELECTRICITY SYSTEM OPERATOR

March 09, 2012

Confidential Page 626 of 670

#### AGREEMENT AMENDING

#### PARTICIPATION AGREEMENT

This Agreement is dated the 09th day of March, 2012.

#### BETWEEN:

Entegrus Powerlines Inc, a Electrical Distirbution Corporation operating under the laws of Province of Ontario and having its address for service at 320 Queen Street, Chatham, Ontario N7M 5K2, Fax 519-351-4059

(the "Applicant")

- and -

INDEPENDENT ELECTRICITY SYSTEM OPERATOR, Suite 410, 655 Bay Street, PO Box 1, Toronto, Ontario M5G 2K4, Fax 416.506.2849

(the "IESO")

#### WHEREAS:

- 1. Entegrus Powerlines Inc. OR Chatham-Kent Hydro Inc., one of the Predecessors of the Applicant\*\*) and the *IESO* entered into a Participation Agreement on May 01, 2002 (the "Participation Agreement");
  - 2. Chatham-Kent Hydro Inc
- 3. The Applicant and the *IESO* wish to amend the Participation Agreement to reflect (\*\*the change of the name of the Applicant OR the amalgamation or merger of the former applicant to continue as the Applicant\*\*);

. .

NOW THEREFORE, in consideration of the mutual provisions of this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the *IESO* and the Applicant hereby agree as follows:

Amendment to Participation Agreement: The Participation Agreement is hereby amended by substituting the name of the Applicant wherever its former name appears.

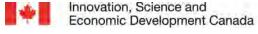
\* Assumption of Liabilities: The Applicant hereby assumes all of the liabilities and obligations and shall be entitled to all of the rights and benefits of Chatham-Knet Hydro Inc. under the Participation Agreement as if it were the original signatory thereto.

**Continuation of the Participation Agreement**: Except as expressly amended by this Agreement, the provisions of the Participation Agreement shall remain unchanged and continue in full force and effect.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed by their respective officers as of the date first above written.

By: Title: PARSid	cnt-	
Ву:		
Title:		
INDEPENDENT	ELECTRICITY SYSTEM OPERA	TOR
By: Title: <u>Vice f</u>	President, Resource Int	zeration

\* NOTE: The following section is only necessary where the change of name resulted from an amalgamation.



Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER	
April 1, 2012	March 31, 2018	010379561-001	044080703611	
		LICENCE H	OLDER TYPE	

Radiocommunication user

Licence mailing address:

Authority to operate this (these) licenced station(s) is granted to:

LICENSEE REFERENCE

Chatham-Kent Energy Company O/A ENTEGRUS 320 Queen Street Chatham ON N7M 5K2 Chatham-Kent Energy Company O/A ENTEGRUS 320 Queen Street Chatham ON N7M 5K2

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### LICENCE CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW

LONGITUDE (W) 081 41 04.000	<b>ZONE</b> Other area, Low congestion
	( )

### STATION LOCATION

PARKHILL

STATION CONDITIONS / APPENDICES

Appendix R - Frequency Sharing Condition

This condition has been applied to your radio authorization since your assigned radio frequency(ies) is/are shared with other radio users. Please see the complete text of this appendix and take note of any restrictions or limitations imposed.

A copy of Appendix R can be viewed at: http:// www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10811.html. You can also navigate to Appendix R on our website: www.ic.gc.ca/spectrum-conditions.

FREQU	ENCIES	REG. SERV.	-	ALENT CHANNEL	BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
TX	RX		ТХ	RX			
465.68750 MHz	460.68750 MHz	2	1	1	11K0F3EJN	8.318 W ERP	RDP PHASE 1 20020801 LICENSEE'S STATIONS VIA LINK TO REPEATER CGZ799 IN STRATHROY

#### **REGULATORY SERVICE(S)**

2 - Fixed service





LICENSEE REFERENCE

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

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EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
April 1, 2012	March 31, 2018	010379561-001	044080703611

#### STATION ID: 2 CALL SIGN: CGZ799

STATION TYPE	LATITUDE (N)	LONGITUDE (W)	ZONE
Fixed repeater station	42 57 24.000	081 36 56.000	Other area, Low congestion

#### STATION LOCATION

STRATHROY, ON - WATER TOWER

#### STATION CONDITIONS / APPENDICES

Appendix R - Frequency Sharing Condition

This condition has been applied to your radio authorization since your assigned radio frequency(ies) is/are shared with other radio users. Please see the complete text of this appendix and take note of any restrictions or limitations imposed.

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FREQU	ENCIES	REG. SERV.	EQUIVALENT VOICE CHANNEL		BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
ТХ	RX		ТХ	RX			
460.68750 MHz	465.68750 MHz	14	1	1	11K0F3EJN	40.738 W ERP	LICENSEE'S STATIONS RDP PHASE 1 20010105

#### **REGULATORY SERVICE(S)**

14 - Land Mobile + Fixed services

#### LICENCE ADDENDUM

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the Radiocommunication Act and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.

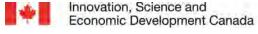
The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The Radiocommunication Act and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at : http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





Innovation, Sciences et Développement économique Canada

## **RADIO LICENCE**

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
May 21, 1998	March 31, 2018	010409601-001	044080702452

LICENCE HOLDER TYPE

Radiocommunication user

Licence mailing address:

CHATHAM-KENT HYDRO INC. ATTN: Brad Rabideau 320 QUEEN ST., PO BOX 70 CHATHAM ON Authority to operate this (these) licenced station(s) is granted to:

LICENSEE REFERENCE

#### CHATHAM-KENT HYDRO INC. ATTN: Brad Rabideau 320 QUEEN ST., PO BOX 70 CHATHAM ON N7M 2H6

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### LICENCE CONDITIONS / APPENDICES

N7M 2H6

MCS MASTER THE LICENSEE SHALL PROVIDE A READY MEANS OF DETERMINING THE NUMBER OF REMOTE STATIONS ASSOCIATED WITH THE MASTER STATION AS WELL AS THEIR LOCATION, AND MUST FURNISH THIS INFORMATION, UPON REQUEST TO THE DEPARTMENT. ANY CHANGE THAT INCREASES A REMOTE STATIONS PARAMETERS, MUST BE APPROVED BY THE DEPARTMENT PRIOR TO ITS INSTALLATION AND OPERATION.

#### **<u>STATION ID:</u>** 1 **CALL SIGN:** CZY918

STATION TYPE	LATITUDE (N)	LONGITUDE (W)	ZONE
Fixed hub station	42 23 54.000	082 10 49.000	Other area, Low congestion

#### STATION LOCATION

CHATHAM ONT. (320 QUEEN ST.)

#### STATION CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW.

FREQU	ENCIES	REG. SERV.		ALENT CHANNEL	BANDWIDTH AND EMISSION	CONDITIONS
ТХ	RX		ТХ	RX		
952.66875 MHz	928.66875 MHz	2			11K0F1DCN	MCS MASTER TO REMOTE STATIONS AND MCS REMOTES TO MASTER STATION

#### **REGULATORY SERVICE(S)**

2 - Fixed service

#### STATION ID: 2





Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at http://www.ic.gc.ca/spectrum

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
May 21, 1998	March 31, 2018	010409601-001	044080702452

#### STATION ID: 2

#### STATION TYPE

Transportable remote station

CHATHAM ONT. (320 QUEEN ST.)

NUMBER OF MOBILES

11

AREA OF OPERATION

LICENSEE REFERENCE

#### STATION CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW.

FREQU	ENCIES	REG. SERV.	<b>C</b> - 1	ALENT CHANNEL	BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
TX	RX		ТХ	RX			
928.66875 MHz	952.66875 MHz				11K0F1DCN	10 W ERP	

#### **REGULATORY SERVICE(S)**

#### LICENCE ADDENDUM

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the Radiocommunication Act and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.

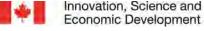
The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The Radiocommunication Act and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at : http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html

anada



Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at http://www.ic.gc.ca/spectrum

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
April 1, 2012	March 31, 2018	010443295-001	044080703611
		LICENCE H	OLDER TYPE

Radiocommunication user

Licence mailing address:

Authority to operate this (these) licenced station(s) is granted to:

**Chatham-Kent Energy Company O/A ENTEGRUS** 320 Queen Street Chatham ON N7M 5K2

**Chatham-Kent Energy Company O/A ENTEGRUS 320 Oueen Street Chatham ON** N7M 5K2

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### LICENCE CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW

STATION ID: 1	CALL SIGN: CGZ800		
STATION TYPE	LATITUDE (N)	LONGITUDE (W)	ZONE
Fixed base station	42 57 22.000	081 37 25.000	Other area, Low congestion
STATION LOCATION			LICENSEE REFERENCE

#### STATION LOCATION

STRATHROY, ON - 52 FRANK ST.

STATION CONDITIONS / APPENDICES

Appendix R - Frequency Sharing Condition

This condition has been applied to your radio authorization since your assigned radio frequency(ies) is/are shared with other radio users. Please see the complete text of this appendix and take note of any restrictions or limitations imposed.

A copy of Appendix R can be viewed at: http:// www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10811.html. You can also navigate to Appendix R on our website: www.ic.gc.ca/spectrum-conditions.

FREQU	ENCIES	REG. SERV.		ALENT CHANNEL	BANDWIDTH AND EMISSION		CONDITIONS
ТХ	RX		ТХ	RX			
465.68750 MHz	460.68750 MHz	2	1	1	11K0F3EJN	18.621 W ERP	LICENSEE'S STATIONS RDP PHASE 1 20010105

#### **REGULATORY SERVICE(S)**

2 - Fixed service

#### LICENCE ADDENDUM





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This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
April 1, 2012	March 31, 2018	010443295-001	044080703611

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the *Radiocommunication Act* and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.

The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The *Radiocommunication Act* and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at : http://www.io.go.go/oic/cito/cmt.gst.psf/ong/cf01742.html

http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER			
April 4, 2005	March 31, 2018	010446257-001	044080702452			
		LICENCE HOLDER TYPE				

Radiocommunication user

Licence mailing address:

Authority to operate this (these) licenced station(s) is granted to:

LICENSEE REFERENCE

CHATHAM-KENT HYDRO INC. ATTN: Brad Rabideau 320 QUEEN ST., PO BOX 70 CHATHAM ON N7M 2H6

#### CHATHAM-KENT HYDRO INC. ATTN: Brad Rabideau 320 QUEEN ST., PO BOX 70 CHATHAM ON

N7M 2H6

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### **LICENCE CONDITIONS / APPENDICES**

SEE LICENCE ADDENDUM BELOW

#### STATION ID: 1 CALL SIGN: VAZ478

STATION TYPE	LATITUDE (N)	LONGITUDE (W)	ZONE
Fixed repeater station	42 23 54.000	082 10 48.000	Other area

#### STATION LOCATION

CHATHAM ONT (QUEEN STREET)

#### **STATION CONDITIONS / APPENDICES**

SEE LICENCE ADDENDUM BELOW.

FREQU	ENCIES	REG. SERV.	-	ALENT CHANNEL	BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
TX	RX		ТХ	RX			
167.38500 MHz	167.38500 MHz	1	1	1	16K0F3EJN	30.2 W ERP	LICENSEE'S LICENSED STATIONS
171.78000 MHz	167.38500 MHz	2	1	1	16K0F3EJN	30.2 W ERP	LICENSEE'S STATIONS VIA VAZ702

#### **REGULATORY SERVICE(S)**

1 - Land Mobile service

2 - Fixed service

#### **LICENCE ADDENDUM**

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the *Radiocommunication Act* and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the





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EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
April 4, 2005	March 31, 2018	010446257-001	044080702452

Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.

The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The *Radiocommunication Act* and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at : http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





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EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
September 1, 2002	March 31, 2018	010446497-001	044080703611
		LICENCE H	OLDER TYPE

Radiocommunication user

Licence mailing address:

Authority to operate this (these) licenced station(s) is granted to:

LICENSEE REFERENCE

Chatham-Kent Energy Company O/A ENTEGRUS 320 Queen Street Chatham ON N7M 5K2 Chatham-Kent Energy Company O/A ENTEGRUS 320 Queen Street Chatham ON N7M 5K2

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### LICENCE CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW

STATION ID: 1 CALL SIGN: X.	JL888		
STATION TYPE Fixed repeater station	<b>LATITUDE (N)</b> 43 09 48.000	LONGITUDE (W) 081 41 04.000	<b>ZONE</b> Other area, Low congestion

### STATION LOCATION

PARKHILL

STATION CONDITIONS / APPENDICES

Appendix R - Frequency Sharing Condition

This condition has been applied to your radio authorization since your assigned radio frequency(ies) is/are shared with other radio users. Please see the complete text of this appendix and take note of any restrictions or limitations imposed.

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FREQU	ENCIES	REG. SERV.	EQUIV VOICE C	ALENT HANNEL	BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
ТХ	RX	]	ТХ	RX			
453.53750 MHz	458.53750 MHz	1	1	1	11K0F3EJN	21.878 W ERP	RDP PHASE 1 20010105 LICENSEE'S STATIONS

#### **REGULATORY SERVICE(S)**

1 - Land Mobile service

#### LICENCE ADDENDUM





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EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
September 1, 2002	March 31, 2018	010446497-001	044080703611

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the *Radiocommunication Act* and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.

The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The *Radiocommunication Act* and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at : http://www.ic.go.ca/oic/cite/cmt\_act.psf/eng/sf01742.html

http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





#### Innovation, Sciences et Développement économique Canada

### **RADIO LICENCE**

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at http://www.ic.gc.ca/spectrum

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER		
August 1, 2004	March 31, 2018	010447707-001	044080702452		
		LICENCE HOLDER TYPE			

Radiocommunication user

Licence mailing address:

Authority to operate this (these) licenced station(s) is granted to:

CHATHAM-KENT HYDRO INC. **ATTN: Brad Rabideau** 320 QUEEN ST., PO BOX 70 **CHATHAM ON** N7M 2H6

#### CHATHAM-KENT HYDRO INC. **ATTN: Brad Rabideau 320 OUEEN ST., PO BOX 70**

**CHATHAM ON** N7M 2H6

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### LICENCE CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW

#### STATION ID: 1 CALL SIGN: VDS741 STATION TYPE LONGITUDE (W) LATITUDE (N) ZONE Fixed base station 42 35 23.000 082 22 34.000 Other area, Low congestion LICENSEE REFERENCE

#### STATION LOCATION

WALLACEBURG, EARL ST.

#### STATION CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW.

	FREQU	ENCIES	REG. SERV.	EQUIV VOICE C	ALENT HANNEL	BANDWIDTH AND EMISSION		CONDITIONS
	ТХ	RX		ТХ	RX			
L	928.71875 MHz	952.71875 MHz	2	1	1	11K0F1DCN	31.623 W ERP	CHATHAM MASTER MCS STATION

#### **REGULATORY SERVICE(S)**

2 - Fixed service

#### LICENCE ADDENDUM

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the Radiocommunication Act and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.







Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at http://www.ic.gc.ca/spectrum

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
August 1, 2004	March 31, 2018	010447707-001	044080702452

The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

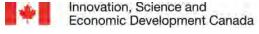
Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The Radiocommunication Act and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at :

http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
March 21, 2000	March 31, 2018	010452389-001	044080702452
			-

LICENCE HOLDER TYPE

Radiocommunication user

Licence mailing address:

Authority to operate this (these) licenced station(s) is granted to:

LICENSEE REFERENCE

CHATHAM-KENT HYDRO INC. ATTN: Brad Rabideau 320 QUEEN ST., PO BOX 70 CHATHAM ON N7M 2H6 CHATHAM-KENT HYDRO INC. ATTN: Brad Rabideau 320 QUEEN ST., PO BOX 70 CHATHAM ON N7M 2H6

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### LICENCE CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW

### STATION ID: 1 CALL SIGN: VAZ702

STATION TYPE	LATITUDE (N)	LONGITUDE (W)	ZONE
Fixed repeater station	42 23 54.000	082 10 47.000	Other area, Low congestion

#### STATION LOCATION

CHATHAN (QUEEN ST. PUC OFFICE)

#### STATION CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW.

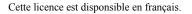
FREQU	ENCIES	REG. SERV.	EQUIV VOICE C		BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
ТХ	RX		ТХ	RX			
167.38500 MHz	171.78000 MHz	14	1	1	16K0F3EJN	75.858 W ERP	LICENSEE'S STATIONS

#### REGULATORY SERVICE(S)

14 - Land Mobile + Fixed services

#### **LICENCE ADDENDUM**

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the *Radiocommunication Act* and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.







Page 2 of 2

# **RADIO LICENCE**

Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
March 21, 2000	March 31, 2018	010452389-001	044080702452

The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The *Radiocommunication Act* and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at :

http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at http://www.ic.gc.ca/spectrum

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
August 1, 2004	March 31, 2018	010468983-001	044080702452

LICENCE HOLDER TYPE

Radiocommunication user

Licence mailing address:

Authority to operate this (these) licenced station(s) is granted to:

CHATHAM-KENT HYDRO INC. **ATTN: Brad Rabideau** 320 QUEEN ST., PO BOX 70 **CHATHAM ON** N7M 2H6

#### CHATHAM-KENT HYDRO INC. **ATTN: Brad Rabideau 320 OUEEN ST., PO BOX 70**

**CHATHAM ON** N7M 2H6

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### LICENCE CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW

STATION ID: 1	CALL SIGN: VDS740		
STATION TYPE	LATITUDE (N)	LONGITUDE (W)	ZONE
Fixed base station	42 33 15.000	081 58 13.000	Other area, Low congestion
STATION LOCATION			LICENSEE REFERENCE

#### STATION LOCATION

THAMESVILLE, WALLACE ST.

STATION CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW.

FREQU	ENCIES	REG. SERV.	EQUIV VOICE C	ALENT HANNEL	BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
TX	RX		ТХ	RX			
928.71875 MHz	952.71875 MHz	2	1	1	11K0F1DCN	31.623 W ERP	CHATHAM MASTER MCS STATION

#### **REGULATORY SERVICE(S)**

2 - Fixed service

#### LICENCE ADDENDUM

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the Radiocommunication Act and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.







Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at http://www.ic.gc.ca/spectrum

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
August 1, 2004	March 31, 2018	010468983-001	044080702452

The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

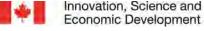
Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The Radiocommunication Act and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at :

http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at http://www.ic.gc.ca/spectrum

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
October 6, 2011	March 31, 2018	010547933-001	044080702452

LICENCE HOLDER TYPE

Radiocommunication user

Licence mailing address:

CHATHAM-KENT HYDRO INC. **ATTN: Brad Rabideau** 320 QUEEN ST., PO BOX 70 **CHATHAM ON** N7M 2H6

Authority to operate this (these) licenced station(s) is granted to:

LICENSEE REFERENCE

#### CHATHAM-KENT HYDRO INC. **ATTN: Brad Rabideau** 320 QUEEN ST., PO BOX 70 **CHATHAM ON** N7M 2H6

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### LICENCE CONDITIONS / APPENDICES

THE OPERATION OF THE RADIO SYSTEM AUTHORIZED BY THIS LICENSE IS NON-STANDARD AS DEFINED IN INDUSTRY CANADA'S "REDEPLOYMENT PLAN FOR SPECTRUM EFFICIENT LAND MOBILE EQUIPMENT IN THE FREQUENCY RANGE 100-500 MHZ", EFFECTIVE DECEMBER 15, 1998. EQUIPMENT AUTHORIZED BY THIS LICENSE MAY AT SOME LATER DATE BE REQUIRED TO CONFORM TO THE CURRENT VERSION OF RSS 119, AS AMENDED FROM TIME TO TIME.

#### STATION ID: 1

STATION TYPE

Mobile

NUMBER OF MOBILES 64

#### AREA OF OPERATION

CHATHAM-KENT

#### STATION CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW.

FREQUENCIES		REG. SERV.	-	ALENT HANNEL	BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
ТХ	RX		ТХ	RX			
167.17500 MHz	167.17500 MHz	1	1	1	16K0F3EJN	30 W ERP	LICENSEE'S LICENSED STATIONS
169.29000 MHz	169.29000 MHz	1	1	1	16K0F3EJN	30 W ERP	LICENSEE'S LICENSED STATIONS
169.20000 MHz	169.20000 MHz	1	1	1	16K0F3EJN	30 W ERP	LICENSEE'S LICENSED STATIONS
171.78000 MHz	167.38500 MHz	1	1	1	16K0F3EJN	30 W ERP	LISENSEE'S STATIONS VIA VAZ702
167.38500 MHz	167.38500 MHz	1	1	1	16K0F3EJN	30 W ERP	LICENSEE'S LICENSED STATIONS
169.87500 MHz	169.87500 MHz	1	1	1	16K0F3EJN	30 W ERP	LICENSEE'S LICENSED STATIONS

#### **REGULATORY SERVICE(S)**

1 - Land Mobile service





Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER	
October 6, 2011	March 31, 2018	010547933-001	044080702452	

#### **LICENCE ADDENDUM**

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the *Radiocommunication Act* and its regulations. This authority should not be construed as approving the use of any antenna supporting structure which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.

The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The *Radiocommunication Act* and the Radiocommunication Regulations are available on Internet at: <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at : http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
September 1, 2002	March 31, 2018	010608435-001	044080703611
		LICENCE H	OLDER TYPE

Radiocommunication user

Licence mailing address:

Authority to operate this (these) licenced station(s) is granted to:

LICENSEE REFERENCE

Chatham-Kent Energy Company O/A ENTEGRUS 320 Queen Street Chatham ON N7M 5K2 Chatham-Kent Energy Company O/A ENTEGRUS 320 Queen Street Chatham ON N7M 5K2

#### THIS LICENCE AUTHORIZES THE OPERATION OF THE STATION(S) LISTED BELOW

#### **LICENCE CONDITIONS / APPENDICES**

SEE LICENCE ADDENDUM BELOW

#### STATION ID: 1

STATION TYPE	
Mobile	NUMBER OF MOBILES
	9

#### AREA OF OPERATION STRATHROY & AREA

STATION CONDITIONS / APPENDICES

SEE LICENCE ADDENDUM BELOW.

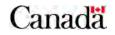
FREQUENCIES		REG. SERV.	-	ALENT CHANNEL	BANDWIDTH AND EMISSION	POWER AND TYPE	CONDITIONS
TX	RX		ТХ	RX			
465.68750 MHz	460.68750 MHz	1	1	1	11K0F3EJN	5 W ERP	Licensee's Stations Via CGZ799 STRATHROY
469.43750 MHz	469.43750 MHz	1	1	1	11K0F3EJN	5 W ERP	LICENSEE'S STATIONS
458.53750 MHz	453.53750 MHz	1	1	1	11K0F3EJN	5 W ERP	LICENSEE'S STATIONS VIA XJL888 PARKHILL

#### **REGULATORY SERVICE(S)**

1 - Land Mobile service

#### **LICENCE ADDENDUM**

This licence authorizes the licensee to establish and operate a radio station as described in the approved application, in accordance with specific items or conditions and applicable provisions of the *Radiocommunication Act* and its regulations. This authority should not be construed as approving the use of any antenna supporting structure





Issued under the authority of the Minister of Industry in accordance with the Radiocommunication Act and Regulations made thereunder.

This licence may be modified before the expiry date shown. For the latest legal version and status of this licence, please consult the Innovation, Science and Economic Development Canada web site at <a href="http://www.ic.gc.ca/spectrum">http://www.ic.gc.ca/spectrum</a>

EFFECTIVE DATE	EXPIRY DATE	LICENCE NUMBER	ACCOUNT NUMBER
September 1, 2002	March 31, 2018	010608435-001	044080703611

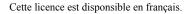
which has not been approved by the Department of Transport from an aeronautical safety point of view. Except as provided in the regulations, no change in the apparatus or operations shall be made without the authority of the Minister, Innovation, Science and Economic Development Canada, and the licensee shall notify the Department in writing upon a change of address.

The Department may, at a future date, require the licensee to install filters, tone coding devices, reduce the effective radiated power and/or antenna height as appropriate.

Service indicates the category of service the station is authorized to perform.

For further information regarding your radio licence please contact your nearest Innovation, Science and Economic Development Canada District Office. The *Radiocommunication Act* and the Radiocommunication Regulations are available on Internet at: http://www.ic.gc.ca/spectrum

Enquiries concerning this radio licence should be directed to your Innovation, Science and Economic Development Canada District Office. You can consult our list of offices at : http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01742.html





Env. 16 3

YOUR FILE VOTRE RÉF:

IN REPLY QUOTE RÉF. À RAPPELER: 9602-1163 (XL)

CANADA

DEPARTMENT OF TRANSPORT MINISTÈRE DES TRANSPORTS

OTTAWA, January 19, 1971

Chatham Hydro Electric System, 213 King Street West, Chatham, Ontario

> Attention: Mr. C.L. Leach, General Manager

Dear Mr. Leach:

In accordance with the request contained in your letter dated January 2, 1971, I have to notify Chatham Hydro Electric System that the Licence dated July 9, 1969, bearing No. 84470 in the records of the Department of Transport, entered into between the Minister of Transport and The C tham Public Utilities Composition, granting to the said commission per ssion to erect, maintain and operate a 4160 volt overhead crossing over and across the The River from Fourth Street to Kent Street, in the City of Chatham, County of Kent and Province of Ontaric, IS HEREBY CANCELLED AND DETERMINED as of, from and after December 31, 1970.

Yours truly

John T. Grav

For:

inister of Transport

	DEPART	MENT OF TRANSPORT				
		LICENCE				
	MINIS	TER OF TRANSPORT				
		TO				
	THE CHATHA	M PUBLIC UTILITIES COMMISSION				
		July 9/69.				
Public Work o	oncerned Mar <u>PERVISSION</u> overbead c Pourth Str	July 9/6.9. Time Services CHATHAM, ONTARIO. I to erect. maintain and operate a 4160 vol- prossing over and across the Thares Fiver f				
Public Work of Description	oncerned Nar <u>DERVISSION</u> overbead c Fourth Str County of	July 9/6.9. Time Services CHATRAM, ONTARIO. I to erect. maintain and operate a 4160 vol- prossing over and across the Thares Biver for rect to Kent Street, in the City of Chatham Kent and Province of Ontario.				
Public Work of Description	oncerned Mar <u>PERVISSION</u> overbead c Fourth Str County of during pleasu	July 9/69. Tine Services CHATHAM, ONTARIO. I to erect. maintain and operate a 4160 velt prossing over and across the Thares Eiver fil peet to Kent Street, in the City of Chatham Kent and Province of Ontario. The Street of Street o				
Public Work of Description	oncerned	July 9/6.9. Tine Services CHATRAM, ONTARIO. I to erect, maintain and operate a 4160 voltor prossing over and across the Thares Eiver for the to Kent Street, in the City of Chatham Kent and Province of Ontario. Ire From June 1/69 XX444748 5164544 Inum.				

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(Licence form, privilege)



# Department of Transport of Canada

# LICENCE

PERMISSION IS HEREBY GIVEN by the Honourable the Minister of Transport of Canada (hereinafter called the "LICENSOR") to THE CHATHAM PUBLIC UTILITIES the City - - - of Chatham \_\_\_\_, in the county of Kent - \_\_\_, in the county of Ontario (hereinafter called the "LICENSEE") to erect, maintain and operate a 4160 volt overhead crossing (hereinafter referred to as "the said crossing") over and across the Thames River from Fourth Street to Kent Street, in the City of Chatham, County of Kent and Province of Ontario; the location of the said crossing being more particularly shown coloured red and described on the Drawings dated March 19, 1969 and June 1, 1969, hereto annexed,

from the first \_\_\_\_\_\_ day of June \_\_\_\_\_, one thousand nine hundred and sixty-nine \_\_\_\_\_, during the pleasure of the Licensor,one thousand

UPON THE FOLLOWING TERMS AND CONDITIONS which the Licensee hereby accepts and agrees to perform and abide by:-

1. For the permission hereby given the Licensee shall pay to the Licensor, annually, in advance, the sum of TWENTY-FIVE \_\_\_\_\_ dollars (\$ 25.00

2. No transfer of this Licence or of any rights hereunder shall be made by the Licensee.

3. The work connected with the of the said of the said of the said crossing of the Licensor and shall be done in all respects to his entire satisfaction and at the sole cost and expense of the Licensee.

4. All structures, erections, materials, supplies, articles, effects and things, hereinafter for the purposes of this Licence referred to as "property of the Licensee," at any time con-structed, erected, laid, brought, placed or made upon the lands and premises of the Licensor for the purpose of **crecting**, **maintaining** and **creating** shall be entirely at the said said risk of the Licensee in respect of loss, damage, injury, destruction or accident from whatsoever cause arising, whether due to the negligence of the Licensor, his agents or employees, or otherwise.

N.M.

5. Any damage or injury which may, during the existence of this Licence, be occasioned to the **lands and premises of the Licensor** or any part thereof, or works connected therewith, by reason or on account of the permission hereby given shall, immediately upon notice thereof from the Licensor or his duly authorized agent, given either verbally or in writing, by the Licensee be repaired, rebuilt, replaced and restored to the entire satisfaction of the Licensor, or the Licensor may, at his option, repair such damage or injury, in which case the Licensee shall upon demand forthwith repay and reimburse the Licensor for all costs and expenses connected therewith or incidental thereto. expenses connected therewith or incidental thereto.

513-1

6. Upon cancellation of this Licence as in Clause 8 hereof provided or at any time or times in case and for the purpose of repairs or improvements to or on the said lands and premises, the Licensee shall forthwith, upon notice from the Licensor or his representative either verbally or in writing so to do, remove at or in writing so to do, remove at the Licensee from the said lands and premises leaving and restoring, in case of cancellation of this Licence, the said lands and premises as nearly as possible in as neat and as clean a condition as originally, and, in case of removal for such repairs or improvements, in a condition satisfactory to the Licensor or his representative and in case of default of the Licensee to remove the said property of the Licensee as and in any of the cases above referred to, the said property shall become the property of and shall vest in the Licensor, without any right to compensation on the part of the Licensee therefor.

In case of removal by the Licensee of the property of the Licensee for the purposes of repairs or improvements to or on the said lands and premises as above referred to, the Licensee may, if the Licensor deem it expedient and the progress of the work is not thereby interfered with, temporarily maintain the said

in such manner or at such point as the Licensor may direct; the Licensee bearing all expenses and assuming all risk or damage. At the conclusion of the work the said

may, if deemed expedient by the Licensor, be - vigeo-6.04 by the Licensee at \_\_\_\_\_\_\_\_ own cost and expense and in exact accordance with instructions and directions of the Licensor with respect thereto.

7. The Licensee shall indemnify and save harmless the Licensor from and against all claims and demands, loss, costs, expenses, damages and injury in any manner based upon, arising out of or connected with the existence of this Licence or anything done or maintained hereunder, unless such damage or injury is due to the negligence of any officer or servant of Her Majesty the Queen in right of Canada while acting within the scope of his duties or employment.

8. This License may be cancelled forthwith at any time by hotice in whiting signed by so the Secretary of the Department of Transport of Canada and mailed addressed to the Licensee Chatham, Ontario.

9. Upon default or breach in respect of any provision or condition herein, the Licensor may, with or without notice, retake possession of the said premises and, thereupon, the Licensee shall forthwith remove the property of the Licensee from the said premises and upon his failure to do so, the said property shall become the property of and shall vest in the Licensor, without any right to compensation on the part of the Licensee therefor.

10. The Licensor shall have a lien upon the property of the Licensee for any loss or damage arising by reason of the breach of any of the conditions or provisions hereof, or the failure on the part of the Licensee to comply therewith.

11. Subject as in Clause No. 6 hereof provided, this Licence may be terminated at any time by the Licensee upon notice in writing, delivered to or mailed addressed to the Department of Transport at Ottawa, Ontario, at any of Her Majesty's Post Offices.

12. That the Licensee shall fulfil in all respects the requirements of Part I of the Navigable Waters' Protection Act, Chapter 193 of the Revised Statutes of Canada, 1952, and it is an express condition of this Licence that no "work" within the meaning of said Part I shall be undertaken or constructed on the lands and premises of the Licensor by the Licensee or shall be suffered or allowed by the Licensee to be constructed thereon until as regards such work the provisions of said Part I shall have been fully complied with.

DATED AT OTTAWA, Ontario, t	this 9th. day of July, A.D. 19 69.
WITNESS:	1
	Deputy Minister of Transport.
	Secretary
	CHATHAM PUBLIC UTILITIES COMMISSION Licensee.
04-0019	) Chairman
	Secretary

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# DEPARTMENT OF TRANSPORT

# LICENCE

# MINISTER OF TRANSPORT

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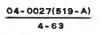
CHATHAM PUBLIC UTILITIES COMMISSION	
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Date of authorizing Order in CouncilP_C1953 - March 24, 1941	
Date of LICENCE april 8/ 71.	
Public Work concerned	r
Description PERMISSION to lay, maintain and operate a submarine cable on the bed of the Thames River in the Public Harbour of Chatham, opposite Lot 2, Block C, Old Survey and opposite Kent Street, Registered Plan No. 2, in the City of Chatham, County of Kent and Province of Ontario.	
Term during pleasure From March 1/71 during pleasure	
Rental\$25.00 per annum	
DEPARTMENTAL REFERENCE	

File No. 9602 - 312 VOL. 1

### MEMORANDA

CANCELS AND SUPERSEDES Licence of Occupation No. 709 dated October 30, I





# Department of Transport of Canada

# LICENCE

PERMISSION IS HEREBY GIVEN by the Honourable the Minister of Transport of Canada (hereinafter called the "LICENSOR") to CHATHAM PUBLIC UTILITIES COMMISSION of Chatham of Chatham of of the City of Chatham of Chatham of Ontario the city of the "LICENSEE") to lay, maintain and operate a submarine cable (hereinafter referred to as "the said cable") on the bed of the Thames River in the Public Harbour of Chatham, opposite Lot 2, Block C, Old Survey and opposite Kent Street, Registered Plan No. 2, in the City of Chatham, County of Kent and Province of Ontario; the location of the said cable being more particularly shown outlined in red on the Plan dated April 21, 1969, hereto annexed,

from the first , one thousand , during the pleasure of the Licensor, —

UPON THE FOLLOWING TERMS AND CONDITIONS which the Licensee hereby accepts and agrees to perform and abide by:---

1. For the permission hereby given the Licensee shall pay to the Licensor, annually, in advance, the sum of

2. No transfer of this Licence or of any rights hereunder shall be made by the Licensee.

shall be carried on under and in accordance with the control and direction of the Licensor and shall be done in all respects to his entire satisfaction and at the sole cost and expense of the Licensee.

4. All structures, erections, materials, supplies, articles, effects and things, hereinafter for the purposes of this Licence referred to as "property of the Licensee", at any time constructed, erected, laid, brought, placed or made upon the lands and premises of the Licensor for the purpose of **Laying**, **Manual III** and **Operating** the said **Cable** shall be entirely at the risk of the Licensee in respect of loss, damage, injury, destruction or accident from whatsoever cause arising, unless such damage or injury is due to the negligence of any officer or servant of Her Majesty the Queen in right of Canada while acting within the scope of his duties or employment.

5. Any damage or injury which may, during the existence of this Licence, be occasioned to the **Linds and predices of the Licensor** or any part thereof, or works connected therewith, by reason or on account of the permission hereby given shall, immediately upon notice thereof from the Licensor or his duly authorized agent, given either verbally or in writing, by the Licensee be repaired, rebuilt, replaced and restored to the entire satisfaction of the Licensor, or the Licensor may, at his option, repair such damage or injury, in which case the Licensee shall upon demand forthwith repay and reimburse the Licensor for all costs and expenses connected therewith or incidental thereto.

6. That the Licensee shall fulfil in all respects the requirements of Part I of the Navigable Waters' Protection Act, Chapter 193 of the Revised Statutes of Canada, 1952, as amended, and it is an express condition of this Licence that no "work" within the meaning of said Part I shall be undertaken or constructed on the lands and premises of the Licensor by the Licensee or shall be suffered or allowed by the Licensee to be constructed thereon until as regards such work the provisions of said Part I shall have been fully complied with.

7. That the Licence of Occupation dated the thirtieth day of October, 1918, bearing No. 709 in the records of the Department of Transport, granted by the Ontario Department of Lands and Forests to The Chatham Public Utilities Commission and assigned to The Department of Transport (Canada) by an Assignment dated the seventh day of April, 1964, bearing No. 73604 in the records of the Department of Transport of permission to enter upon, possess, use and enjoy for the purpose of laying down, constructing and maintaining two lines of submarine electric cables across the River Thames, in connection with the City's Hydro Electric System IS HEREBY CANCELLED AND SUPERSEDED BY THESE PRESENTS, as of, from and after the twenty-eighth day of February, 1971.

8. That, subject as in Clause No. 9 hereof provided, this Licence may be terminated at any time by the Licensee upon notice in writing delivered to or mailed addressed to the Department of Transport at Ottawa, Ontario, at any of Her Majesty's Post Offices.

1.21.

Licensee shall forthwith, upon notice from the Licensee's own cost and expense the property of the Licensee from the said lands and premises, own cost and expense the property of the Licensee from the said lands and premises of the Licensee's own cost and expense the property of the Licensee from the said lands and premises lace is a said lands and premises the licensee from the said lands and premises lace is a said lands and premises the licensee from the said lands and premises lace is a said lace is a sa the Licensee from the said lands and premises leaving and restoring, in case of cancellation of this Licence, the said lands and premises as nearly as possible in as neat and as clean a condition as originally, and, in case of removal for such repairs or improvements, in a condition satisfactory to the Licensor or his representative and in case of default of the Licensee to remove the said property of the Licensee as and in any of the cases above referred to, the said property shall become the property of and shall vest in the Licensor, without any right to compensation on the part of the Licensee therefor.

In case of removal by the Licensee of the property of the Licensee for the purposes of repairs or improvements to or on the said lands and premises as above referred to, the Licensee may, if the Licensor deem it expedient and the progress of the work is not thereby interfered with, temporarily maintain the said **Cable** 

in such manner or at such point as the Licensor may direct; the Licensee bearing all expenses and assuming all risk or damage. At the conclusion of the work the said may, if deemed expedient by the Licensor, be **re-laid** by the Licensee at the Licensee s own cost and expense and in exact accordance with

instructions and directions of the Licensor with respect thereto.

7. The Licensee shall indemnify and save harmless the Licensor from and against all claims and demands, loss, costs, expenses, damages and injury in any manner based upon, arising out of or connected with the existence of this Licence or anything done or maintained hereunder, unless such damage or injury is due to the negligence of any officer or servant of Her Majesty

# the Queen in right of Canada while acting within the scope of his duties or employment. a. This License may be cancelled forthwith at any time by notice in writing signed by the decretary of the Department of Transport of Canada and mailed addressed to the Licensee at 11.

5. Upon default or breach in respect of any provision or condition herein, the Licensor may, with or without notice, retake possession of the said premises and, thereupon, the Licensee shall forthwith remove the property of the Licensee from the said premises and upon his failure to do so, the said property shall become the property of and shall vest in the Licensor, without any right to compensation on the part of the Licensee therefor.

To. The Licensor shall have a lien upon the property of the Licensee for any loss or damage arising by reason of the breach of any of the conditions or provisions hereof, or the failure on the part of the Licensee to comply therewith.

DATED AT OTTAWA, Ontario, this

8th. day of april, A.D. 1971.

24. 21. hitmarch

Deputy Minister of Transport.

for

Secretary.

The Public Utilities Commission of the Corporation of the City of Chatham:

Licensee.

Chairman Secretary

13.

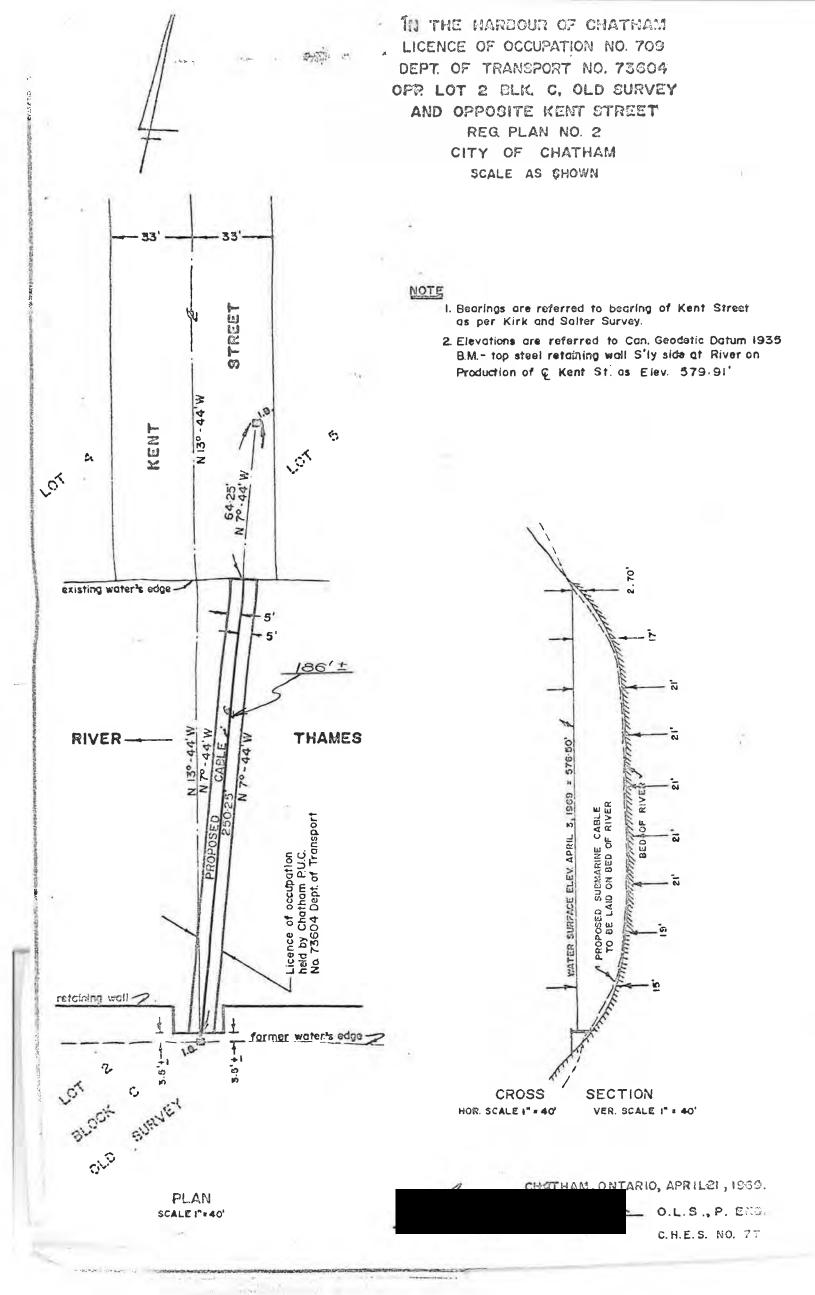
10.

12.

9.

WITNESS:





#### \* \* \*

#### **Environmental Conditions**

6.24.2 Nil.
6.24.3 Nil.
6.24.4 Nil.

Nil.

6.24.1

- 6.24.5 Nil.
- 6.24.6 Nil.
- 6.24.7 Nil.
- 6.24.8 Nil.
- 6.24.9 Nil.
- 6.24.10 Nil.
- 6.24.11 All relevant information has been disclosed in the Data Room.

\* \* \*

#### **Suppliers and Customers**

#### 6.25.1 Top 15 Suppliers – Entegrus Inc. Consolidated

#### # Supplier

- 1 HYDRO ONE
- 2 MUNICIPALITY OF CHATHAM-KENT
- 3 GREENFIELD SPECIALTY ALCOHOLS
- 4 MEARIE GROUP
- 5 CLARKE CONSTRUCTION INC
- 6 CANADIAN ELECTRICAL SERVICES
- 7 WESTHOEK CONSTRUCTION LIMITED
- 8 HARRIS COMPUTER SYSTEMS
- 9 CANADA POST CORPORATION
- 10 GREENFIELD SPECIALTY ALCOHOLS
- 11 POSI-PLUS TECHNOLOGIES INC.
- 12 ANIXTER POWER SOLUTIONS INC
- 13 CORP MUNIC STRATHROY CARADOC
- 14 TANTALUS SYSTEM CORP`
- 15 TELEVENT USA CORP

#### 6.25.2 Entegrus Top 10 Customers in Revenue 2016

#	Name
1	Municipality of Chatham-Kent
2	Meridian Technologies Inc
3	Autoliv Canada
4	Meritor Suspension Systems
5	Mahle Filter Systems Canada
6	Accurcast Inc
7	Meridian Technologies Inc
8	Bonduelle Canada Inc
9	Greenfield Specialities Alcohol
10	Dresden Industrial

\* \* \*

### **Rights to Use Personal Information**

6.26.3 Nil.

\* \* \*

### **Entegrus Employees and Employment Contracts**

6.27.3 All relevant information has been disclosed in the Data Room.

#### \* \* \*

#### Unions

- 6.28.1 Nil.
- 6.28.4 The following trade unions represent Entegrus Powerlines Inc. employees, subject to the collective bargaining agreements described below:
  - The International Brotherhood of Electrical Workers, A.F. OF L., C.I.O. & C.L.C., Local Union 636 (Outside Bargaining Unit Chatham outside employees) duration of collective agreement: January 1, 2015 December 31, 2018.
  - The International Brotherhood of Electrical Workers, A.F. OF L., C.I.O. & C.L.C., Local Union 636 (Inside Bargaining Unit Chatham and Strathroy inside employees) duration of collective agreement: January 1, 2015 December 31, 2018.
  - Power Workers' Union (CUPE Local 1000) (Strathroy outside employees) duration of collective agreement: January 1, 2015 December 31, 2018.

#### \* \* \*

### **Employees Benefits Matters**

#### 6.29.1:

6.29.1.1	Please	refer to	Schedule	6.27.

- 6.29.1.2 Nil.
- 6.29.1.3 The Entegrus Group provides all union and non-union employees with long-term disability, life insurance, health care, dental benefits and out of country health insurance through the MEARIE Group. In addition, the Entegrus Group provides these benefits to retirees under the age of 65, with the exception of life insurance. At the time of retirement, the company provides all employees with a paid up life insurance policy (\$5,000 for union employees and \$10,000 for non-union employees). Previous to the Chatham-Kent Municipal amalgamation on January 1, 1998, retirees from certain Chatham-Kent predecessor utilities were granted lifetime benefits (or in some cases, ongoing life insurance only).

The following benefit changes were effective with the commencement of the current Collective Bargaining Agreements on January 1, 2015 (except as noted below):

### All Union and Non-Union Employees:

- Vision (eye glasses) was increased from \$275/24 months to \$350/24 months.
- Licensed physiotherapist was increased from \$500/12 months to \$525/12 months.
- Registered masseur (up to \$25 per visit) was increased from \$300 calendar year to \$325 per calendar year.
- Licensed chiropractor (up to \$25 per visit) was increased from \$300 to \$325.

#### All Union Employees Only:

• Added enhanced generic drugs.

#### **IBEW Inside and Outside Employees Only:**

• Post-retirement benefits will be paid to age 65 only for those retiring employees (and eligible dependents) with a minimum of 10 years of service who take early OMERS retirement, and were hired on or after June 1, 2015.

• In the event of death of a retiree prior to age 65, benefits continue to be provided to the surviving spouse and eligible dependents until remarriage, or death up to the time at which the deceased retiree would have reached age 65.

### **PWU Only:**

• Licenced clinical psychologist, up to \$100 for the initial visit and \$80 for any subsequent visit, limited to a maximum of \$420 per calendar year.

### **Executives Only:**

• Annual comprehensive health assessment program.

### **Non-Union Only:**

- In lieu of STD, the employee has the ability to opt in to a practice whereby sick time can go into an overdraft balance until such time as the employee reaches LTD, and then later replenish the sick time upon return to work.
- 6.29.2 Nil.
- 6.29.3 Please refer to Schedule 6.27.
- 6.29.4 Nil.

\* \* \*

### **Pension Plans**

6.30.1 Nil.

\* \* \*

### **Insurance Policies**

The following is a list of all Insurance Policies, specifying the insurer, the amount of the coverage, the type of insurance, the policy number and any pending Claims with respect to each Insurance Policy:

### Liability:

Insured	Entegrus Inc. Group (Powerlines, Transmission, Services)		
Insurer	MEARIE (Municipal Electric Association Reciprocal Insurance Exchange)		
Policy #	L2017CHAT1		
Policy Period	January 1, 2017 – January 1, 2018		
Coverage Liability Policy (General, Bodily and Personal Injury, Property Damage, Te Environmental Impairment, Errors and Omissions, Professional Liability, Non-Owned Automobile, Enhanced Plus+Directors and Officers Liability, Cyber and Network Security)			
Amount of Coverage	\$30,000,000 each Accident, Event, Occurrence or wrongful act \$10,000,000 with respect to Claims related to Terrorism \$10,000,000 with respect to claims related to Non-regulated Professional Services		
Pending Claims	NIL		

### **Property:**

Insured	Entegrus Inc. Group (Powerlines, Transmission, Services)		
Insurer	MEARIE (Municipal Electric Association Reciprocal Insurance Exchange)		
Policy #	P2017CHAT1		
Policy Period	January 1, 2017 – January 1, 2018		
Coverage	Property Program Policy (Property damage, Business Interruption)		
Amount of Coverage	Limit of Liability \$42,768,146 (Breakdown over coverage provided in policy document)		
Pending Claims	There is currently a claim pending under our property insurance for a fire that occurred at 100 Irwin Street, causing damage to the equipment in our Biogas facility. A full report and investigation by the adjusters is taking place and the value of the claim will then be determined.		

Vehicle:

Insured	Entegrus Inc. Group (Powerlines, Transmission, Services)
Insurer	MEARIE (Municipal Electric Association Reciprocal Insurance Exchange)
Policy #	V2017CHAT1
Policy Period	January 1, 2017 – January 1, 2018
Coverage	Vehicle Program Policy
Amount of Coverage	\$21,000,000
Pending Claims	NIL

## Supplemental Insurance:

Insured	Entegrus Inc. Group (Powerlines, Transmission, Services)
Insurer	CHUBB Insurance Company of Canada
Policy #	9907-47-60
Policy Period	January 1, 2017 – January 1, 2018
Coverage	Business Travel Accident Insurance for Directors and Officers
Amount of Coverage	Accident Death and Dismemberment Benefit to a maximum of \$1,500,000. Additional benefits and amounts in relations to accident provided under this policy.
Pending Claims	NIL

\* \* \*

# Litigation

6.32.1 All relevant information has been disclosed in the Data Room.

#### \* \* \*

### North-Kent Wind Limited Partnership

### 6.37

- Remaining St. Clair Region Conservation Authority (SCRCA) Permits.
- Building Permits as required by the Municipality of Chatham Kent.
- IESO Authorization as Market Participant.
- IESO Connection Authorization.
- IESO New Facility Notification; Authorization to Generate.
- Electrical Safety Authority Certificate of Inspection.
- Ministry of Natural Resources and Forestry approval of Operational Mitigation Plan for endangered bird and bat species.
- Ministry of Transportation Highway 40 Crossing Permit for Collection System.

# Attachment L

Board of Directors' Resolutions of Approval

Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Attachment 6 Page 1 of 1

# **ATTACHMENT 6**

- 1 2
- <sup>3</sup> This exhibit has been filed separately in confidence.

### **DEVEREUX Shauna**

From:	PIERRE Stefanie
Sent:	Wednesday, April 18, 2018 9:06 AM
То:	CHOUDHRY Musaab
Subject:	FW: Edgeware TS M7and M8 feeder purchase

Stefanie S Pierre, MSc, P.Eng Account Executive Mobile: 647.261.9575

From: Keith McAllister [mailto:keith.mcallister@entegrus.com]
Sent: Wednesday, December 20, 2017 11:54 AM
To: PIERRE Stefanie; Patricia Coca
Cc: Robert Kent
Subject: RE: Edgeware TS M7and M8 feeder purchase

\*\*\* Exercise caution. This is an EXTERNAL email. DO NOT open attachments or click links from unknown senders or unexpected email. \*\*\*

Hi Stefanie,

St. Thomas Energy Inc. agrees that we will sell Hydro One the 2 feeders that currently connect to Formet Industries. For further clarification, this includes the conductor, insulators and insulator standoff hardware. The pole are joint use poles and are not considered part of the feeder. We are working on the pricing for this transaction and we agree to complete this transfer in the new year (2018).

Sincerely,

# Keith Mcallister, P.Eng.

VP Engineering and Operations Office: 519-352-6300 ext 232 Fax: 519-380-2357 Keith.mcallister@entegrus.com

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From: <u>Stefanie.Pierre@HydroOne.com</u> [mailto:Stefanie.Pierre@HydroOne.com]
Sent: Thursday, December 14, 2017 4:47 PM
To: Keith McAllister <<u>keith.mcallister@entegrus.com</u>>; Patricia Coca <<u>PCoca@sttenergy.com</u>>
Subject: Edgeware TS M7and M8 feeder purchase

Keith and Patricia,

Please accept this email as a notice that Hydro One would like to purchase the two (2) 27.6 kV dedicated feeders to Formet Industries from Edgeware TS, as indicated in Section 4 of the attached agreement, after Dec 31<sup>st</sup>, 2017.

As discussed, please reply to this email and confirm that you are in agreement and both parties will move forward with this sale after Jan 1, 2018. Thanks,

### Stefanie S Pierre, MSc, P.Eng

Account Executive Key Account Management Hydro One Networks Inc 6975 Kenderry Gate Mississauga, ON L5T 2Y1 Mobile: 647.261.9575

Stefanie.pierre@hydroone.com www.hydroone.com

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320 Queen Street, Po Box 70 Chatham, Ontario N7M 5K2 Ph (519) 352-6300

То:	Invoice No.:	1000013177
HYDRO ONE NETWORKS INC.	Date:	6/14/2021
99 DRUMMOND ST W	Due Date:	7/14/2021
PERTH ON	Customer No.:	HY08
к7Н 3Е7	Amount Paid:	

Interest is charged at 1.25% monthly on overdue accounts. PLEASE CUT AND REMIT THE ABOVE PORTION WITH YOUR CHEQUE PAYABLE TO: ENTEGRUS POWERLINES INC.

Notes: 2018 - 2020 JOINT USE POLE

Description		Amount
POLE RENTAL FEES - ST THOMAS AREA		
	RATE / POLE	
2018 - 87 Poles	\$28	\$.61 \$2,489.07
2019 - 87 Poles	\$43	\$.63 \$3,795.81
2020 - 87 Poles	\$44	.50 \$3,871.50
	Sub	otal \$10,156.38
		HST \$1,320.33
	AMOUNT	DUE \$11,476.71

Terms:		
Net 30 days		

Billing on behalf of: Entegrus Powerlines HST#894290014, Entegrus Service Inc. HST#863560967, Entegrus Energy Inc. HST#894286012 and Entegrus Transmission HST#849844916



320 Queen Street, Po Box 70 Chatham, Ontario N7M 5K2 Ph (519) 352-6300

То:	Invoice No.:	1000013178
HYDRO ONE NETWORKS INC.	Date:	6/15/2021
483 BAT ST, 6TH FLOOR	Due Date:	7/15/2021
TORONTO ON M5G 2P5	Customer No.:	HY03
ATT: MUSAAB CHOUDHRY Musaab.Choudhry@HydroOne.com	Amount Paid:	

Interest is charged at 1.25% monthly on overdue accounts. PLEASE CUT AND REMIT THE ABOVE PORTION WITH YOUR CHEQUE PAYABLE TO: ENTEGRUS POWERLINES INC.

Notes: FORMET PLANT

 Description
 Amount

 FORMET PLANT - January 1, 2018 Book Value as per Agreement
 \$116,430.92

 FORMET PLANT - January 1, 2018 Book Value as per Agreement
 Image: Comparison of the system of the system

-	-			
Net	30 days			

Billing on behalf of: Entegrus Powerlines HST#894290014, Entegrus Service Inc. HST#863560967, Entegrus Energy Inc. HST#894286012 and Entegrus Transmission HST#849844916

Filed: 2023-04-17 EB-2022-0178 HONI-Intervenor Evidence Attachment 9 Page 1 of 1

# **ATTACHMENT 9**

- 1 2
- <sup>3</sup> This exhibit has been filed separately in confidence.